

Budget Statement

FY2026



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AEO	Saudi Authorized Economic Operator
AI	Artificial Intelligence
Bn	Billion
CAPEX	Capital Expenditures
CCE	Centre for Cyber Economics
CIPS	Chartered Institute of Procurement and Supply
CPI	Consumer Price Index
DARP	Pilgrim Experience Program
ESCWA	Economic and Social Commission for Western Asia
FDI	Foreign Direct Investment
FSDP	Financial Sector Development Program
FY	Fiscal Year
GACA	General Authority of Civil Aviation
GASTAT	General Authority for Statistics
GCF	Global Cybersecurity Forum
GCI	Global Cybersecurity Index
GDP	Gross Domestic Product
GEOSA	General Authority for Survey and Geospatial Information
GFSA	General Food Security Authority
GFCE	Government Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
GFSM 2014	Government Finance Statistics Manual
GIS	Geographic Information System
GKI	Geospatial Knowledge Infrastructure
H1	First Half of the Year
ICT	Information and Communications Technology
IMD	International Institute for Management Development
IMF	International Monetary Fund
IPR	Intellectual Property Rights
ITU	International Telecommunication Union
KAIG	King Abdullah International Gardens

kb/d	Thousand Barrels Per Day
mb/d	Million Barrels Per Day
MENA	Middle East and North Africa
MEWA	Ministry of Environment, Water and Agriculture
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOH	Ministry of Health
MOIA	Ministry of Islamic Affairs, Dawah and Guidance
NCGR	National Center for Government Resources Systems
NCW	National Center for Wildlife
NDF	National Development Fund
NIDL	National Industrial Development and Logistics Program
NIS	National Investment Strategy
OPEX	Operational Expenditures
PFCE	Private Final Consumption Expenditure
PIF	Public Investment Fund
PMI	Purchasing Managers' Index
POS	Point of Sale
Q1	First Quarter of the Year
Q2	Second Quarter of the Year
Q3	Third Quarter of the Year
Q4	Fourth Quarter of the Year
RCU	Royal Commission of AlUla
REPI	Real Estate Price Index
RGA	Roads General Authority
SAMA	Saudi Central Bank
ﷵ	Saudi Arabian Riyal
SIDF	Saudi Industrial Development Fund
SIO	Saudi Irrigation Organization
SMEs	Small and Medium-sized Enterprises
TDF	Tourism Development Fund

Introduction

The Saudi Ministry of Finance (MoF) publishes the Budget Statement for Fiscal Year 2026 (FY2026) that outlines the approved budget details, including revenues and expenditures according to the economic and sectoral classifications, deficit or surplus levels, and public debt. It also reviews the economic and fiscal developments in FY2025, key projections for FY2026, and the medium-term outlook. In addition, the Budget Statement presents key economic enablers and projects implemented in FY2025, FY2026 objectives, along with key fiscal risks for and FY2026 and over the medium term, as well as their management mechanisms.

The Budget Statement demonstrates MoF's commitment to improve the level of fiscal disclosure and transparency, and increase the efficiency of public finance management, which are key pillars in enhancing budget preparation and execution. The classification of the fiscal data referenced here adheres to the Government Finance Statistics Manual (GFSM 2014), published by the International Monetary Fund (IMF), which provides a standardized international framework.

Executive Summary of the Fiscal and Economic Framework for the Budget

Since the launch of Saudi Vision 2030, the Saudi economy has undergone a wide-ranging structural transformation, driven by the government's ongoing efforts to implement a set of comprehensive structural, financial, and economic reforms, along with strategic spending directed toward national priorities. The aim of these efforts is to diversify and expand the economic base, enhance spending efficiency, and ensure fiscal sustainability. As a result, a more diversified and sustainable economic structure has been established, enhancing the positive performance of the Saudi economy despite challenges and volatility in the global economy.

The non-oil activities has continued to lead economic growth in the Kingdom, confirming the success of the development approach under Saudi Vision 2030. This includes the role of reforms in enhancing the private sector contribution to Gross Domestic Product (GDP) and containing inflation rates below global levels. This robust performance reflects the efficiency of the reforms in enhancing the resilience of the national economy, improving its ability to respond to changes and withstand shocks, thereby reinforcing the foundations for economic growth and long-term fiscal sustainability.

From the beginning of FY2025 until Q3, **GDP¹** grew by 4.1% compared to the same period last year, driven by a 4.7% increase in **non-oil activities**. This is attributed to growing domestic demand, reflected in higher consumption and investment, resulting from expansion across diverse economic sectors, including promising ones. It is also due to the impact of continued economic diversification which supported the growth of non-oil activities and enhanced the role of the

¹ Data for Q3 FY2025 are based on flash estimates published by GASTAT

private sector and its ability to create jobs and attract investment. At the same time, **oil activities** grew by 3.9%, due to the gradual increase in production levels following the “OPEC+” decision to phase out the additional voluntary cuts.

The Saudi economy is expected to sustain positive growth rates. Preliminary estimates for FY2025 indicate an annual **real GDP** growth rate of approximately 4.4%, supported by 5.0% growth in **non-oil activities**. This performance is driven by the ongoing expansion of economic activities, spurred by increased investment and higher consumption levels. The Kingdom also maintained acceptable inflation levels, with preliminary estimates for FY2025 showing a **Consumer Price Index (CPI)** rate of 2.3%. This is due to the Kingdom’s fiscal and monetary policies, which aim to ensure price stability and contain inflation.

For FY2026, preliminary estimates indicate **real GDP** growth of 4.6%, driven by the growth of **non-oil activities** as the engine of economic growth.

In terms of fiscal performance for FY2025, **total revenues** are expected to reach approximately $\text{SAR} 1,091$ bn, a decline of around 7.8% compared to the budget estimates. This decline is mainly attributed to lower oil prices during FY2025. Conversely, non-oil revenues are expected to exceed the budget estimate by the end of FY2025, driven by the growth in non-oil activities. This reflects the Kingdom’s efforts in implementing initiatives and reforms to diversify the national economy and enhance non-oil revenues.

In FY2026, **total revenues** are projected to reach about $\text{SAR} 1,147$ bn, an increase of 5.1% compared to the amount expected by the end of FY2025. This increase is attributed to the positive projections for economic activities in FY2026. In addition, **total revenues** are estimated to reach about $\text{SAR} 1,294$ bn in FY2028, supported by economic growth.

As a result of the ongoing efforts to support promising sectors in order to achieve the objectives of Saudi Vision 2030, diversify the economic base, and achieve inclusive growth—through targeted spending on national strategies and giga-projects, improving the quality of essential services such as education and healthcare, and enhancing the efficiency of the social support and protection system to ensure aid reaches intended beneficiaries and achieves sustainable social and economic impacts—**total expenditures** are expected to reach $\text{SAR } 1,336$ bn in FY2025, an increase of 4.0% compared to the approved budget.

As part of this approach, the government remains focused on enhancing spending efficiency and improving the quality of essential services, while continuing the implementation of giga-projects and top-priority national strategies in line with the objectives of Saudi Vision 2030. This includes ongoing efforts to develop infrastructure, improve the quality of life, and enhance the quality of public services provided to citizens, residents, and visitors. Accordingly, the budget for FY2026 and plans over the medium term reflect a flexible and balanced fiscal approach. **Total expenditures** are projected to reach about $\text{SAR } 1,313$ bn in FY2026 and around $\text{SAR } 1,419$ bn in FY2028.

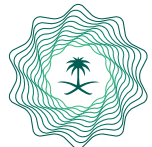
Updated estimates for the FY2025 budget indicate a **budget deficit** of approximately $\text{SAR } 245$ bn (5.3% of GDP). It is also projected that the budget **deficit** will reach around $\text{SAR } 165$ bn in FY2026 (3.3% of GDP). The budget deficit is estimated to continue at lower levels over the medium term, due to the government's adoption of targeted countercyclical spending policies. The government is committed to maintaining a balance between responding to economic cycles and adhering to fiscal sustainability targets. This is achieved through flexible public fiscal management that continues to support growth while maintaining fiscal discipline over the medium and long term.

In order to meet financing needs and in accordance with the approved annual borrowing plan, domestic and external borrowing activities through public and private channels are expected to continue to finance the expected budget deficit and to repay debt principal projected in FY2026 and over the medium-term. The Kingdom also aims to benefit from available opportunities, based on market conditions, to implement additional proactive funding activities to repay debt principal maturing in the coming years. It also seeks to utilize market opportunities to implement alternative government funding activities to finance transformative spending on capital and infrastructure projects. Thus, the total **public debt balance** is expected to reach about ﷲ1,457 bn in FY2025 (31.7% of GDP). It is also projected that the **public debt balance** in FY2026 will reach about ﷲ1,622 bn (32.7% of GDP).

The FY2026 budget aims to strengthen the Kingdom's strong fiscal position, as well as maintain sustainable levels of public debt and considerable financial reserves. This contributes to achieving sustainable economic growth and preserving flexibility to deal with shocks, crises, or urgent needs. It is expected that **the government reserves** at the Saudi Central Bank (SAMA) will be maintained by the end of FY2026 at the same level as FY2025, reaching about ﷲ390 bn.

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Economic Development and Outlook



Section 1:

Economic Development and Outlook

A. Global Economy

Global Economic Growth

Global economic growth remains slow, with expectations of relative stability in the medium-term outlook. This slowdown comes amid escalating geopolitical tensions, as several countries have adopted protectionist policies, including imposing trade barriers and increasing tariffs, further increasing uncertainty about the future of global growth. At the same time, global debt levels have continued to rise, creating a growing challenge to the fiscal sustainability of various countries, particularly emerging markets and developing economies. Despite these challenges, global inflation rates have been gradually declining, encouraging several central banks worldwide to adopt a less restrictive monetary policy by maintaining or gradually lowering interest rates to support economic activity. The US Federal Reserve cut interest rates by 25 basis points in October of FY2025, with additional reductions expected before year-end².

The IMF, according to its World Economic Outlook (WEO) report for October FY2025, predicts that global economic growth will slightly decline from 3.3% in FY2024 to 3.2% and 3.1% in FY2025 and FY2026, respectively, driven by expected slower growth in advanced economies as well as in emerging markets and developing economies. Its estimates also indicate that advanced economies will experience a modest growth of 1.6% in FY2025 and FY2026, compared to 1.8% in FY2024. Meanwhile, growth in emerging markets and developing economies is projected at 4.2% in FY2025 and 4.0% in FY2026, compared to 4.3% in FY2024.

² Bloomberg

The IMF projects that the global inflation rate will decline from 5.8% in FY2024 to 4.2% in FY2025 and further to 3.7% in FY2026.

Estimates for Global Economic Growth & Inflation

Year	2024 Actual	2025 Estimates	2026 Estimates
Global Economy	3.3%	3.2%	3.1%
Advanced Economies	1.8%	1.6%	1.6%
USA	2.8%	2.0%	2.1%
Euro Area	0.9%	1.2%	1.1%
Japan	0.1%	1.1%	0.6%
Emerging Markets & Developing Economies	4.3%	4.2%	4.0%
China	5.0%	4.8%	4.2%
India	6.5%	6.6%	6.2%
Saudi Arabia ³	2.0%	4.0%	4.0%
Inflation			
Global Inflation	5.8%	4.2%	3.7%
Inflation in Advanced Economies	2.6%	2.5%	2.2%
Inflation in Emerging Markets & Developing Economies	7.9%	5.3%	4.7%

Source: IMF-WEO (October, 2025)

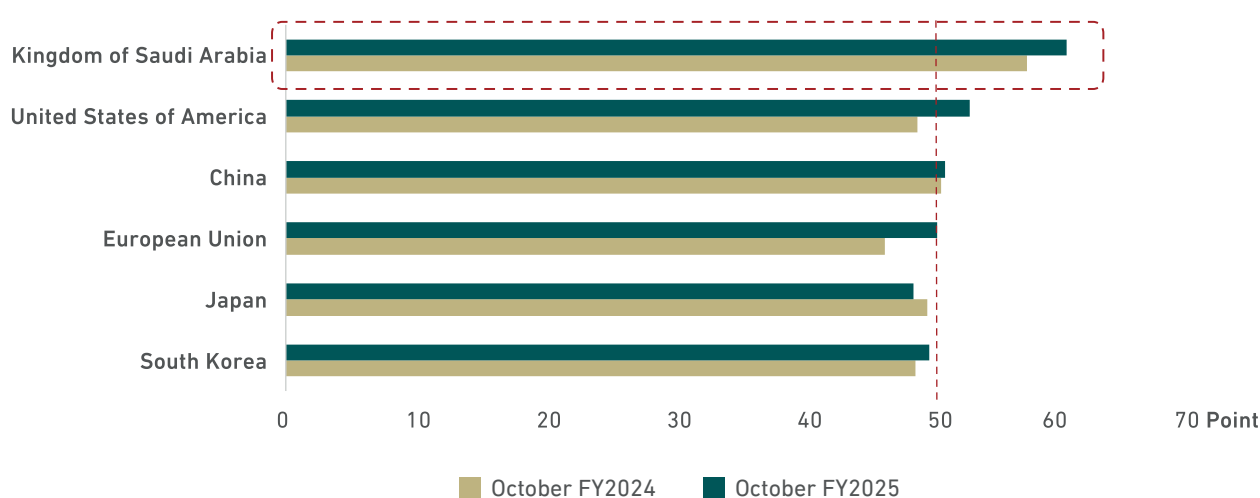
³ IMF estimates

Global Purchasing Managers' Index

The Purchasing Managers' Index⁴ (PMI) is one of the most important economic indicators for tracking the growth of private sector's manufacturing and services globally. In FY2025, global PMI showed variability due to the ongoing uncertainty in trade policies and interest rates, which negatively influenced investment and expansion decisions for many companies. Nevertheless, the Kingdom of Saudi Arabia continued to record very high PMI levels during that period, exceeding the neutral level of 50 points, followed by the United States, China, and the European Union. Meanwhile, Japan, and South Korea generally remained below this level.

PMI readings indicate that the Kingdom of Saudi Arabia recorded 60.2 points by the end of October FY2025. This positive performance reflects the proactive measures and policies adopted by the government to empower the private sector as a key driver of economic growth, as well as its efforts to develop a competitive and investment-stimulating business environment.

The Purchasing Managers' Index



Source: S&P Global-Riyadh Bank

⁴ PMI is an economic indicator published by S&P Global and Riyadh Bank (for Saudi Arabia). It is based on survey data and provides insights into the private sector's performance, offering early indications of economic trends ahead of official GDP data. PMI includes several sub-indicators, including (new orders, production, employment, and costs). A reading of 50 points represents the neutral level, with values above 50 signaling private sector expansion, and values below 50 indicating contraction.

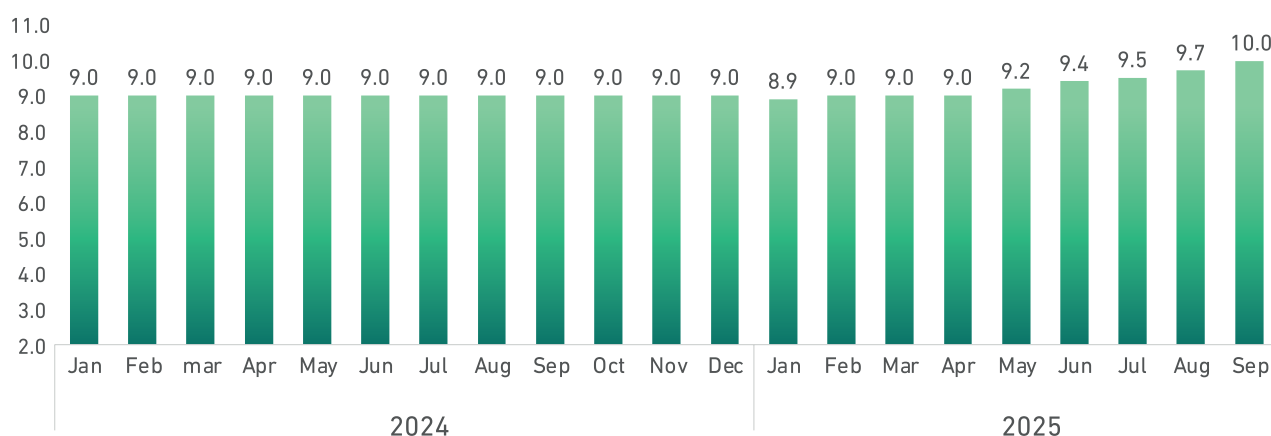
Oil Markets

Global oil markets experienced an increase in demand, positively impacting Saudi Arabia's crude oil supply levels. This growth was further supported by the decision of the eight OPEC+ member countries participating in the voluntary production cuts to implement a gradual and flexible plan to phase out the additional voluntary cut of 2.2 mb/d introduced in November FY2023, starting from April until the end of September FY2025.

The Kingdom's crude oil supply recorded an annual increase of approximately 1 mb/d in September FY2025, bringing total production to around 10.0 mb/d, 11% increase compared to the same period last year. Additionally, the Kingdom began implementing a gradual and flexible plan to phase out the April FY2023 voluntary production cut of 1.65 mb/d, with around 137 kb/d restored in October and November FY2025. As announced during the latest meeting of the eight OPEC+ member countries participating in the voluntary production cuts, held on October 5, 2025, Saudi Arabia's oil supply is expected to reach 10.1 mb/d in November 2025.

Saudi Arabia's Average Crude Oil Supply

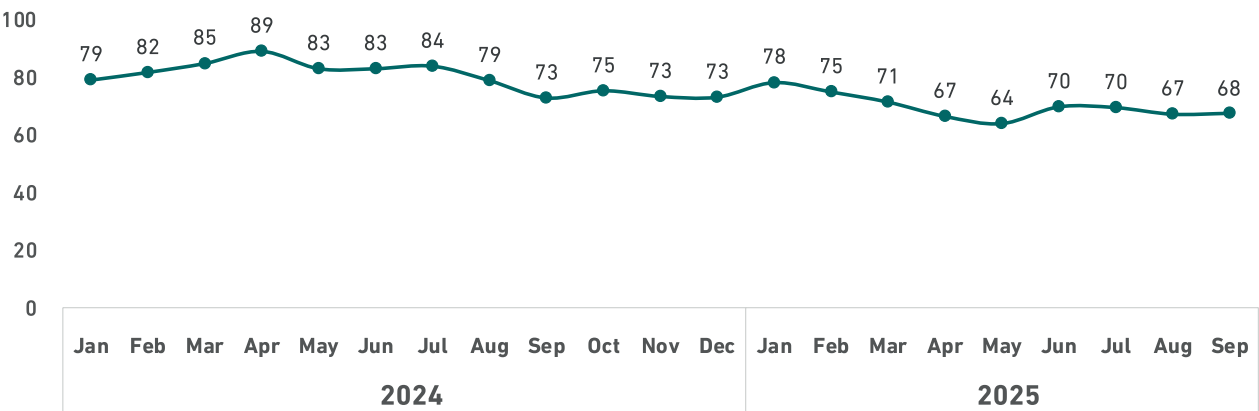
(Million bpd)



Source: JODI

In terms of oil prices, the average price of Brent crude oil reached USD 69.9 per barrel from January FY2025 until September FY2025, a 14.5% decrease compared to the average for the same period last year. This decline is mainly attributed to the repercussions of global trade and geopolitical tensions, which have significantly contributed to heightened price volatility in oil markets.

Average Prices of Brent Crude Futures
(USD Per Barrel)



Source: Reuters

B. Domestic Economy

- **Real Sector**

In FY2025, the Saudi economy demonstrated resilience and flexibility amid global economic challenges. This was reflected in the positive performance of economic indicators and activities, confirming the success of the ambitious Saudi Vision 2030 in establishing a comprehensive financial and economic system.

In FY2024, **non-oil activities** experienced strong and accelerated growth, achieving a historic high of ~~٢٠~~ 2.6 tn, with an annual growth rate of 6.0%. This made them the main driver of GDP growth, contributing 3.2 percentage points during the same period. This positive performance is due to the ongoing expansion of promising economic sectors, notably tourism, entertainment, industry, transportation, and logistics services. Progress in government digital services and fintech has further supported economic growth and enhanced its sustainability. At the same time, private consumption grew due to higher employment rates, in line achievement of Saudi Vision 2030 objective. Over the past three years, **the growth of non-oil activities** at constant prices has averaged around 8.5%, reflecting the implementation of structural reforms in the Saudi economy. These reforms have supported sustainable growth and ensured a strong and consistent performance since overcoming the implications of the COVID-19 pandemic.

From the beginning of FY2025 until Q3, **real GDP**⁵ grew by 4.1% compared to the same period last year. This growth is due to expansion across various non-oil activities, with **the GDP of non-oil activities** recording an annual increase of 4.7% during the same period. This growth stemmed from increased domestic demand, driven by higher income levels resulting from increased employment and historically low Saudi unemployment rates. In addition, the expansion of

⁵ Data for Q3 FY2025 are based on flash estimates published by GASTAT

investments, implementation of giga-projects, and enhanced role of the private sector boosted the competitiveness of non-oil sectors and helped sustain their growth independent of oil market volatility.

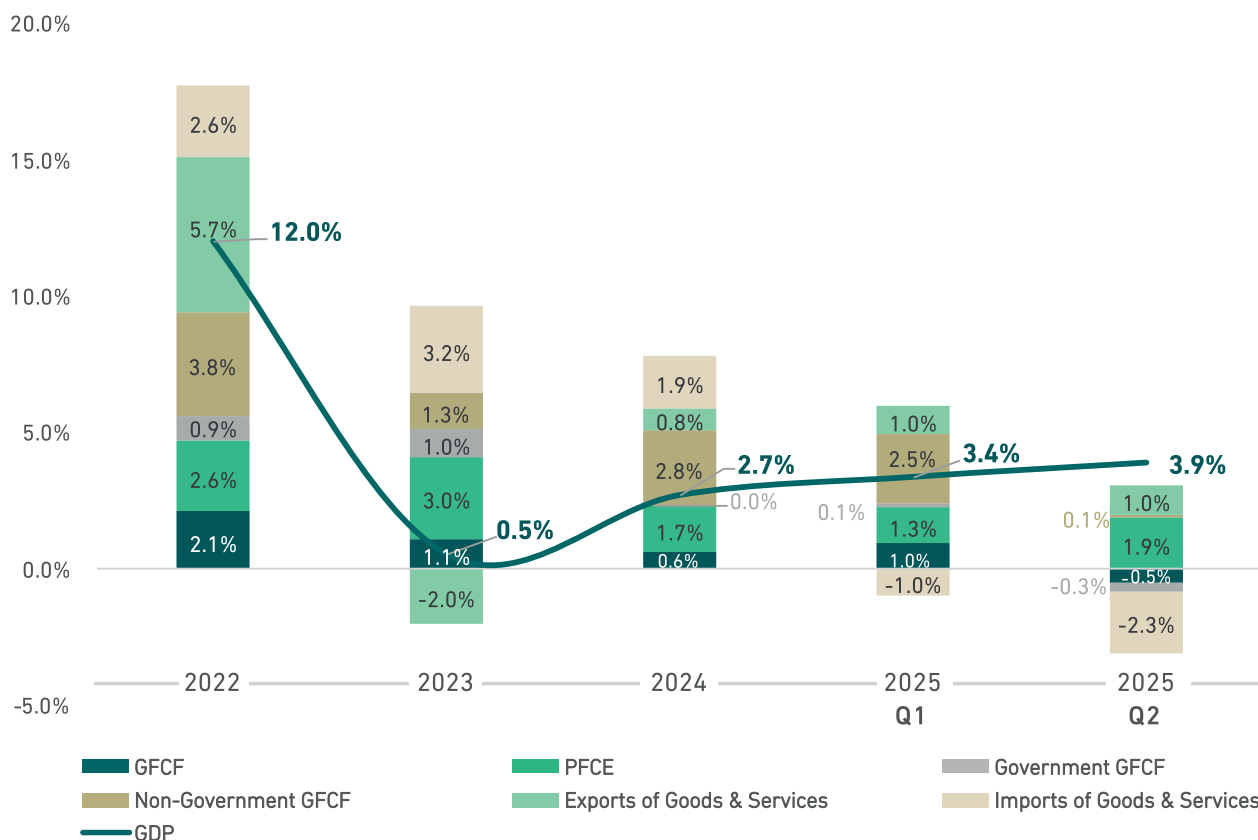
The GDP of oil activities increased by 3.9%, due to the decision of the eight OPEC+ member countries participating in the voluntary production cut to begin implementing a gradual and flexible plan to phase out the additional voluntary production cut of 2.2 mb/d introduced in November 2023, starting from April until the end of September FY2025. Meanwhile, **the GDP of government activities** grew by 1.9% during the same period, driven by the accelerated implementation of projects and programs with sustainable economic impact that contribute to advancing development.

A quarterly analysis of real GDP Performance for **non-oil activities** shows a 4.9% annual growth in Q1 of FY2025, followed by continued positive growth of 4.6% in Q2 of FY2025. As a result, most non-oil activities performed positively in Q2 of FY2025. Wholesale and retail trade, and restaurants and hotels activities grew by 6.6%; financial, insurance, and business services increased by 5.0%, while the construction sector grew by 3.8%. Further, based on the flash estimates for Q3 of FY2025 published by GASTAT, **non-oil activities** maintained positive growth, increasing by 4.5% on an annual basis.

By **GDP expenditure components**⁶, Gross Fixed Capital Formation (GFCF) in the non-government sector – private investment – was the largest contributor to real GDP growth in Q1 of FY2025, contributing 2.5%, while Private Final Consumption Expenditure (PFCE) contributed 1.3%. In Q2 of FY2025, PFCE was the main driver of real GDP growth, contributing 1.9%, followed by exports of goods and services at 1.0%.

⁶ Source: GASTAT

Contribution to Real GDP Growth by Expenditure Components



Source: GASTAT

Given the positive trends in economic indicators during FY2025, the Saudi economy is expected to maintain positive growth rates, with preliminary estimates indicating that **real GDP** will increase by about 4.4%. This is attributed to the strong performance of **non-oil activities**, which are projected to grow by 5.0%, driven by the sustained positive momentum and steady growth observed in FY2025.

In this context, the Saudi economy maintained positive performance in H1 of FY2025, reflecting the resilience of the economic fundamentals and the effectiveness of structural reforms. **real PECE** grew by 3.5% compared to the same period last year, driven by the recovery of several activities, most notably wholesale and retail trade, and restaurants and hotels activities. This growth coincided with the continued expansion of Saudization programs and improvements in the labor market, which supported the purchasing power of Saudi households and increased domestic demand. It also reflects the growing

diversification of the national economy through the expansion of promising sectors such as tourism and entertainment, as well as growth in domestic and international tourism, thereby boosting economic activity and creating new job opportunities. In addition, this performance further highlights the robustness of domestic demand and its pivotal role in supporting GDP and ensuring the sustainability of economic growth.

From the beginning of FY2025 until the end of August, **e-commerce sales**⁷ increased by 64.3% compared to the same period last year, while **point-of-sale (POS) sales** increased by 6.1% during the same period. Moreover, electronic payment indicators demonstrated rapid progress toward digital transformation. In FY2024, **electronic payments** accounted for 79% of total individual payment transactions, surpassing the 70% target set by the Financial Sector Development Program (FSDP) for FY2025. This reflects the expanding role of advanced digital infrastructure in improving the efficiency of national payment systems and accelerating the shift towards digital transactions, thereby reducing reliance on cash and promoting financial inclusion.

In terms of investment, **real GFCF in the non-government sector – private investment** – recorded an annual growth rate of 4.6% in H1 of FY2025. This increase was driven by a 5.2% rise in **real GFCF in the non-oil sector**. **Net foreign direct investment (FDI)** inflows amounted to around $\text{SAR}46.5$ bn in H1 of FY2025, an annual growth of 29.2%. This reflects the sustained appeal of the Kingdom's business environment to both domestic and international investors, alongside increasing confidence in the resilience and future outlook of the national economy. It also emphasizes the growing role of the private sector in fostering capital investment, which supports economic growth and enhances the productive capacity of the economy over the medium and long term.

⁷ E-commerce index via Mada cards

This positive economic performance was accompanied by notable strength in the non-oil private sector, which maintained steady growth, supported by higher production levels and increased demand. The average **PMI** increased significantly to reach 60.2 points by the end of October FY2025, marking the second highest level since September FY2014. It is worth noting that the Kingdom has remained above the neutral level of (50 points) for over four consecutive years, indicating a marked improvement in operating conditions, accelerated new orders, and increased production, thereby directly leading to higher employment rates, with job creation accelerating significantly.

In terms of the labor market, data from the General Authority for Statistics (GASTAT) indicated a decline in **the overall unemployment rate** to 3.2% in Q2 of FY2025, compared to around 3.3% in Q2 of FY2024. Additionally, the **Saudi unemployment rate** dropped to 6.8% in Q2 of FY2025, compared to 7.1% in the same period last year. **Saudi women's participation in the labor market** reached 34.5%, while the **number of Saudi employees in the private sector** increased by about 144.1 thousand employees on an annual basis, reaching a total of around 2.5 million employees. These developments demonstrate the success of government policies in fostering employment and increasing national workforce participation across economic sectors in line with Saudi Vision 2030 objectives.

Furthermore, the tourism sector played a pivotal role in driving economic growth in FY2025. According to the "World Tourism Barometer" report published by UN Tourism, **the Kingdom of Saudi Arabia ranked first globally in international tourism revenue growth** in Q1 of FY2025 compared to the same period in FY2019, marking a major milestone for the Kingdom's tourism sector. The report further highlighted that Saudi Arabia ranked third worldwide in the growth of international tourist arrivals and second in the Middle East at the same time. In Q1 of FY2025,

the Kingdom recorded an exceptional increase of 102% in international tourist arrivals compared to Q1 of FY2019, significantly surpassing the global average of 3% and the Middle East average of 44%. This outstanding performance highlights the rapid progress the Kingdom has made in enhancing its tourism capabilities and strengthening its position as a premier global destination, in line with Saudi Vision 2030 objectives to diversify the national economy and boost the tourism's sector contribution to GDP. Through these remarkable results, the Kingdom further reinforces its position as a premier global tourist destination, while raising its target of hosting 150 million tourists annually by 2030, reaffirming its commitment to develop the tourism sector as a central pillar of comprehensive national development.

Inflation Rates

According to the actual data published by GASTAT, **the average CPI (inflation rate)**⁸ increased by 2.0% from the beginning of FY2025 until October FY2025, compared to the same period last year. The “insurance and financial services” category recorded the highest increase among the main categories in the general price rising to 6.7%. This was followed by the “housing, water, electricity, gas, and other fuels” and “personal care, social protection, and other goods and services” categories which grew by 6.5% and 4.8% respectively. On the other hand, the “furnishings, household equipment, and routine home maintenance” category recorded a decrease among the main categories in the general price index, declining by 0.9%, followed by the “health” category which declined by 0.3%.

Since the beginning of FY2025 until October FY2025, the **average Wholesale Price Index (WPI)** increased by 1.9% compared to the same period last year. The “agricultural and fisheries products” category registered the highest increase of 4.3%, while the “other transportable goods except metal products, machinery and equipment” category increased by 3.9% during the same period.

⁸ According to the updated CPI methodology, using FY2023 as the base year (100=2023)

Moreover, the average **Real Estate Price Index (REPI)** increased by 2.9% until Q3 of FY2025 compared to the same period last year. This is attributed to a 7.0% increase in commercial real estate, and a 1.5% increase in residential real estate.

Preliminary estimates indicate that the **inflation rate** for FY2025 will reach around 2.3%, as the Kingdom has maintained relatively acceptable levels of inflation compared to global inflation. This is due to the Kingdom's implementation of various fiscal and monetary policies aimed at stabilizing prices and mitigating their increases, along with the continued improvement in the Kingdom's economic conditions.

International Trade & Balance of Payments

Amid the ongoing implementation of Saudi Vision 2030 initiatives to diversify the economy and boost non-oil exports, the International Trade report published by GASTAT revealed that the Kingdom recorded a surplus of about $\text{S\$}162.0$ bn in the **merchandise trade balance** from the beginning of FY2025 until Q3 of FY2025. This was driven by the strong performance of non-oil merchandise exports during the same period, recording an annual growth of 17.7%. This growth reflects the enhanced competitiveness of national products and reinforces the Kingdom's standing in global trade. Furthermore, **merchandise imports** recorded an annual growth of about 10.4% from the beginning of FY2025 until Q3 FY2025. Despite this growth, the majority of merchandise imports consist of **intermediate and capital imports** used in production process, accounting for a 68.9% of total imports. In addition, intermediate and capital imports grew by about 11.9% during the same period, which is a positive indicator of the improvement in the production process. This supports the optimistic outlook for the non-oil economy over the near and medium term.

The **travel item** in the balance of payments maintained positive growth rates, recording a surplus of $\text{ﷲ}32.2$ bn in H1 of FY2025. This was driven by the Kingdom's thriving tourism sector, supported by a range of government initiatives aimed at fostering tourism, including the development of tourist destinations and infrastructure, along with the launch of Saudi eVisa which facilitated the arrival of visitors and tourists from around the world.

Foreign Direct Investment

The Kingdom has successfully enhanced its economic position by attracting **foreign direct investment**, with net inflows reaching $\text{ﷲ}46.5$ bn in H1 of FY2025, a growth rate of 29.2% compared to the same period last year.

- **Financial Sector**

The **Saudi banking sector** continues to play a pivotal role in driving the national economy, as **total bank assets** recorded a remarkable annual growth of 13% by the end of September FY2025, surpassing $\text{ﷲ}4.9$ tn. This achievement aligns with the Financial Sector Development Program's objective of total bank assets reaching $\text{ﷲ}3.5$ tn. This expansion is primarily driven by the growth in financing extended to diverse sectors, reaffirming the vital role of banks as a main partner in funding the Kingdom's economic transformation under Saudi Vision 2030.

The positive economic environment, and major government investments have fostered a conducive environment for the growth of the banking sector. Bank credit exceeded $\text{ﷲ}3.2$ tn in September FY2025, recording an annual growth rate of 14%.

By the end of Q3 of FY2025, **bank credit to companies** grew by 19% on an annual basis, reaching $\text{ﷲ}1.8$ tn. This reflects the strong and resilient demand for financing, with the largest share of funding allocated to productive, value-added

activities that support non-oil growth. In Q3 of FY2025, **real estate activities** held the largest share of bank credit to companies, accounting for 20% of total bank credit to companies, an annual growth of 21%. This growth is driven by higher demand for residential and commercial financing, enhancing the role of the non-oil sector. Then, **commercial activities (wholesale and retail)** recorded an annual growth rate of 4.6%, mainly driven by the expansion of e-commerce.

Financial data confirms the continued strong demand from individuals, with the **portfolio of personal loans** of all types accounting for 44% of total bank credit. In Q3 of FY2025, **consumer loans** grew by 3%, reaching $\text{₹}476$ bn and representing 14.6% of the total loan portfolio. These loans cover vital sectors such as property renovation, automobiles, education, and healthcare. On the other side, **real estate loans** granted to individuals increased by 10.5% in Q3 of FY2025 compared to the same period last year, exceeding $\text{₹}726.2$ bn and accounting for 22.3% of total bank credit.

Moreover, **bank claims on public sector** increased to approximately 15% by the end of Q3 of FY2025 compared to the same period last year. This growth was driven by a 35% increase in bank credit to public institutions and 12% growth in government and quasi-government bond issuance by the end of Q3 of FY2025.

The ratio of **non-performing loans** to total loans declined to a historic low of below 1.2%, despite the significant credit growth in previous years. This reflects the quality of assets and the efficiency of banks in risk management, reducing the sector's vulnerability to economic fluctuations and enhancing its capacity to adapt to changing conditions. Banks maintained **capital adequacy** ratio above the Basel minimum requirements, at 19.6% in Q2 of FY2025, which highlights their robust capacity to absorb or withstand financial or economic shocks.

Data from SAMA revealed that **the money supply (M3)** increased by 7.8% on an annual basis in September FY2025, exceeding **ﷲ3.1 Tn**. This growth was mainly driven by a significant increase **in time and savings deposits** of about 21.7%, along with a 2.4% increase in **demand deposits**. Conversely, **other quasi-money deposits** declined by 7.5%. This trend reflects a shift in deposit composition due to changing depositor preferences, especially amid elevated interest rates.

Although interest rates remain high, credit demand continues to grow, driven by sustained improvements in non-oil activities and ongoing government spending on strategies and programs aimed at achieving Saudi Vision 2030 objectives. This has positively influenced sector profitability through wider interest margins, improved other financial indicators. Lowered non-performing loans, and achieved a higher capital adequacy ratio, reflecting the financial sector's resilience and its ability to provide credit.

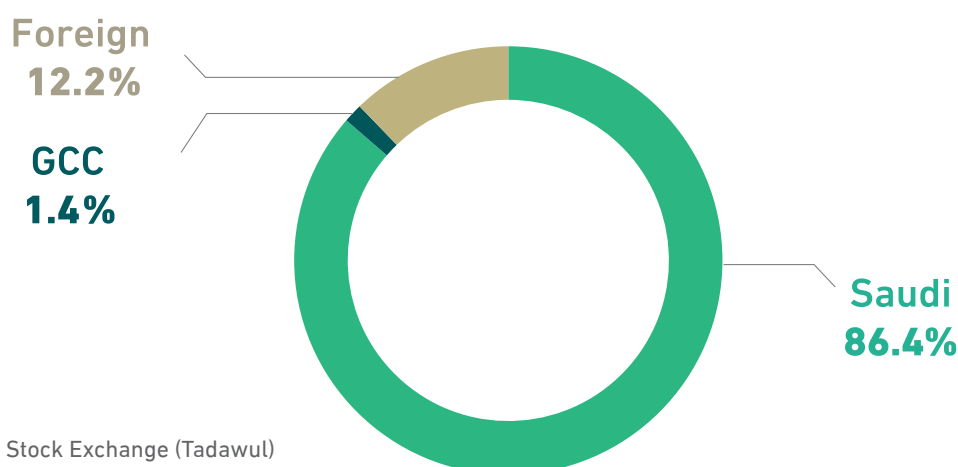
Financial Market Developments

- Saudi Stock Exchange (Tadawul)

The **Tadawul All Share Index (TASI)** closed September 2025 at 11,503 points. Until the end of the first nine months of FY2025, the market recorded significant developments, including the listing of 14 large enterprises. Furthermore, the investor structure witnessed a notable shift that strengthened market stability, as institutional investors' trading activity surpassed that of individual investors. Institutional participation accounted for more than 50.1% of the total traded value, exceeding the FY2025 target of 44% set by the FSDP.

Ownership by Nationality

(Percentage)



Source: Saudi Stock Exchange (Tadawul)

The value of foreign investors' ownership increased by more than $\text{ﷲ}29.5$ bn at the end of Q3 of FY2025 compared to the same period last year. Foreign investors' ownership percentage also increased to 12.2% compared to 10.9% of total free-floating shares. Additionally, GCC investor ownership value grew by about $\text{ﷲ}3.1$ bn, with no change in ownership percentage. These trends underscore the growing attractiveness of the Saudi capital market to foreign investors, enhancing their contribution to trading liquidity and public offerings, while increasing the market's weight in global indices.

- Parallel Market Developments (Nomu)

The Index of **Parallel Market (Nomu)** closed with a slight increase of 0.12% by the end of the first nine months of FY2025 compared to the same period last year, closing at 25,472 points with an increase of about 29 points. Nomu reached its highest closing points at 31,737 in mid-February FY2025. Through the end of September FY2025, the **total number of volumes traded** increased by 13.7%, reaching 766 million shares compared to 674 million shares during the same period last year. Meanwhile, the total value of shares traded from the beginning of FY2025 until the end of Q3 of FY2025 exceeded ~~₹~~₪6.74 bn, a 25% decrease compared to the same period last year. The total **number of transactions** increased by 32.7%, reaching 868 thousand transactions until the end of Q3 of FY2025 compared to the same period last year. This increased activity is mainly attributed to the **increase in the number of small and medium-sized enterprises (SMEs) listed** in the parallel market, aimed at enhancing their economic role. In H1 of FY2025, micro and small enterprises represented 61.5% of total listings, thereby exceeding the FY2025 target of 46% set by FSDP.

- Debt Market Performance

Debt Markets are fundamental pillars for financial and economic systems. They provide governments and private enterprises with efficient financing channels for the implementation of projects and the development of infrastructure through the issuance of securities such as sukuk and bonds. These instruments allow for expansion in activities and increased productivity, which support the economy by increasing consumption and investment. The **Sukuk & Bond Market Index** recorded a slight decline at the end of September FY2025 compared to the same period last year, decreasing by 4 basis points, and closing at 917 points. The value

traded in the first nine months of FY2025 exceeded ₪27 bn, a 49% increase compared to the same period last year. Moreover, the number of transactions slightly declined to 33,944 transactions during the same period, marking a 1.1% decrease. The total number of sukuk and bonds listed reached 66 until the end of Q3 of FY2025.

This performance reaffirms the continued contribution of the **financial sector** in enabling the national economy by providing diverse financing options for the private sector, whether through bank credit or capital market instruments (equity and debt instruments). A strong and stable financial sector remains essential for achieving sustainable and steady economic growth.

- **Main Factors of Economic Growth in FY2026**

In recent years, the Kingdom's economy has shown strong performance, due to the ongoing efforts to realize Saudi Vision 2030 objectives through various initiatives, reforms, projects, and investments that advanced economic diversification. This is evident in increased private investment and consumption, supporting economic growth and sustainable developments, while enhancing the resilience and flexibility of the economy to withstand global economic challenges.

In line with the structural transformation in the national economy, the preliminary estimates indicate that the Saudi economy will continue to achieve positive growth. **Real GDP** is projected to reach approximately 4.6% in FY2026, primarily driven by the growth of non-oil activities, led by the private sector which serves as the key driver of economic growth in the coming period.

The Kingdom is pursuing an effective strategy to empower the private sector and enhance the investment environment. The updated investment law, -a cornerstone in the national investment strategy-, plays a pivotal role in promoting a competitive business environment and removing barriers for investors. This is to ensure fairness and equality among investors, and to facilitate efficient dispute resolution. These efforts aim to create broad investment opportunities, empowering the private sector to drive the economy, increase its contribution to GDP to 65% by 2030, and double the volume of investment to reach ~~2~~ 2 tn.

The Public Investment Fund (PIF) and the National Development Fund (NDF) continue to support economic growth. PIF has sustained the implementation of its strategic projects to advance economic diversification and foster sustainable growth. PIF's most prominent initiatives include the launch of "Expo 2030 Riyadh" company to manage and execute Expo 2030 in Riyadh in H1 of FY2025, as well

as the development of renewable energy projects in partnership with the private sector. PIF has also supported digital transformation, signing an agreement with “Elm” company in January FY2025 to advance the local communications and information technology ecosystem by enabling digital transformation and technology localization, contributing to the enhancement of local innovation. In May FY2025, PIF launched its investment in “HUMAIN” company, a firm specializing in artificial intelligence technologies, reinforcing the Kingdom’s position as a global competitive hub in this field. PIF has also expanded its investments in the sports and tourism sectors, as well as several major entertainment projects are also targeted to be operated within the scope of the Qiddiya project, highlighting its pivotal role in advancing economic growth and enhancing productivity. Meanwhile, **NDF** focuses on empowering the private sector and supporting projects with economic and social returns. NDF signed two financing agreements totaling $\text{SAR} 5.5$ bn to support development projects. It also launched the Customer Experience Program, including over 85 initiatives aimed at enhancing service quality. These efforts contribute to achieving Saudi Vision 2030 objectives.

The Kingdom continues to diversify its economic base, enabling several promising sectors to support Saudi Vision 2030 objectives. The **tourism sector** has shown remarkable development under the National Tourism strategy. The Kingdom exceeded the Saudi Vision 2030 objective of attracting 100 million tourists in FY2023, leading to an increase in the target to 150 million tourists by FY2030. The National Tourism strategy also aims to create 1.6 million new jobs in the tourism sector, and increase its contribution to GDP to 10% by 2030. Furthermore, recognizing the vital role of the **entertainment sector** in comprehensive development, the Kingdom continues to expand Saudi Seasons events which became a key cultural and entertainment platform in the region. This approach not only enhances the quality of life for citizens and residents,

but also attracts international tourists to enrich the cultural and entertainment landscape, reinforcing the Kingdom's position as a leading regional and global entertainment destination.

The **sport sector** in the Kingdom is undergoing a comprehensive transformation in line with Saudi Vision 2030 objectives. Key efforts are focused on enhancing sports infrastructure and promoting community participation. The Kingdom demonstrates its ambition by hosting international events such as the 2027 AFC Asian Cup, and 2034 FIFA World Cup. Additionally, the Kingdom is placing a strong emphasis on the **Esports sector**, hosting the first edition of the Esports Olympic Games in 2027 and organizing the annual Esports World Cup in Riyadh. These initiatives showcase the Saudi's forward-looking vision and investment in emerging sectors, as well as strengthen its position as a diverse global sports hub and attractive investment destination, while supporting comprehensive development while enhancing the quality of life for citizens and residents.

Projections of Key Economic Indicators Over the Medium Term

(Percentage, unless otherwise stated)

	Actual* 2024	Estimates** 2025	Projections**		
			2026	2027	2028
Economic Indicators					
Real GDP Growth	2.7%	4.4%	4.6%	3.7%	4.5%
Nominal GDP (₹bn)	4,703	4,600	4,965	5,258	5,643
Inflation ⁹	1.7%	2.3%	2.0%	1.8%	1.9%

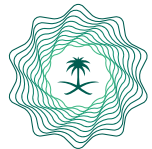
*Source: GASTAT

**Preliminary Estimates

⁹ According to the updated CPI data, using FY2018 as the base year (100=2018)

02

Fiscal Performance and Projections



Section 2:

Fiscal Performance and Projections

A. Fiscal Performance in FY2025

The Kingdom's government continues to implement strategies aimed at enhancing economic transformation and fiscal sustainability, thereby contributing to the achievement of comprehensive development objectives that support the economic flexibility and resilience. The government is also pursuing a range of initiatives, reforms, projects, and investments designed to diversify the economic base and promote non-oil revenues. At the same time, it is implementing well-designed spending policies that remain flexible and responsive to economic cycles, with the goal of stimulating investment, to expedite economic transformation in line with Saudi Vision 2030 objectives.

Preliminary estimates for FY2025 indicate a **budget deficit** of approximately $\text{S\$}245$ bn (5.3% of GDP). The budget deficit is projected to continue at lower levels over the medium term, due to the government's adoption of targeted countercyclical spending policies aimed at advancing economic diversification.

Fiscal Performance

(SAR bn, unless otherwise stated)

	Actual 2024	Budget 2025	Estimates 2025	Annual Change* (Actual FY2024- Estimates FY2025)
Revenues				
Total Revenues	1,259	1,184	1,091	-13.3%
Taxes	381	379	393	3.3%
Taxes on income, profits, and capital gains	32	31	32	1.1%
Taxes on goods and services	289	290	297	2.9%
Taxes on international trade and transaction	24	23	27	9.1%
Other taxes	36	36	37	4.9%
Other Revenues	879	804	698	-20.5%
Expenditures				
Total Expenditures	1,375	1,285	1,336	-2.8%
Expenses (OPEX)	1,184	1,101	1,165	-1.6%
Compensation of employees	562	561	571	1.6%
Goods and services	313	265	275	-12.0%
Financing expenses	45	59	53	18.5%
Subsidies	34	31	34	-0.5%
Grants	4	2	5	17.6%
Social benefits	101	98	97	-4.0%
Other expenditures	125	86	129	3.9%
Non-Financial Assets (CAPEX)	191	184	172	-10.0%
Budget Deficit				
Budget Deficit	-116	-101	-245	-
Percent of GDP	-2.5%	-2.3%	-5.3%	
Debt and Reserves				
Debt	1,216	1,300	1,457	-
Percent of GDP	25.9%	29.9%	31.7%	
Government Reserves at SAMA	390	390	390	-

Source: MoF

*Figures are rounded to the nearest decimal point.

- **Revenues:**

The Kingdom's government remains committed to diversifying revenue resources and promoting the growth of non-oil revenues linked to economic activities. This is pursued through the ongoing implementation of initiatives, as well as structural, fiscal, and economic reforms, alongside enhancements of non-oil GDP growth to maintain fiscal sustainability over the medium and long term. Continued improvements in economic activity, along with the ongoing development of tax policies, have significantly increased the ratio of non-oil revenues to nominal non-oil GDP.

In FY2025, **total revenues** are expected to reach around ₪1,091 bn, a decrease of 13.3% compared to last year and a 7.8% decline compared to budget estimates. This is mainly attributed to lower oil revenues, which were affected by the decline in oil prices in FY2025, as well as higher levels of collection of performance-linked dividends in FY2024 compared to FY2025. Meanwhile, non-oil revenues are expected to record higher performance in FY2025 compared to FY2024, driven by economic growth and the ongoing implementation of fiscal reforms.

Taxes

Tax revenues for FY2025 are anticipated to be around ₪393 bn, an increase of 3.3% compared to the same period last year. This growth is attributed to the ongoing improvement in non-oil activities, as well as government efforts and initiatives to improve tax administration and enhance collection efficiency.

In FY2025, **taxes on income, profits, and capital gains** are expected to reach approximately ₪32 bn, an increase of 1.1% compared to last year due to the

increase in corporate and establishment income tax revenues as the revenues collected in FY2025 are linked to the economic performance of FY2024.

Taxes on goods and services are expected to reach around ₪297 bn in FY2025, an increase of 2.9% compared to last year. This is mainly due to the growth in non-oil activities and the improvement in private consumption indicators.

In FY2025, **taxes on international trade and transactions** (customs duties) are expected to reach about ₪27 bn, marking an increase of 9.1% compared to last year. This is driven by the continued growth in imports, mainly intermediate and capital imports, which are linked to the improvement in economic activities.

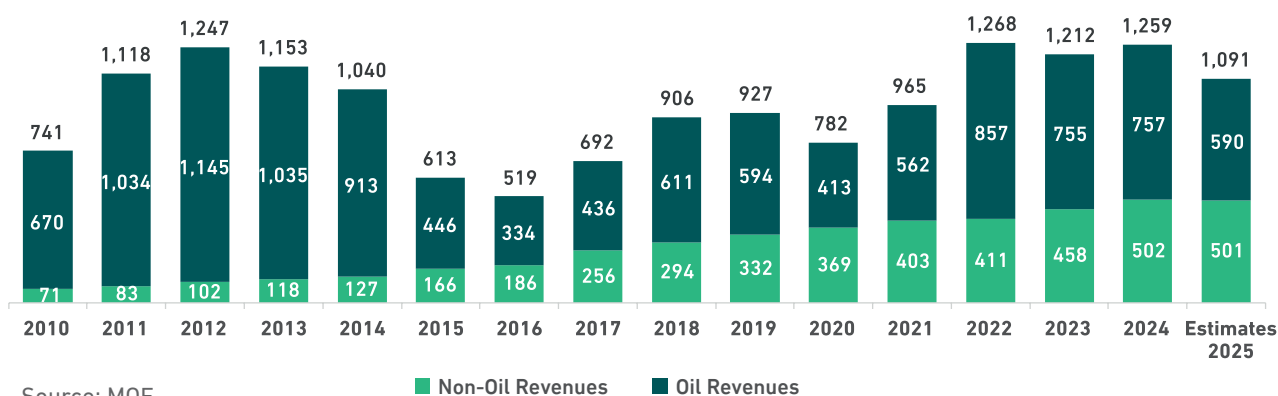
Other **tax revenues (including Zakat)** are expected to reach around ₪37 bn in FY2025, an increase of 4.9%. This is attributed to the improved performance in some economic sectors such as the insurance and financial activities sector.

Other Revenues

In FY2025, **other revenues**, including oil revenues, profits from government deposit investments, sales of goods and services, as well as penalties and fines, are expected to reach around ₪698 bn. This reflects a decrease of 20.5% compared to last year, and it is primarily driven by the collection of revenues from the incentive program for settling accumulated traffic violations in FY2024, as well as lower oil revenues, which were affected by the decline in oil prices in FY2025, and higher collection of performance-linked dividend in FY2024 compared to FY2025. It is worth noting that average oil prices reached approximately USD 69.9 per barrel until Q3 of FY2025, compared to an average oil price of around USD 81.8 per barrel for the same period last year. At the same time, the average oil production was 9.3 mb/d until Q3 of FY2025, compared to an average oil production of 9.0 mb/d for the same period last year.

Oil and Non-Oil Revenues

(١٠٠٠ bn)



• Expenditures:

In FY2025, **total expenditures** are expected to reach ١,336 bn , a decline of 2.8% compared to FY2024, and an increase of 4.0% compared to the approved budget. This stems from the implementation of directed countercyclical fiscal policies, and the government's ongoing support for promising sectors and diversification of the economic base by directing spending toward national strategies and giga-projects. Efforts also aim to improve the quality of life by developing public facilities and essential services; expanding opportunities in emerging sectors such as sports, culture, and entertainment in line with Saudi Vision 2030 objectives; advancing economic diversification, as well as the ongoing implementation of structural reforms; and promoting economic growth. In addition, the government continues to enhance the social support and protection system as it is a central priority within its policies. This aims to ensure that support reaches its intended beneficiaries, and achieves a sustainable impact at both social and economic levels, with the focus on improving public service quality, developing infrastructure, and enhancing healthcare services, thereby improving the quality of life for citizens and residents. Furthermore, efforts continue to enhance the

private sector's contribution to economic growth by providing effective enablers that reinforce its role as a key development partner, and fostering a competitive business environment that attracts quality investments and supports the achievement of sustainable growth objectives.

Given the actual performance for FY2025, and in comparison, with the actual expenditure of FY2024, **operational expenditures (OPEX)** are expected to decrease by about 1.6%, reaching ₪1,165 bn by the end of FY2025. Expenditures on **goods and services** are expected to decrease by 12.0% compared to last year, due to a reduction in certain operational expenses. Whereas, it is expected that **compensation of employees** will increase by 1.6%, due to the annual increment.

Spending on **financing expenses** are expected to increase by approximately ₪8 bn, due to the growth in the public debt portfolio. Expenditures on **grants**¹⁰ are also expected to increase by about 17.6%, reaching ₪5 bn by the end of FY2025 compared to last year. This reflects the Kingdom's leading role in international humanitarian efforts. In addition, expenditures on **subsidies**¹¹ are expected to remain at the same levels of around ₪34 bn, driven by the ongoing support for public service companies and the sustainable development of several sectors.

By the end of FY2025, **capital expenditures (CAPEX)** are expected to decrease by 10.0% compared to last year, reaching around ₪172 bn. due the impact of non-recurrent expenses related to expropriation compensation incurred last year, along with continued spending on giga-projects, and the development of public facilities and essential services to improve the quality of life. These include the third expansion of the Holy Mosque, Qiddiya, King Salman Park, Green Riyadh, and the Sports Boulevard.

¹⁰ Non-reciprocal transfers provided by the government-to-government entities or international organizations.

¹¹ Non-reciprocal transfers provided by the government to public companies and private projects, such as the wheat subsidy.

Sectoral Performance

In FY2025, **sectoral expenditures** are expected to decline by 2.8% compared to last year, mainly due to the impact of non-recurring expenses recorded last year. Expenditures on the **municipal services sector** are anticipated to decrease by around 21.7% compared to last year, reflecting the financial impact of expropriation compensation payments last year. Expenditures on the **infrastructure and transportation sector** are also expected to decrease by about 7.6% compared to the same period last year. This is due to spending on the construction and development of international airports in FY2024. Expenditures on the **economic resources sector** are anticipated to decline by approximately 2.5%, driven by lower operational expenses. Moreover, expenditures on the **security and regional administration, public administration, and education sectors** are expected to decrease by around 3.1%, 6.5%, and 2.3%, respectively, due to the settlement of prior non-recurring expenses in FY2024. Expenditures on the **health and social development sector** are anticipated to fall by around 1.4% compared to last year, driven by improved spending efficiency in the social support and protection system.

Conversely, expenditures on the **general items sector** are expected to increase by 2.7%, reaching ₪234 bn at the end of FY2025. This is attributed to the continued spending on giga-projects, most notably the third expansion of the Holy Mosque, and Qiddiya. Additionally, it is expected that expenditures on the **military sector** will increase by about 1.1% compared to last year.

Sectoral Expenditures

(¥ bn, unless otherwise stated)

Sector	Actual 2024	Budget 2025	Estimates 2025	Annual Change* (Actual FY2024- Estimates FY2025)
Public Administration	54	44	50	-6.5%
Military	237	272	239	1.1%
Security and Regional Administration	127	121	123	-3.1%
Municipal Services	116	65	91	-21.7%
Education	204	201	199	-2.3%
Health and Social Development	273	260	269	-1.4%
Economic Resources	93	87	90	-2.5%
Infrastructure and Transportation	44	42	41	-7.6%
General Items	228	192	234	2.7%
Total	1,375	1,285	1,336	-2.8%

Source: MOF

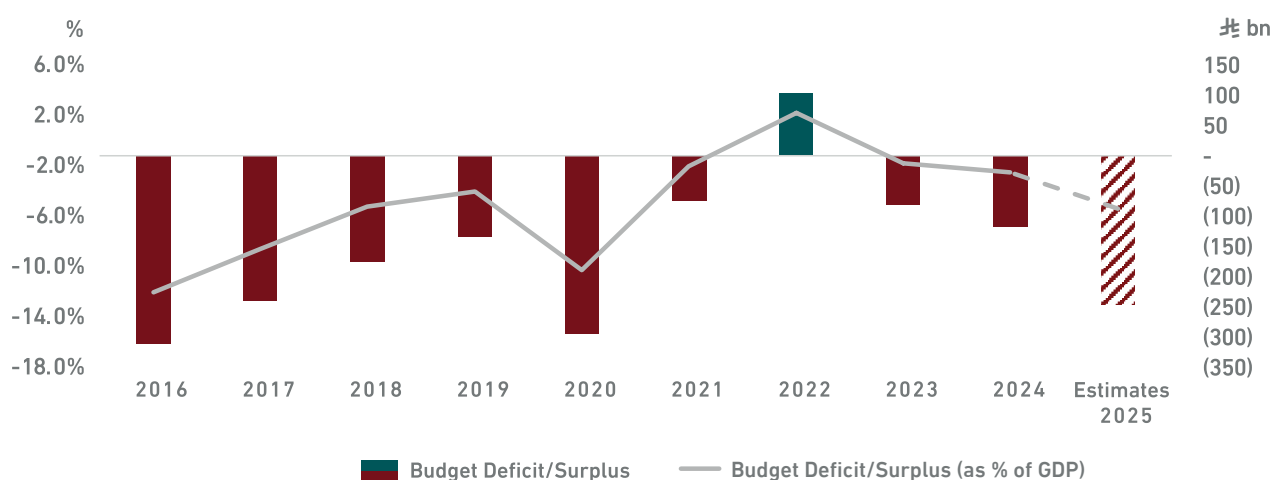
*Annual change rates are based on the total aggregate values

Figures are rounded to the nearest decimal point

• Budget Deficit/ Surplus and Debt

Due to the high flexibility of the Kingdom's public finances, which allows it to respond to domestic and global economic and fiscal development and contribute to preserving achievements and enhancing adaptability to changes. Over the past years, the government has accelerated the implementation of various transformational programs and projects. These initiatives aim to diversify the economic base, stimulate investment, and expedite transformation in line with Saudi Vision 2030 objectives. The government will continue to utilize its fiscal space to further advance economic diversification. Therefore, updated estimates for the FY2025 budget indicate a **deficit** of approximately SAR 245 bn (5.3% of GDP).

Budget Deficit/Surplus (as % of GDP)



Source: MOF

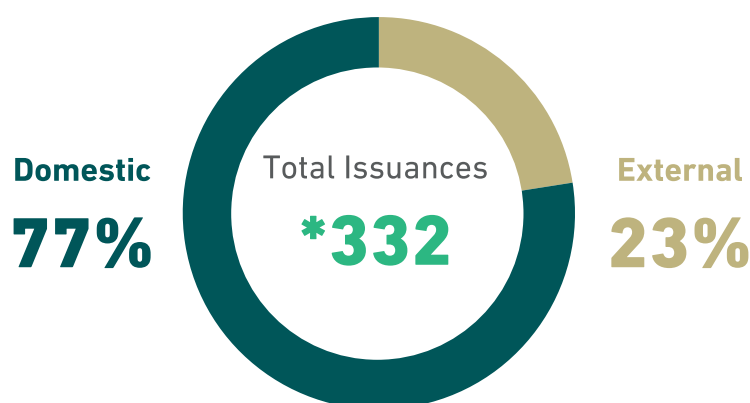
Actual nominal GDP is according to GASTAT, GDP of FY2025 is according to the updated estimates

Until the end of Q3 of FY2025, the **government funding activities**, including early domestic repurchases and government alternative funding, totaled about SAR 332 bn. In addition, the repayment of debt principal amounted to about SAR 82 bn, with around SAR 65 bn allocated to domestic debt principal repayment. This included early purchases of a portion of outstanding local debt instruments maturing in FY2025, and in the coming years, by around SAR 60 bn. The repayment of external debt principal was about SAR 17 bn. Until the end of Q3 of FY2025, the **public debt**

balance reached approximately ₪1,467 bn, with domestic debt representing 63% of the public debt portfolio while external debt is accounting for 37%.

Borrowing Activities until the end of Q3 of FY2025

(₪ bn)



Source: National Debt Management Center

*Includes an early repurchase of a portion of outstanding debt instruments maturing in FY2025 and coming years, with a total value exceeding ₪ 60 bn. New sukuk were issued in return

By the end of FY2025, the **public debt** portfolio is expected to grow in a controlled manner to maintain debt sustainability. It is anticipated to reach approximately ₪1,457 bn (31.7% of GDP) compared to ₪1,216 bn (25.9% of GDP) in FY2024. This growth aims to meet the financing needs for FY2025, driven by the continued adoption of targeted countercyclical spending policies toward programs and initiatives that aim to diversify the economic base, stimulate investment, and expedite transformation in line with Saudi Vision 2030 objectives.

Furthermore, the government's fiscal policy seeks to preserve the Kingdom's strong fiscal position and promote fiscal sustainability through maintaining sustainable levels of public debt and considerable levels of financial reserves. These efforts support sustainable economic growth and enhance flexibility to deal with shocks, crises, or urgent needs. It is expected that **government reserves** at SAMA will maintain at the same level in FY2025 as in FY2024, reaching about ₪390 bn.

B. FY2026 Budget and Medium-Term Projections

Budget Projections for FY 2026

(¥ bn, unless otherwise stated)

	Budget 2025	Estimates 2025	Budget 2026
Revenues			
Total Revenues	1,184	1,091	1,147
Taxes	379	393	412
Taxes on income, profits, and capital gains	31	32	33
Taxes on goods and services	290	297	314
Taxes on international trade and transaction	23	27	28
Other taxes	36	37	39
Other Revenues	804	698	735
Expenditures			
Total Expenditures	1,285	1,336	1,313
Expenses (OPEX)	1,101	1,165	1,151
Compensation of employees	561	571	584
Goods and services	265	275	247
Financing expenses	59	53	64
Subsidies	31	34	30
Grants	2	5	5
Social benefits	98	97	99
Other expenditures	86	129	121
Non-Financial Assets (CAPEX)	184	172	162
Budget Deficit			
Budget Deficit	-101	-245	-165
Percent of GDP	-2.3%	-5.3%	-3.3%
Debt and Reserves			
Debt	1,300	1,457	1,622
Percent of GDP	29.9%	31.7%	32.7%
Government Reserves at SAMA	390	390	390

Source: MoF

Figures are rounded to the nearest decimal point

- **Revenues**

In FY2026, the government aims to preserve its economic and fiscal achievements through the ongoing implementation of initiatives and structural reforms to diversify the economic base. This enhances the performance of economic activities and positively contributes to the growth of non-oil revenues. The sustained growth of non-oil revenues reflects the impact of the reforms that have restructured public revenues, contributing to a steady increase in the percentage share of non-oil revenues to total revenues, making them a sustainable source for financing budget expenditures. As a result, the percentage **share of non-oil revenues covering total expenditures** in the budget is expected to grow from 17% in FY2015 to around 37.5% by the end of FY2025.

These initiatives have enhanced the **ratio of non-oil revenues to non-oil GDP**, which is expected to reach 14% by the end of FY2025, compared to 9% in FY2015. The government continues to support economic growth to enhance non-oil revenues related to non-oil activities. The aim is to achieve sustainable non-oil revenues over the medium-and long-term.

Projections for FY2026 indicate that **total revenues** will amount to approximately ¥1,147 bn, an increase of 5.1% from what is expected in FY2025. This is attributed to the positive growth projection for economic activities in FY2026.

It is worth noting that the government adopts a conservative approach in estimating the budget over the medium term, in order to account for potential developments in the domestic and global economy.

Taxes

In FY2026, **tax revenues** are projected to reach around ₪412 bn, a 4.9% increase compared to FY2025 estimates. This is influenced by economic growth, ongoing improvement in non-oil activities, as well as the positive impact of continued improvement in tax administration.

It is estimated that **taxes on income, profits, and capital gains** will amount to ₪33 bn in FY2026, an increase of 2.4% compared to what is expected in FY2025. This is due to the expected improved performance of economic sectors, supported by the growth of non-oil activities in FY2025.

In FY2026, **taxes on goods and services** are projected to reach approximately ₪314 bn, a 5.5% increase compared to what is expected in FY2025. This growth is attributed to the optimistic projections for the growth of non-oil activities and private consumption, along with enhancement in tax revenue collection.

It is estimated that **taxes on international trade and transactions** (customs duties) will amount to about ₪28 bn in FY2026, an increase of 3.1% compared to what is expected in FY2025. This is driven by the continued growth in imports anticipated next year in line with the expected expansion of economic activity.

It is also projected that **other taxes (including Zakat)** will reach around ₪39 bn in FY2026, a 3.3% increase compared to what is expected in FY2025. This reflects the expected economic growth in FY2025.

Other Revenues

Other revenues, including oil revenues, profits from government deposit investments, sales of goods and services, as well as penalties and fines, are projected to amount to approximately SAR 735 bn in FY2026, reflecting an increase of 5.2% from what is expected in FY2025.

Amid global and domestic challenges, it is crucial to develop flexible revenue projections through preparing revenue scenarios as part of long-term fiscal planning. This enables assessment of risks on fiscal sustainability and enhances decision making if economic conditions change. Three revenue scenarios have been prepared for FY2026, taking into account the development mentioned earlier. These include a baseline scenario approved in the budget, as well as lowest and highest revenue scenarios. These scenarios will be presented later in the section of key fiscal risks for FY2026 and over the medium-term.

- **Expenditures**

The Kingdom has strong economic resilience and highly flexible fiscal policies, which serve as key pillars in addressing challenges and enhancing economic stability. This stems from the government's adoption of a balanced fiscal approach that ensures comprehensive stability and provides effective tools to maintain fiscal sustainability and diversify the economic base. This flexibility enables the government to respond to potential domestic and global economic and fiscal developments, while enhancing adaptability to changes and protecting economic gains. The government adopts a targeted countercyclical fiscal policy that reinforces the effectiveness of its fiscal policy in maintaining comprehensive balance and stability, as well as sustainable economic growth.

The government focuses on enhancing spending efficiency and implementing high-priority projects and programs in line with Saudi Vision 2030 objectives.

It also remains committed to developing infrastructure, enhancing the quality of life, improving public services provided to citizens and residents, while continuing to direct social support and subsidies to intended beneficiaries, thereby promoting social justice and the efficient use of public resources. Thus, the FY2026 budget embodies this flexible and balanced approach, with the FY2026 budget estimated at approximately ₪1,313 bn.

In FY2026, **OPEX** is projected to reach around ₪1,151 bn, a decrease of about 1.2% compared to what is expected in FY2025, representing 88% of total expenditures. In addition, expenditures on **compensation of employees** are projected to reach approximately ₪584 bn, an increase of 2.3% compared to what is expected in FY2025. This is due to the impact of the employees' annual increment. As a result of the sustained efforts to enhance the efficiency of the social support and protection system, social spending in the form of **the social benefit** and **subsidies** is estimated at about ₪99 bn and ₪30 bn, respectively.

Expenditures on **financing expenses** are projected to reach around ₪64 bn in FY2026, 21.1% increase compared to what is expected in FY2025. This reflects the growth in the public debt portfolio.

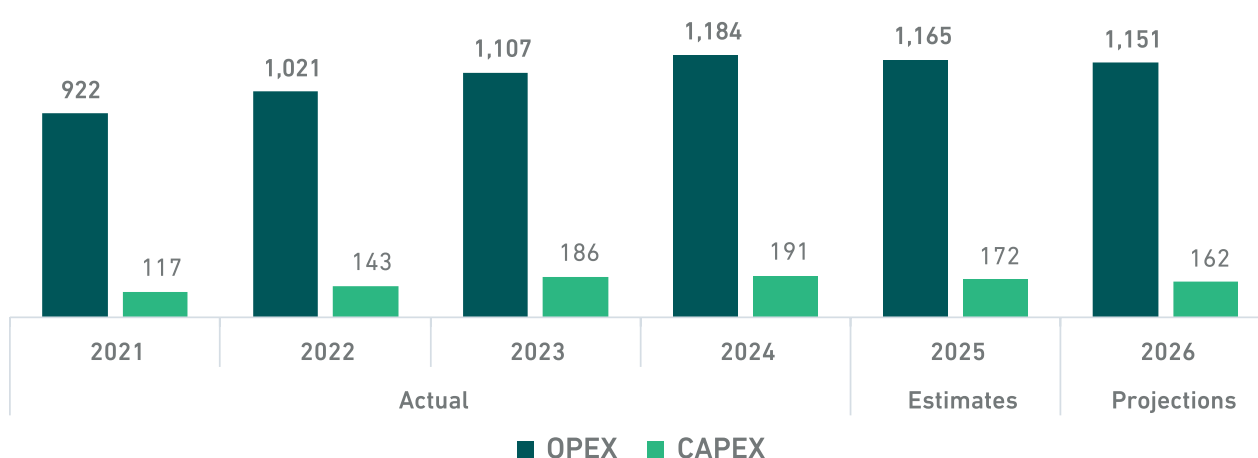
Expenditures on **goods and services** are projected to decrease by about 10.4% in FY2026 compared to what is expected in FY2025, reaching around ₪247 bn. This is attributed to the government's ongoing efforts to implement best practices that enhance spending efficiency and effectiveness. The budget for **other expenses** is projected to be approximately ₪121 bn.

In FY2026, **CAPEX** is estimated to reach around ₪162 bn, representing 12% of total expenditures. It is estimated that CAPEX will decrease by around 5.5% compared to what is expected in FY2025. This is due to the achievement of certain objectives and the completion of several projects.

The government continues to diversify the economic base and the economic growth through sustained transformative spending directed toward achieving Saudi Vision 2030 objectives.

OPEX and CAPEX

(ﷲ bn)

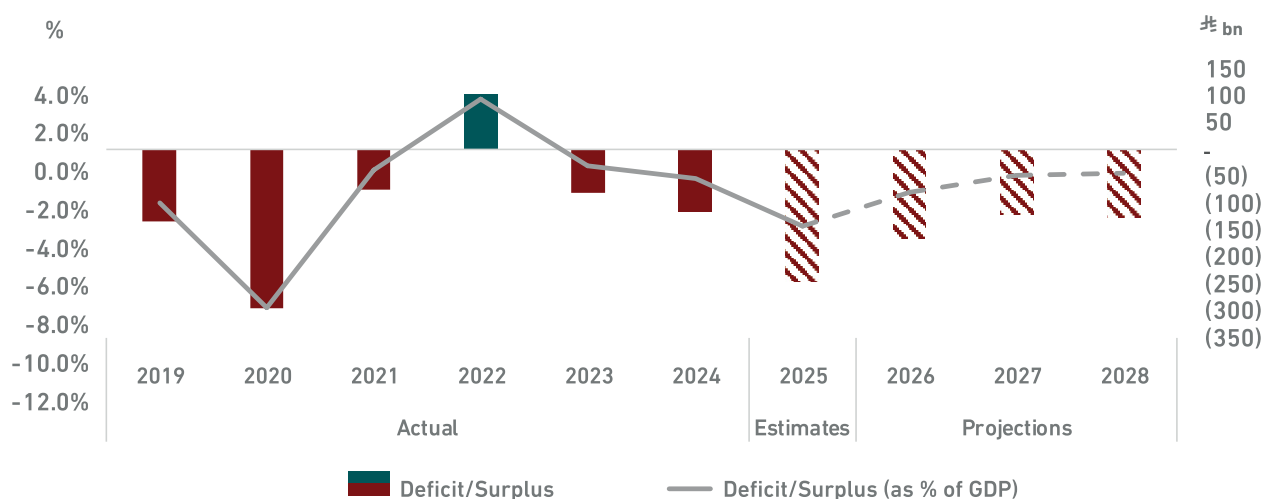


Source: MOF

• Budget Deficit and Debt

The budget for FY2026 and the over medium term aim to sustain fiscal reforms, enhance non-oil activities, and diversify the economic base. It also focuses on improving the efficiency and effectiveness of government spending and implementing targeted countercyclical spending policies. The budget is projected to record a **deficit** of about ﷲ165 bn (3.3% of GDP) in FY2026. The budget deficit is estimated to continue at lower levels over the medium term to support economic growth, stimulate investment, and expedite economic transformation in line with Saudi Vision 2030 objectives. Notably, FY2026 marks the start of the third phase of Saudi Vision 2030, focusing on intensifying implementation efforts, expanding growth opportunities, and accelerating achievements to deliver a sustainable impact beyond 2030.

Budget Deficit/Surplus as % of GDP



Source: MOF

Actual nominal GDP is according to GASTAT, GDP of FY2025-FY2028 is according to the updated estimates

The government continues to adopt prudent fiscal policies based on long-term financial planning, through maintaining the implementation of priority projects to meet Saudi Vision 2030 objectives, independent of economic cycle fluctuations. Furthermore, the government pursues a measured expansion of borrowing within the framework of the medium-term debt strategy.

In order to meet the Kingdom's financing needs, The Ministry of Finance (MoF), through the National Debt Management Center (NDMC), is preparing an annual borrowing plan based on the medium-term debt strategy, that aims to maintain debt sustainability, diversify funding sources between domestic and external sources through public and private channels, as well as access the global debt market to enhance the Kingdom's position in international markets within well-considered foundations and frameworks of risk management. Further, this strategy aligns with the objectives of Saudi Vision 2030, which aims to enhance the growth of the financial sector, sufficiently deepen the domestic debt market to accommodate debt issuances, and stabilize liquidity conditions.

The government intends to continue its domestic and external financing activities through private and public channels by issuing bonds, Sukuk, and loans at a fair cost. It also plans to expand alternative government funding, including the financing of projects, infrastructure, export credit agencies in FY2026 and over the medium term.

Debt portfolio is projected to grow in line with the approved financing plans by the end of FY2026 while maintaining debt sustainability. Borrowing aims to support economic growth through a targeted countercyclical fiscal policy, ensure fiscal sustainability, and leverage available market opportunities, which ultimately benefit the economy over the medium and long term. It is estimated that **public debt** will amount to approximately $\text{A\$}1,622 \text{ bn}$ (32.7% of GDP) in FY2026. This aims to cover financing needs in FY2026 and over the medium term, and leverage available market opportunities, based on market conditions, to implement additional proactive funding activities to repay debt principal maturing in coming years. Further, the Kingdom aims to utilize market opportunities to pursue alternative government funding that supports economic growth, such as financing capital projects and infrastructure, with the aim of diversifying financing channels to maintain market efficiency and enhance its depth.

Medium-term Fiscal Projections

(¥ bn, unless otherwise stated)

	Actual 2024	Budget 2025	Estimates 2025	Budget 2026	Projections	
					2027	2028
Total Revenues	1,259	1,184	1,091	1,147	1,230	1,294
Total Expenditures	1,375	1,285	1,336	1,313	1,350	1,419
Budget Deficit	-116	-101	-245	-165	-120	-125
Percentage of GDP*	-2.5%	-2.3%	-5.3%	-3.3%	-2.3%	-2.2%
Debt	1,216	1,300	1,457	1,622	1,742	1,867
Percentage of GDP*	25.9%	29.9%	31.7%	32.7%	33.1%	33.1%

Source: MoF

Figures are rounded to the nearest decimal point

* Updated actual numbers of GDP are based on GASTAT data, GDP of FY2025-FY2028 are based on updated projections

C- Sectoral Expenditures in FY2026 Budget

As part of the efforts of the Kingdom of Saudi Arabia to achieve the objectives of Saudi Vision 2030 and efficiently direct financial resources towards national development priorities, this section outlines the expenditures allocated to the completion of existing projects, as well as the financing of new initiatives and projects with economic and social returns to promote growth, improve the quality of services, and increase the efficiency of public spending.

Infrastructure and Transportation Sector	
First: Overview	
Sector allocation in FY2026 Budget	ﷲ35 bn
Main functions	The construction and development of roads, transport safety and transportation regulation, ports, airports, realestate, communications and information technology, data and artificial intelligence, digital government, postal services, space and industrial cities.
Number of governmental entities affiliated with the sector	18 Entities
Second: Main Achievements in FY 2025	
Scope	Achievement
Digital Economy, Space, and Innovation	The size of telecommunications and technology market in the Kingdome of Saudi Arabia will reach ﷲ190 bn by the end of FY2025, achieving a growth more than 5% compared to FY2024.
	Maintaining the first place in Saudi Arabia's ranking index in the E-Government and Mobile Services Maturity Index, by ESCWA, which measure the maturity of government services provided through e-portals and mobile applications in the Arab countries.
	The Kingdom of Saudi Arabia has achieved the first place globally in the Telecommunication and Technology Development Index 2025 issued by the International Telecommunication Union (ITU), which monitors the economies of 164 countries to measure digital development and the progress of countries in telecommunications and technology services.

Second: Main Achievements in FY 2025

Scope	Achievement
Digital Economy, Space, and Innovation	The number of unicorn companies in the Kingdom of Saudi Arabia reaching 8 companies after the addition of two new unicorn companies in 2025, as part of the ongoing efforts and plans to support the growth of promising companies.
	Developing more than 13 deep technologies that support national priorities in energy, health, and future economics, including a significant healthcare accomplishment marked by the development of advanced medical technologies that eliminate cancer cells with 95% accuracy.
Data and Artificial Intelligence	Completing the development of Tawakkalna system in 2025 through the launch of 136 e-services during 2025, by using the technical enablers developed in Tawakkalna portal, to reach a total of 711 services. In addition to the joining of 47 partners as strategic partners during 2025, bringing the total to 323 partners. Moreover, facilitating the review of 115 million study results during 2025 to reach a total of 415 million transactions, and reviewing 180 million transactions for cards and documents during 2025 to reach a total of 1.2 billion transactions.
	The Kingdom of Saudi Arabia has achieved the first place globally in empowering women in the artificial intelligence (AI) sector and achieved the third place globally in the growth rate of AI jobs. In addition, at the level of the (IMD) Smart Cities Index, AlUla joined the index as the sixth Saudi city included in the index, while Al-Khobar advanced 38 places compared to last year, Makkah advanced 13 places, and Madinah and Jeddah advanced 7 places.
	Expanding the provision of the services of the National Single Sign-On Platform for the year 2025 through linking and integration with more than 945 government and private platforms and applications with a total of 1,050 public and private platforms and applications, in addition to enabling access to more than 1.1 million citizens, residents and visitors to digital services to reach more than 27 million users. In addition to expanding the provision of Nafath application services to reach 11 million services with a total of more than 33 million users.
	Providing registration, identification, verification, and inquiring services about individuals through their vital features, and more than 850 thousand biometric checks were carried out daily, more than 70 thousand biometric registrations were carried out daily, and more than 10.4 thousand devices and workstations were provided to provide vital features services.

Second: Main Achievements in FY 2025	
Scope	Achievement
Data and Artificial Intelligence	Developing the electronic gates service to speed up and facilitate the procedures of travelers to and from Saudi Arabia automatically through air ports without the need to go through the passport officer, as more than 8.3 million passengers have been served through the electronic gates at King Khalid International Airport in Riyadh, King Abdulaziz International Airport in Jeddah, King Fahd International Airport in Dammam, and Prince Mohammed bin Abdulaziz International Airport in Madinah.
	Enabling more than 49 thousand Saudis to work within the establishments of the transport and logistics sector, in addition to achieving growth by 65.2% in the localization of high-skilled jobs index, and achieving growth by 21% in the share of women's participation in leadership positions, until Q3 of FY2025. This enhances the leadership role of women and contributes to raising institutional productivity and achieving the sustainable development objectives and Saudi Vision 2030.
Transportation and Logistics	Achieving exceptional growth during 2024 in air traffic through an increase in the number of passengers of 15%, an increase in the number of flights by 11%, and a growth in the air cargo sector by 34% compared to last year. Moreover, enhancing the position of Saudi Aviation by increasing the number of purchase orders for aircraft to reach 457 new aircraft in national fleet to support the objectives of Saudi Vision 2030.
	The Roads General Authority (RGA) has increased the contribution rate of local content in its projects to 52.6%, which resulted in RGA winning the Excellence Award for the category of medium and low spending government agencies for the year 2025. The General Authority of Civil Aviation (GACA) also achieved a 51% share in local content, reflecting the commitment of both entities to develop local capabilities and support the domestic economy.
	Three of Saudi Arabia's airports have been ranked among the top 50 airports globally in the Skytrax Global Assessment for 2025, reflecting the high quality and continuous development of Saudi Arabia's airport infrastructure and services at the local and international levels.
	Activating the logistics center in Sakaka, which increases the number of operational logistics center to 24, as part of efforts to develop infrastructure, with a focus of attracting global and local companies and supporting the industrial sector.

Second: Main Achievements in FY 2025

Scope	Achievement
Transportation and Logistics	Awarding Dammam-based national economic air carrier, which in turn will contribute to enhancing air connectivity to the Eastern Province locally and internationally. This contributes to increasing seat capacity, raising the quality of services provided to passengers, and providing a competitive environment that provides more choices, in order to achieve the objectives of the aviation program emanating from the National Strategy for Transport and Logistics.

Third: Key Projects Planned for FY 2026

Scope	Objective
	Raising the Kingdom's ranking in global data and AI indicators, as the National Strategy for Data and Artificial Intelligence aim to make Saudi Arabia among the top 17 countries in the world in data and AI by 2030.
Data and Artificial Intelligence	Enhancing the comprehensiveness of the services provided through "Tawakkalna" application as a comprehensive national application and raising the number of services to 926 by the end of FY 2026.
	Raising the rate of capacity building and qualifying national competencies in data and AI, as the program aims to reach 20 thousand experts and specialists by 2030, reaching 70% of the phased completion target by 2026.
Digital Economy, Space, and Innovation	The size of the telecommunications and technology market in Saudi Arabia aims to reach ٢١٩٩ bn by the end of FY 2026.
	Adding two new unicorn companies in the Saudi market by the end of FY2026.
Transportation and Logistics	Launching the second phase of the Road Safety Initiative to reduce accident fatalities, by addressing dangerous sites, improving intersections, and implementing barriers and traffic safety equipment.
	Establishing and developing an integrated network of sorting centers in various regions of the Kingdom of Saudi Arabia, including Hail, Makkah and Asir. In addition to developing distribution points and retail branches, with the aim of raising the efficiency of supply chains and reducing the processing and delivery time to enhance Saudi Arabia's position as a global logistics hub.
	Launching several travel lounges at Al-Jouf International Airport and the new King Abdullah bin Abdulaziz International Airport in Jazan, and the rehabilitation of the international terminal of Qassim Airport.

Third: Key Projects Planned for FY 2026

Scope	Objective
Transportation and Logistics	Activating two logistics centers in Al-Qunfudhah and Yanbu to contribute to raising the number of active centers to 26 centers and promoting the development of logistics infrastructure with a size of 600 thousand square meters.

Education Sector

First: Overview

Sector allocation

in FY2026 Budget

ﷲ202 bn

Main functions

Establishing schools, colleges, and university campuses; managing the Custodian of the two Holy Mosques Scholarship Programs; supporting research, development, and innovation; providing medical services through university hospitals; as well as supporting knowledge sources.

Number of governmental

entities affiliated with the sector

38 Entities

Second: Main Achievements in FY 2025

Scope	Achievement
Education	The launch of the National Unified Admission Platform "Qabool" as a comprehensive digital platform that unifies the procedures for applying to public universities, technical colleges, and international scholarship programs (Emdad) as a first stage, to cover all regions of the Kingdom of Saudi Arabia, where 315,022 students were admitted. The platform aims to improve the experience of applicants through easy, fair, and transparent procedures, supported by smart tools that help them make appropriate decisions for their educational paths. Achieving more than 400 global awards and advanced positions in many international forums and Olympiads, and Madrasati platform won the World Summit on the Information Society (WSIS) Grand Prize. More than 1,080 students received scholarships to study at the top 30 universities around the world under the Pioneers Track, and 49 programs for private sector companies were launched for scholarships within the Promising Track 2025.

Second: Main Achievements in FY 2025

Scope	Achievement
Education	Teaching Chinese in public education schools by 55,916 students cumulatively until Q2 of 2025.
	Increasing the percentage of technical and vocational education graduates enrolled in the labor market within 6 months of graduation to 56.2% in 2025, compared to 47.8% in the previous year 2024.
	Enabling government entities to benefit from shared digital educational resources by providing integrated infrastructure and advanced technical services, while ensuring the highest levels of protection and security for operating systems. This includes providing full support for technical needs from cloud hosting, through educational systems, to training and digital development tools, and this enablement has resulted in: • More than 3.5 million beneficiaries within a trusted digital environment. • Engaging more than 650 service providers and activating their role in the system. • More than 2000 government, educational and training entities benefited. • Organizing and empowering more than 113 thousand courses and educational pathways that are flexible and directly related to the needs of the labor market.
	Completion on the policy initiative to ensure access to education for students with disabilities, which is a part of the "Human Capability Development Program". The initiative aims to develop policies, in collaboration with relevant local and international entities, to support the inclusion of students with disabilities in general, higher, and vocational education.

Third: Key Projects Planned for FY 2026

Scope	Objective
Education	Launching the second phase of the National Unified Admission Platform "Qabool", to include other public universities, private universities, and military colleges, with the expansion of external scholarship paths and programs. The platform also targets various students groups such as Saudi students, sons and daughters of Saudi women, and scholarship students, and supports integration between educational entities, in a way that contributes to raising the efficiency of seat distribution and achieving the objectives of national transformation in the higher education sector within Saudi Vision 2030.
	Expanding the Specialized Talented Schools by reaching 16 schools for boys and girls in the following educational departments (Jeddah, Al-Jawf, Riyadh, Eastern Province, Qassim, Madinah), which offer quality programs in the technical, sports and cultural fields.

Third: Key Projects Planned for FY 2026

Scope	Objective
	Expanding the teaching of the Chinese language in public education schools through the implementation of the Chinese language teaching project according to the project's executive plan, to enable learners to speak Chinese, and enable them to communicate with Chinese speakers, as the number of student beneficiaries is expected to reach about 85,916 thousand students by the end of 2026. In addition, providing scholarships of 325 teachers to study Chinese language and pursue master's degrees in Chinese language education in prestigious Chinese universities.
Education	Holding the third edition of the Non-Profit Sector in Education Forum, which aims to strengthen the partnership between the Ministry of Education and non-profit organizations, by presenting successful experiences and signing cooperation agreements that support the development of education and training. Raising the level of scientific and professional achievement of scholarship recipients by allowing students to study in more than one major through awareness programs to study in more than one specialization for scholarship recipients to raise academic achievement and raise the level of scientific and professional achievement of scholarship recipients.

Health and Social Development Sector

First: Overview

Sector allocation

in FY2026 Budget

ﷲ259 bn

Main functions

Providing healthcare, and emergency, services, as well as conducting research. In addition, the sector includes managing human resources and the social aspect, which includes social security and welfare services. It also regulates cultural, media, sport, and entertaining aspects along with managing the Quality-of-Life Program.

Number of governmental

entities affiliated with the sector

30 Entities

Second: Main Achievements in FY 2025

Scope	Achievement
Health	Accrediting Jeddah as the largest million-population health city, and Madinah as the second-largest million-population health city in Middle East, according to the World Health Organization's (WHO) classification.

Second: Main Achievements in FY 2025

Scope	Achievement
Health	Implementing a qualitative and quantitative expansion of the services of "Seha Virtual Hospital" by increasing the scope of services to include 44 basic medical specialties and 71 subspecialties and linking the system to about 232 hospitals in various regions of Saudi Arabia, to become the largest virtual hospital of its kind in the world.
	Activating the National Policy for the Prevention of Drowning, which contributed to improving the Kingdom's ranking in international classifications and indicators to rank first globally in drowning prevention and reduction in death rates by 17%.
	Increasing the percentage of population groups (including peripherals) covered by primary health care services to 97.4%.
	Increasing the bed capacity of 5 hospitals across various regions of the Kingdom by 1,700 beds, to enhance healthcare services by providing fully integrated medical facilities that meet the highest international standards.
	Reducing the mortality rate from chronic diseases to 366 deaths per 100 thousand inhabitants, in addition to reducing the road accident mortality rate per 100 thousand inhabitants to 12.1 deaths by the end of Q2 of FY2025.
	Increasing the proportion of patients receiving emergency or urgent medical care from entering the emergency gate to discharging from the emergency during the standard time to 90.4%.
Media	Expanding the provision of "Wasfaty" service to over 200 million e-prescriptions and over 17 million beneficiaries.
	Launching the Media Scholarship Initiative to prepare distinguished national competencies in media disciplines through qualitative study and training programs in 15 countries, through Waaid Employment-Start Program, by aligning the outputs of the scholarships with the needs of the labor market and promoting the localization of media professions.
	Launching the Saudi Photo Platform (Creative Commons), a national digital platform specialized in publishing images under the Creative Commons license. This is a strategic step that contributes to enriching visual media content, supporting the media industry in the Kingdom of Saudi Arabia and enhancing the Saudi visual identity.
	Publishing "Saudipedia" encyclopedia in five international languages, a project that represents a strategic step to consolidate the platform's position as an official and reliable digital resource for Saudi Arabia's national content at the international level.

Second: Main Achievements in FY 2025

Scope	Achievement
Media	Establishing WAS News Training Academy to be the first national non-profit facility specialized in media training, with the aim of being a regional and global reference in the digital content industry and news training through professional programs with international standards.
Entertainment	Developing and implementing 7 entertainment events in two major cities in Saudi Arabia, which target expatriates and tourists in order to raise the quality of life in these cities and reflect a positive image of the Kingdom of Saudi Arabia. Those events focused on highlighting the cultures of 4 different communities, which contributes to enhancing stability and coexistence of different cultures. The success of the Riyadh season 2024/2025, which is one of the largest Saudi seasons in Saudi Arabia, and it contains a variety of entertainment, cultural and sports events represented in 14 entertainment areas, 11 international championships, and 10 exhibitions and festivals. The season aims to strengthen Riyadh's position globally as a hub for entertainment and tourism and achieve an economic and social impact by attracting visitors, raising local spending rates, creating direct and indirect job opportunities, and enhancing the participation of the private sector and small and medium enterprises (SME). Launching Eid 2025 program, as part of the General Entertainment Authority's commitment to diversifying entertainment opportunities across various regions of Saudi Arabia. As well as to meet the needs of residents and enrich their entertainment experience through 40 different events in all regions of the Kingdom of Saudi Arabia. Launching the "City Hub" project, which is a local tour to activate recreational activities in various regions of Saudi Arabia with 7 tours in 7 regions around the Kingdom. This contributes to creating sustainability in the entertainment sector by encouraging the private and government sectors to invest in the sector without focusing only on major cities and encouraging reliance on local entertainment content for each region.
Sport	Hosting more than 15 major international sporting events, including football championships (Italian and Spanish Super Cups), international races (Formula 1, Formula E, Dakar Rally), international championships in tennis, billiards, snooker, cycling, in addition to the Islamic Solidarity Games and a number of MENA championships. Increasing the number of football players registered with the Saudi Arabian Football Federation to 26 thousand players and the number of teams for age groups to 1,200 teams with the aim of expanding the base of competition and developing the game locally.

Second: Main Achievements in FY 2025

Scope	Achievement
Sport	Enhancing community engagement through the 2024/2025 Schools League Championship with the participation of more than 2,470 schools and more than 42,600 players.
	Starting the preliminary works of King Fahd International Stadium to accommodate 70 thousand seats to host the AFC Asian Cup. As well as rehabilitation and development of the stadium of Imam Muhammad Ibn Saud Islamic University to accommodate 20 thousand seats to host the matches of the AFC Asian Cup and the construction of a national training center aiming to provide an optimal training environment that fosters the development of players and coaches at the highest standards.
	Sponsoring 53 players for overseas training programs for the 2025/2026 season in Future Falcons program, where the program aims to send players from age groups to advance international clubs and leagues to develop their technical and physical skills and raise the level of their professional experience.
Human Resources	The number of Saudi workers in the private sector grew to more than 2.5 million and the unemployment rate fell to 6.8%, in Q2 of FY2025.
	The participation rate of women in the labor market reached 34.5% in Q2 of FY2025, comparing to 17% in FY2017, and the percentage of women in middle and senior management positions exceeded 43.7% in Q2 of FY2025, comparing to 26% in FY2018, which reflect the government's achievement in empowering women and broadening their leadership presence within the work environment.
	The Kingdom of Saudi Arabia has achieved a significant increase in the number of modern work pattern contracts, as more than 694 thousand freelancers and 717 thousand flexible contracts were empowered, an increase of 20% from Q3 objectives, and 331 thousand remote work contracts, an increase of 57% from Q3 objective.
	Implementation of 7 Saudization decisions to 311 professions have come into effect during 2025, as these decisions have contributed to increase the Saudis in the targeted sectors, which are: Saudization of 188 professions in technical engineering, Saudization of 20 professions in dentistry, Saudization of 21 professions in pharmacy, Saudization of 18 professions in radiology, Saudization of 12 professions in therapeutic nutrition, Saudization of 16 professions in physiotherapy, and Saudization of 36 professions in medical laboratories.

Second: Main Achievements in FY 2025

Scope	Achievement
Social Development	The non-profit sector achieved a high satisfaction rate among beneficiaries of non-profit organizations' services until H1 of FY2025 reached 89.3%, exceeding the target of 85%. This is an indication of the improvement in the quality of services provided, the ability of organizations to meet the needs of beneficiaries, and enhance community confidence in the performance of organizations.
	The number of volunteers reached more than 860 thousand volunteers in H1 of FY2025, exceeding the target of 300 thousand volunteers.
	The number of non-profit organizations grew by 288.4% compared to the baseline of FY2017, and by 27% compared to H1 of FY2024 with H1 of FY2025 through the empowerment and establishment of quality entities in various regions of the Kingdom of Saudi Arabia.
	Social empowerment to more than 77 thousand beneficiaries of social security until of Q3 of FY2025, through case management and the development of their skills and abilities, which contributed to opening new horizons for them to work. This achievement directly contributes to achieving self-sufficiency and improving the quality of life of this important segment of society.
	Opening the Cultural House in Riyadh, which is a modern community space that combines knowledge and creativity in one environment, transforming traditional libraries into vibrant and multi-use centers that keep pace with the needs of the community.
Culture	Opening the Istituto Marangoni in Riyadh, to be a leading educational platform to develop the future of fashion in Saudi Arabia. This opening is the result of a comprehensive market study to provide specialized educational programs that meet the needs of the fashion and luxury products sector and contribute to supporting economic diversification and achieving Saudi Vision 2030.
	The number of beneficiaries who graduated in cultural specializations reached more than 28 thousand beneficiaries for the year 2025.
	Launching the Cultural Schools Project through the operation of two schools specializing in public education in Riyadh and Jeddah. This project aims to integrate culture the educational process in a systematic manner, by providing programs that promote creativity and develop talents in the fields of arts, literature and cultural activities.
	Opening ten visitor centers at cultural heritage sites in the Kingdom of Saudi Arabia, with the aim of presenting these sites in an attractive way for cultural tourism and ensuring the preservation of their historical and civilizational gains through their management and operation according to the highest standards.

Third: Key Projects Planned for FY 2026

Scope	Objective
Health	Training 2 million trainees in basic first aid skills through the First Eight program to enhance the role of the community in responding to emergency cases.
	Achieving a comprehensive transformation in the licensing and regulatory environment by applying the National Licensing Framework to all public health sector facilities in the Kingdom of Saudi Arabia, and achieving 90% coverage of smart control through the "Regulator" platform, in addition to reducing the average duration of issuing licenses to 15 working days.
	Achieving full readiness of the dialysis centers affiliated with the Ministry of Health (MOH) by providing, operating and maintaining 750 modern dialysis machines, while completing the supporting infrastructure to ensure raising the capacity and improving the quality of service for patients in all regions of the Kingdom of Saudi Arabia.
	Establishing 6 hospitals with a total capacity of 1,100 beds, in (Hail, Khamis Mushayt, Al-Laith, Anak, Al-Jamoum, and Unaizah), to enhance healthcare services.
	Launching the National Clinical Trials Portal, which is a unified digital platform that aims to organize and empower the clinical research ecosystem in Saudi Arabia by facilitating access to information and data related to clinical trials, and the portal represents a step to stimulate local and international investment in clinical research.
Media	Promoting Saudization and local content in medical supply chains to achieve sustainability and efficiency through NUPCO's unified procurement competitions for all health entities, aiming to reach more than 87%.
	Launching Saudi Media Excellence Award, an annual media award that aims to encourage and develop media creativity in Saudi Arabia to highlight various efforts with qualitative imprints in media. Moreover, honoring the winners of various media tracks from influential media entities and personalities, as well as contributing to stimulating and developing media movement in a sustainable manner throughout the year in the Kingdom.
	Enhancing "Saudipedia" platform reach nationally and globally as a reliable source of the Kingdom of Saudi Arabia's national content, in order to ensure the enhancement of its national identity, raising the level of its presence, and marketing content related to Saudi affairs at the global level.

Third: Key Projects Planned for FY 2026

Scope	Objective
Media	Establishing a leading AI lab in the fields of media, to develop the national media and bring it to the stage of smart media based on data and algorithms in the production and direction of media content. This is done by providing a flexible and secure experimental environment for the development, testing and application of technical solutions in the fields of media (artificial intelligence – big data).
Entertainment	Targeting the success of the Riyadh Season 2025/2026; Riyadh Season is the largest of all Saudi seasons held in the Kingdom of Saudi Arabia and it contains a variety of entertainment options and activities, consisted of 11 entertainment areas, 15 international championships, 34 exhibitions and festivals, and more than 20 Gulf, Arab and international concerts. Riyadh Season aims to achieve more than 20 million visitors from citizens and expatriates, in addition to creating permanent and seasonal jobs, sustaining the sector in general, and contributing to the enhancement of local content by involving local companies in activities and events.
Sport	Hosting more than 13 international sporting events until 2026, in order to contribute to boosting the economy by attracting investments, increasing returns from sports and tourism, as well as improving infrastructure, and enhancing community health, job opportunities, and sports identity. Launching Schools League for the 2025/2026 season with the aim of expanding the base of football practitioners and discovering talents from school students in cooperation with the Ministry of Education. Completion of King Fahd Stadium's development and construction works to accommodate 70 thousand seats. In addition to the completion of rehabilitation and development works at Imam Muhammad Ibn Saud Islamic University Stadium to host the matches of the AFC Asian Cup to accommodate 20 thousand seats. Holding and organizing the Saudi Arabian Football Federation's competitions, with more than 60 competitions held annually, and introducing under 21 Elite League Championship to prepare young players to move to the first teams and increase their competitive opportunities.
Human Resources	Raising the percentage of highly skilled working Saudis out of the total working Saudis to 38.9%. Launching the National Skills Framework, this Framework will provide all the required information on skills related to the professions, in addition to information on the career paths for each profession, and the levels of mastery required for each skill.

Third: Key Projects Planned for FY 2026

Scope	Objective
Human Resources	Training 23 thousand trainees in 2026 through the Skills Accelerator initiative, as the initiative aims to enable private sector employees to acquire advanced skills and modern knowledge that keep pace with the economic and technical transformation in Saudi Arabia, and develop national competencies.
	Converting the wage clause in the documented employment contract into an enforceable instrument, allowing the mandatory execution of the contract directly through the competent authorities, without the need to file a lawsuit to prove the right. This aims to raise the level of compliance in the labor market and promote an attractive and stable work environment.
Social Development	Social empowerment to more than 108 thousand social security beneficiaries, through case management and the development of their skills and abilities. This contributes to opening new opportunities for them to work and achieve self-reliance, thereby directly enhancing self-sufficiency and improving the quality of life of this important segment of society.
	Sakhaa program has adopted sustainable non-profit development projects worth ﷲ16 bn until FY2026, and achieved a tangible impact on development indicators, more than 16 thousand jobs within the employment index and 80 thousand beneficiaries in the beneficiary index, which will help raise the contribution of the non-profit sector to the GDP.
	Increasing the number of volunteers in the non-profit sector to 1.1 million by increasing the volume of community participation, This contributes to enhancing the culture of volunteering, expanding the scope of development initiatives, and raising the efficiency of community service delivery.
Culture	Opening the National Film Archives Preservation and Restoration Center, an integrated center equipped with the latest technologies and equipment specialized in the preservation and restoration of films. The center includes qualified cadres trained in the use of the latest international methods in this field, in order to contribute to the preservation of the national film heritage.
	Registering the intellectual property rights of Al-Awwal and Saudi calligraphies internationally, ensuring that the two fonts are recognized as symbols associated with Saudi culture, thereby consolidating the presence of cultural identity at the international level.
	Establishing distinguished museums in the main cities and local museums in the regions characterized by their diversity and heritage (Al-Jawf Region Museum, Qassim Region Museum, Asir Region Museum, Makkah Region Museum).

Municipal Services Sector

First: Overview

Sector allocation

in FY2026 Budget

ﷲ72 bn

Main functions

Establishing and developing the infrastructure of cities, urban planning, and providing solutions related to housing and urban development, as well as holding entertainment activities, festivals, and occasions.

Number of governmental

entities affiliated with the sector

308 Entities

Second: Main Achievements in FY 2025

Scope	Achievement
Municipalities and Housing	Serving more than 90 thousand Saudi families that benefited from housing support programs and products. In addition to providing more than 107 thousand housing units and developed lands in various regions of the Kingdom of Saudi Arabia, in partnership with a group of real estate developers.
	Constructing and developing more than 2.5 million square meters of parks and urban interventions for H1 of FY2025, exceeding the target about 1.8 million square meters, in order to improve the urban landscape and enhance the concept of quality of life in Saudi cities.
	Raising the efficiency of the implementation of municipal projects, by reducing the percentage of stalled projects from 11% to 4.5%. This is achieved by strengthening follow-up mechanisms, and improving planning and implementation procedures, which reflected positively on the quality of municipal services and the sustainability of urban development.
	Achieving a satisfaction rate of 75% among the population with the efforts to address visual distortion during 2025, through the implementation of intensive field campaigns, improving the urban landscape, and removing distorted elements such as unauthorized signs, random graffiti, and waste.
Royal Commission for Riyadh City	Starting the implementation of 12 projects, worth more than ﷲ20 bn, including projects such as the 56-kilometer Second Southern Ring Road project, the construction of two bridges parallel to the suspension bridge, the development of the western part of the Al-Thumama Road axis, in addition to the extension of Taif Road in the Laban neighborhood to the Qiddiya project, and the development of the 9-kilometer Dirab Road.

Second: Main Achievements in FY 2025

Scope	Achievement
Royal Commission for Riyadh City	The launch of all phases of the five-bus network has been completed with 87 routes and 842 buses serving about 2,977 stations and stopping points,, and the number of passengers has exceeded 90 million from March 2023 until September 2025. Also, the Gulf's first trial of dedicated-lane buses was launched on 3 lanes.
	Approval of the detailed program for the development of Riyadh Health City, as the project aims to upgrade the city of Riyadh to be among the leading cities regionally and globally in various aspects of health, which includes the construction of an integrated health city.
Royal Commission for Makkah and Holy Sites	A package of projects was implemented to improve the visitors' experience. This included the development and humanization of Al-Misyal Street, unifying the visual identity of shops to reflect Makkah's architecture, and installing 419 signboards in the central area and the holy sites to facilitate mobility. Moreover, golf carts were operated to serve the elderly and people with special needs. Additional prayer rooms were prepared behind the clock towers, accommodating more than 60 thousand worshippers during the holy month of Ramadan. The clock museum and terrace were also activated as quality destinations that reflect the spiritual dimension of the city.
	The system of adahi and nusuk has been developed through the operation of 7 complexes with an area exceeding one million meters to provide adahi (sacrifices), sadaqah (charity) and aqaiq (sacrifice for a newborn) services during 2025. Also, more than 920 thousand nusuk were carried out, and adahi meat was distributed in more than 30 countries in cooperation with international organizations, and more than 500 thousand new visitors were attracted to adahi platform. In addition to concluding partnerships with more than 30 accredited entities, and launching a smart system to monitor nusuk based on AI technologies.
	The paths in the holy sites were developed on an area of 190 thousand m ² , including shading and cooling 100 thousand m ² to reduce the temperature, planting them with 20 thousand trees, improving public facilities by equipping more than 4 thousand bathing units and 35 thousand toilets, in addition to providing 400 water coolers and rest areas. Similarly, the architectural identity of Mina's stalls was unified, spatial guidance was developed, an emergency hospital with a capacity of 200 beds was established, 71 emergency centers and 14 first aid centers were prepared. In addition to the establishment of charitable distribution centers in Arafat and Muzdalifah, in order to enhance the comfort of pilgrims and ensure their safety and the quality of the services provided.

Third: Key Projects Planned for FY 2026

Scope	Objective
Municipalities and Housing	Serving more than 100 thousand beneficiaries of housing support, where subsidized mortgages for low-income groups constitute 35% of the total contracts of beneficiaries, in addition to serving 20 thousand families from the most in need groups within the developmental housing program.
	Providing 80 thousand housing units and developed lands in partnership with local and international real estate developers in various regions of the Kingdom of Saudi Arabia, with a total investment of nearly 70 bn.
	Ensuring the enhancement of urban identity and raising the attractiveness of cities through the application of urban identities of Saudi architecture in various regions of the Kingdom of Saudi Arabia.
	Improving the quality of construction in cities through the full commitment of construction licenses to apply the requirements of the Saudi Building Code for areas under the supervision of the municipal sector.
Royal Commission for Riyadh City	Planting 7.5 million trees in Riyadh, increasing green spaces from 1.5% to 9%, increasing their per capita from 1.7 square meters to 28 square meters, which is 16 times the previous amount, and using 100% treated water for irrigation purposes by more than 1.7 million cubic meters.
	Implementing the first phase of the new seventh track of the Riyadh Metro, which extends from the Diriyah Gate project in the north to the Qiddiya project in the southwest.
	Launching "Riyadh Street Food," which aims to revive and enhance urban and cultural landscape of Riyadh city. This project seeks to create a high-quality, affordable global street food scene with the aim of revitalizing the neighborhoods and nightlife economy and celebrating Riyadh's cultural diversity.
	The Ring and Main Roads Axes Development Program in Riyadh city aims to develop a set of elements of the main road network by adding new roads, upgrading the existing main axes and connecting them through the implementation and development of more than 500 kilometers of the city's road network.
Royal Commission for Makkah and Holy Sites	Preparing and activating 5 historical and enriching sites to receive visitors, including activating the Clock Tower Museum during the Hajj and Umrah season, developing and activating the existing visit route in the building of King Abdullah bin Abdulaziz Zamzam Water Project, and transforming it into a permanent museum available to visitors throughout the year, including the establishment of a visitor center that receives visitors, organizes their tours inside the museum, and provides them with basic services.

Third: Key Projects Planned for FY 2026

Scope	Objective
Royal Commission for Makkah and Holy Sites	Removing several slum sites and documenting their real estate ownership within a comprehensive plan to address slums, through reorganization, infrastructure development, and improvement of public facilities and services. This contributes to raising the quality of life for residents, achieving an orderly and safe urban environment, in addition to enhancing the city's attractiveness for investment and sustainable development.
	Increasing the number of developed stations that are qualified and equipped to receive visitors, with the aim of reducing delay times at high-density traffic intersections by improving their design and developing their operational systems, in a way that contributes to raising traffic efficiency, reducing congestion, improving the mobility experience, and supporting the sustainability of the transport sector.
	Increasing the number of miqat locations and the developed, improved qualified and equipped Al-Hill mosques to receive Hajj and Umrah pilgrims, through several works, most notably the comprehensive development of the Mother of Believers Asayidda Aisha Mosque. In addition to investing in service facilities, outdoor courtyards and open areas that include commercial, cultural and service activities to transform it into an enriching and financially sustainable destination.

Economic Resources Sector

First: Overview

Sector allocation

in FY2026 Budget

ﷲ92 bn

Main functions

Servicing commerce and business services, environmental transformation and vegetation development, energy and water resources, and mineral and industrial wealth. In addition, it focuses on developing tourism businesses and investment environment; promoting industry and exports; supporting SMEs, and the state properties assets; and enhancing local content, economy and planning, international strategic partnerships, and national transformation.

Number of governmental

entities affiliated with the sector

48 Entities

Second: Main Achievements in FY 2025

Scope	Achievement
Environment, Water and Agriculture	Developing and launching 64 new e-services on the "Naama" platform related to the sectors of agricultural, livestock and purebred Arabian horses. Moreover, 41 services were launched in the "Tawakkalna" application, and 5 platforms of the Ministry of Environment, Water and Agriculture (MEWA)'s system were integrated into the "Naama" platform within the comprehensive government program.
	The implementation of a water desalination research center under the name of "Desalination Oasis" contributes to the development of the water sector in general and desalination technologies in particular by supporting research and innovation to raise the efficiency and sustainability of water in the Kingdom of Saudi Arabia.
	Saudi Irrigation Organization (SIO) has succeeded in reusing treated (renewable) water by more than 30%. SIO has also made several milestones that directly contributed to maximizing the use of non-conventional water to preserve natural resources for agricultural, industrial and urban uses.
	The National Center for Wildlife (NCW) has made unprecedented environmental achievements, including documenting more than 84,500 seabirds, viewing more than 1,219 large marine creatures, and relocating more than 1,593 endangered species.
Commerce	The contribution of the General Food Security Authority (GFSA) in reducing the rate of food loss and waste in the Kingdom of Saudi Arabia through awareness campaigns, where the results of the second field measurement showed a decrease in the percentage to 27.9% compared to the baseline for FY2019, which amounted to 33.1%.
	Collaborating with the World Bank Group to establish a knowledge center in Saudi Arabia to spread the culture of reforms in neighboring countries and the most in need globally, and to market Saudi Arabia's successes and economic reforms that have contributed to improving the Kingdom of Saudi Arabia's competitiveness regionally and globally.
	Launching the electronic portal to support industrial facilities by providing technical consulting services to manufacturers and awareness programs to enhance the culture of quality within industrial facilities. These services aim to facilitate reaching a certain level of maturity that enables the industrial facilities to join supply chains and enter global markets to increase GDP, diversify sources of income, and avoid flooding the local market with imported products of poor quality.
	Launching an initiative aimed at stimulating the growth of SMEs by returning the government fees paid "Estrdad" and opening registration for beneficiaries with a dedicated budget of 1.5 bn. This will contribute to facilitating the launch of start-ups, enhancing the opportunities for the continuity of economic activities, and enabling entrepreneurs to expand locally and enter new markets with confidence and stability.

Second: Main Achievements in FY 2025

Scope	Achievement
Industry and Mineral Resources	Providing credit facilities and insurance coverage for non-oil exports with a total value of ₪32.8 bn in FY2025, to enable Saudi exporters to increase their non-oil exports, which will reflect positively on the percentage of Saudi non-oil exports and improve the balance of payments.
	Enabling more than 3 thousand factories to join Factories of the Future through introductory and awareness workshops, assessments, training programs, transformation planning, field visits, and evaluations of factories.
	Launching the National Cement Academy, to enable national talents to contribute to the development of the cement sector, through academic qualification, practical training, and on-the-job training for professional cement engineers, technicians, and operators.
	Localizing machinery, equipment, and electrical appliances in the second and third phases, identifying challenges and possible investment opportunities, supporting local manufacturers, attracting foreign investors, and enabling them to obtain government incentives temporarily so that these factories can continue and sustain production.
	The Regional Headquarters Attraction Program has exceeded 682 companies, surpassing the objective of 500 companies set by Saudi Vision 2030, which confirms Saudi Arabia's position regionally. The program's current efforts focus on activating the path of attracting research, development and innovation centers and the path of attracting world-leading media companies.
Investment	Developing a globally competitive maritime industry in Ras Al-Khair Special Economic Zone by securing investments worth ₪26 bn, through King Salman International Marine Industries and Services Park in Ras Al-Khair. The Kingdom of Saudi Arabia aims to take advantage of its strategic location in the heart of major shipping lanes to localize marine industries such as shipbuilding, repair, and maintenance.
	Stimulating 40 unique investment deals in a number of priority sectors with a volume of investments amounting to ₪320 bn, from July 2022 until Q3 of FY2025. These investments contribute to diversifying the economy, creating quality opportunities, and achieving the objectives of Saudi Vision 2030.
	The total growth of fixed capital formation investments in the Kingdom in FY2024 reached a record level of ₪1,441 bn, surpassing the target of the National Investment Strategy by 49% for the same year. The share of fixed capital formation in the Kingdom's GDP reached 31%, exceeding the Saudi Vision 2030 target of approximately 26% for FY2024. Looking at the performance in the first half of FY2025, total fixed capital formation recorded a growth of 6% compared to the same period of the previous year.

Second: Main Achievements in FY 2025

Scope	Achievement
Zakat, Tax, and Customs	Implementing the Value Added Tax (VAT) refunds for tourists in the Kingdom of Saudi Arabia to effectively balance traveler experience and tax compliance, and support economic development.
	Adopting generative AI technology to provide advisory and guidance services in an easy and simplified way on Zakat, Tax, and Customs Authority (ZATCA)'s portal, by linking the general guidelines available on the portal.
	Working on an integrated methodology to enhance effective crisis response, in order to improve response time to incidents and crises by ensuring the activation of an integrated structure for coordination, control, and communication internally with stakeholders. Also, appointing a distinctive response methodology for various crises, while ensuring effective stakeholder participation, and providing high-quality centralized operational control for crisis monitoring.
	ZATCA won the CIPS Award for its innovation in automation and enhancing the efficiency of procurement procedures, as it achieved the award for the best government project from the Chartered Institute of Procurement and Supply (CIPS) for developing and automating the pre-qualification procedures for competitors, which led to raising the quality of outputs and reducing risks and the percentage of defaults.
	ZATCA's electronic systems are developed to enable the customer to review the details of the invoice before submitting the incoming customs declaration, and the invoice is issued after submitting the declaration, which contributes to accelerating the clearance procedures, which in turn contributes to reaching the clearance targets within half an hour.
Energy	Replacing and maximizing Saudi Arabia's oil and gas reserves by compensating 98.5% of the 2024 production of crude oil and condensate, and adding 8 trillion standard cubic feet of crude gas. In addition to the discovery of 13 fields and 12 oil and gas reservoirs, which contributed to increasing the proven hydrocarbon reserves in the Kingdom.
	Completion of the first phase of the Jafurah Gas Plant construction and commencement of production with a capacity of 450 million cubic feet per day. Sustainable production is expected to reach 2 billion cubic feet of gas per day after the project is completed by 2030.
	Launching and implementing a set of educational and training programs to prepare national competencies within the objectives of the strategy to qualify human capital in the energy sectors.

Second: Main Achievements in FY 2025

Scope	Achievement
Energy	Activating digital transformation applications in oil and gas metering systems and processes, which contributed to raising the accuracy of calculating the estimated quantities of more than 3.5 million barrels, which resulted in sales revenues of ₪487 million.
	The completion of 18 projects in the liquid fuel displacement program contributed to the displacement of 67 thousand barrels of oil equivalent per day and the total financial savings reached about ₪24.7 bn. This played a role in achieving the objectives of Saudi Vision 2030 and the Saudi Green Initiative and reaching the Kingdom's net zero objective by 2060.
Tourism	The success of the "Saudi Summer 2025" campaign, which focus on diverse domestic destinations. The total visits of domestic and global tourists achieved a growth of 26% during the summer season, and achieved a growth of about 15% in tourist spending.
	Lunching the Saudization of 41 professions in the tourism sector with the aim of enhancing the presence of national cadres, expanding job opportunities, and raising the level of participation of Saudi men and women in the tourism sector.
	Exceptional growth was recorded in the issuance of tourism licenses across various types. The proportion of licenses for hospitality facilities reached 98% of the total operational facilities in the Kingdom, with 3,773 new licenses issued from the beginning of FY2024 until Q3 of FY2025. As well as, the number of private hospitality facility permits increased to 30,412 until September, achieving a remarkable growth of 1183% compared to the previous year.
	The Tourism Development Fund (TDF) has provided financing to more than 147 micro, small and medium enterprises with a value exceeding ₪187 million through tourism empowerment programs and support tourism projects that serve promising destinations.
	Achieving around 1 million employees in the tourism sector until Q3 of FY2025, representing 85% of the annual objective of 1,170 thousand employees.
	The number of tourists until Q2 of FY2025 reached 60.9 million local and international tourists. This achievement reflects the culmination of the Ministry's efforts in developing tourism products, launching international promotional campaigns, and enhancing tourism infrastructure and services, which reflects the Kingdom's position as a competitive global tourism destination.

Second: Main Achievements in FY 2025

Scope	Achievement
Saudi Authority for Intellectual Property	The Kingdom of Saudi Arabia has achieved a qualitative achievement by advancing 14 ranks to reach 13th rank globally in the Intellectual Property Rights (IPR) Enforcement Index, within the Global Competitiveness Yearbook Report for the year 2025, issued by World Competitiveness Center of the International Institute for Management Development (IMD), which is one of the main competitiveness reports that the National Competitiveness Center follows up in coordination with the relevant government agencies. The Intellectual Property Academy has launched the Executive Master's Program in Intellectual Property, Innovation and Entrepreneurship, and the Higher Diploma in Intellectual Property as qualitative executive programs that meet the needs of the labor market and support investment in human capital, thus contributing to empowering future leaders and changemakers in the fields of creativity and innovation.
Royal Commission for AlUla	From the beginning of FY2025 until Q3, AlUla received more than 240 thousand visitors. The average tourist spending also reached approximately ﷲ2,100, surpassing the targeted estimate of around ﷲ1,400. These results reflect the positive impact of Saudi Vision 2030's efforts in developing the tourism sector, and affirm the ongoing progress toward establishing AlUla as a distinguished global destination for historical, heritage, and cultural tourism. The Royal Commission of AlUla (RCU), in cooperation with the "Vibes AlUla" Center, implemented a 6-month entrepreneurial incubation program with the participation of 44 startups, during which they received more than 4.8 thousand hours of mentorship and training. This program aims to develop entrepreneurship and enhance the domestic economy, as per the country's directions to empower the non-oil sectors and achieve financial sustainability, in line with the objectives of Saudi Vision 2030.
Economy and Planning	Building and launching the unified national platform for sustainability data and reports, which is concerned with presenting data, indicators and reports on sustainability from various national sectors to facilitate access to information and highlight the achievements at the local and international levels. Launching the Statistical Innovation Lab as the first specialized innovation lab for statistics in the Kingdom of Saudi Arabia to provide statistical readings and products of high accuracy and quality that help achieve comprehensive and sustainable development objectives that meet the requirements of Saudi Vision 2030.

Second: Main Achievements in FY 2025

Scope	Achievement
National Center for Government Resource Systems	Launching the first phase of the Chatbot activation project on the "Etimad" platform, which allows beneficiaries to get instant answers to common questions, clarify the details of services, conditions and procedures via direct links, while continuously updating the information base and supporting interaction in both Arabic and English.
	Enabling the completion of the project of transferring the data of the Two Holy Mosques from the data center of "Dunia" company in Jeddah to the center's cloud environment, as part of the continuous digital transformation efforts.
	Signing the electronic linkage agreement between the Saudi Central Bank and the National Center for Government Resources Systems (NCGR) to benefit from the account verification service through the Tanfeeth program.
National Debt Management Center	Issuance of the first green bonds by the government of the Kingdom of Saudi Arabia to enhance Saudi Arabia's leading role in sustainable finance in the region, and to encourage public and private initiatives in the fields of climate finance and environmental conservation.
	The Kingdom of Saudi Arabia's sovereign credit rating was upgraded to A+ by S&P with a stable outlook at the beginning of 2025, and Aa3 by Moody's with a stable outlook in late 2024, in addition to Fitch's confirming its rating for the Kingdom of Saudi Arabia to A+ with a stable outlook in 2025.
Privatization	Completion of the signing of the sale of 3 sports clubs to international and local investors to achieve government revenues and reduce government spending on sports clubs, in addition to raising the participation of the private sector in the economy.
	Enabling the private sector to operate eight port terminals through granting operational privileges, with the aim of reducing investment obligations on the public sector. In addition to enhancing operational efficiency to reach the capacity of port terminals to handle more than 1,724 million tons, with the role of the Saudi Ports Authority focusing on regulation and legislation.
Non-Oil Revenues Development Center	Regulate and govern proposals for non-oil sources of revenue, revenues from the utilization of government assets, and income-sharing projects.

Third: Key Projects Planned for FY 2026

Scope	Objective
Environment, Water and Agriculture	SIO aims to maximize the use of water from renewable and non-conventional sources and reuse 35% of the renewable (treated) water for agricultural, industrial and urban uses.
	Raising the volume of production of basic agricultural commodities by a total of 13 million tons, which contributes to raising the GDP of the agriculture sector to ₪123.5 bn and reducing the deficit in the trade balance, considering the expected population growth. This contributes to enhancing food security and economic sustainability in the agricultural sector in the Kingdom.
	Launching the first phase of the Food Early Warning System in Saudi Arabia, which monitors the developments of the global and local markets for strategic food commodities.
	Enhancing surface water resources and reducing the risk of floods by constructing 5 dams with quantities exceeding 8 million cubic meters, in addition to ensuring the sustainability and safety of the existing infrastructure.
Commerce	Developing a smart chat system based on modern AI technologies to make a significant transformation in the service of inquiries related to professional standards to provide accurate, reliable, informative and fast answers. This contributes to reducing the cost of time and resources, increasing the satisfaction of beneficiaries and increasing their confidence in the services provided.
	Providing support and development to 50 local brands with the aim of enabling them to operate and expand through the franchise model, the development includes the following aspects: operational, legal, marketing, administrative, financial, and strategic.
	Issuing a consumer protection law draft that aims to achieve a fair balance of rights and duties between the economic operator and the consumer, protect the consumer from harmful, defective or infringing products and services, and spread the culture of sustainable consumption.

Third: Key Projects Planned for FY 2026

Scope	Objective
Industry and Mineral Resources	Supporting innovators and entrepreneurs, establishing research centers, and transforming ideas and research into innovative industrial products. This will be achieved by providing a stimulating environment that contributes to transforming creative ideas into scalable and exportable products. The innovator is supported in 9 stages of the innovation journey, as well as an innovation competition is held to present ideas and attract talents, in addition to targeting the graduation of 25 innovators from the program.
	Creating more than 11 thousand jobs for national competencies in the industry and mining sector, reaching 286 thousand jobs by the end of 2026.
	Registering 2,286 new products, bringing the total to 20,350 and registering 516 new companies in the "Made in Saudi Program", bringing the total to 3,900 companies. This supports the empowerment of the national industrial sector.
Investment	Work on developing and marketing green investment opportunities and complement the existing work to develop the necessary mechanisms to complete and enforce the guidelines for green investments, as it will contribute to increasing the attraction of local and foreign green investments to the Kingdom of Saudi Arabia.
Zakat, Tax, and Customs	Developing and improving the Implementing Regulations of the Excise Goods Tax Law, clarifying the procedures, rights and duties related to regulations for both ZATCA and regulated entities, and applying best practices in order to increase the compliance rate.
	Strengthening the Saudi Authorized Economic Operator (AEO) Program by signing mutual recognition agreements with countries with the highest volume of trade exchange, and completing the work of automating the procedures of the Economic Operator Program.
Energy	Establishing a national digital platform that aims to enhance human capacity building in Saudi Arabia's energy sector, by connecting stakeholders and interested parties, managing supply and demand data, and developing a skills framework and e-learning models in cooperation with concerned parties.
	Launching and implementing a set of projects to develop commercially feasible local technologies in the field of renewable energy, including advanced solar cells, energy storage, smart grids, and green hydrogen, with the aim of supporting Saudization, enhancing local content, and enabling innovation.

Third: Key Projects Planned for FY 2026

Scope	Objective
Energy	Increasing the storage capacity of aviation fuel at King Salman International Airport project to meet the growth in passenger numbers. The project includes the construction of three new tanks simultaneously with the increase in the volume of demand for aviation fuel until the 2040 plan, to ensure the security of supply to the airport.
	Replacing and maximizing the Kingdom of Saudi Arabia's oil and gas reserves by replacing 100% of the 2025 production of crude oil and condensate and adding 7.5 trillion standard cubic feet of crude gas, to maintain Saudi Arabia's leading position in the oil and gas markets and ensure the continuity of local and global energy security.
	The Kingdom of Saudi Arabia's natural gas production capacity aim to increase by 7%.
Tourism	Aiming to increase the number of direct Saudi workers in the tourism sector to 110 thousand by 2026 by supporting employment programs, enhancing training and vocational qualification, and expanding quality job opportunities in the tourism sectors.
	Targeting a total tourism expenditure of ﷲ 351 bn by 2026 by providing tourism products and services with added value that attract tourists.
Royal Commission for Alula	Developing an index to measure the GDP of AlUla Governorate. In addition to an index to measure the total daily expenditure of tourists with a target of ﷲ1.6 bn, and an index to measure the total number of visitors who spent a night or more, including travelers for business, leisure, religious visits, or visiting relatives and friends, whether in paid or unpaid accommodations, with a target of 320 thousand visitors.
Economy and Planning	Developing and launching the National Classification of Sustainable Activities, which contributes to unifying environmental and social standards for projects, in order to enhance the alignment of national efforts with international best practices, and support entities in assessing the impact and benefiting from sustainable financing opportunities.

Public Administration Sector

First: Overview

Sector allocation

in FY2026 Budget

ﷲ57 bn

Main functions

Undertaking the management of foreign relations, political and diplomatic affairs, Islamic affairs services, and justice and judicial affairs. Organizing Hajj and Umrah, ensuring the care of the Two Holy Mosques, and facilitating the operations of the central government and the management of general authorities.

Number of governmental

entities affiliated with the sector

34 Entities

Second: Main Achievements in FY 2025

Scope	Achievement
Islamic Affairs	Implementing the Custodian of the Two Holy Mosques program to distribute dates and Iftar (break the fast) to 163 countries by distributing 700 tons of dates in 102 countries around the world. In addition to implementing the Iftar program for fasting people in 61 countries.
	Sending 44 Imams to 22 countries for the Imam Training Program Abroad, during the holy month of Ramadan, in response to the requests of Islamic communities and centers, to assume the tasks of Imam, preaching and dawah (invitation to Islam), in order to meet the needs of Muslims abroad.
	In order to highlight the Kingdom of Saudi Arabia's efforts in spreading the values of moderation, temperance and tolerance and enhancing its position internationally, the Ministry of Islamic Affairs, Dawah and Guidance (MOIA) has held four international events for the year 2025:
	• The Third Association of Southeast Asian Nations (ASEAN) "Khair Ummah" Conference in the Kingdom of Thailand. • The Seventh 'Jusoor' Exhibition in Marrakesh, Morocco. • The Fifth 'Jusoor' Exhibition in Jakarta, Indonesia. • The Sixth 'Jusoor' Exhibition in Pristina, Kosovo. These activities were attended by an elite group of Islamic scholars and institutions, and they are contributed to strengthening the Kingdom of Saudi Arabia's international presence as a leading entity in spreading temperance and moderation.

Second: Main Achievements in FY 2025

Scope	Achievement
Justice	Activating the first phase of the Central Court Model, which is concerned with developing referral management services between competent courts through building the components of the virtual court, which supports the achievement of quality outputs, reflecting the social impact of achieving access to justice and enhancing judicial guarantees.
	Launching a range of documentation services through Najiz application, which aims to make all judicial services available electronically, allowing beneficiaries to access judicial services in the fastest and easiest ways.
	Launching and activating the digital assistant service for judicial systems to inquire about regulations and legislations, which allows beneficiaries to obtain accurate and immediate answers based on reliable and approved legal sources, which enhances legal awareness and achieves beneficiary satisfaction.
	Raising the general satisfaction index of the Hajj performance journey for the year 1446H to 91%, with an increase of 10 degrees Celsius compared to the previous season, which is the highest result achieved so far, as a result of unifying coordination efforts to plan and raise readiness in cooperation with more than 60 entities.
Hajj and Umrah	More than 321,588 workers were trained and qualified in the Pilgrims Service sector within various sectors (governmental, private, and non-profit) during the Hajj season 1446H, exceeding the target of 160 thousand workers by more than 100%, with the aim of improving the quality of services provided and enhancing the full field readiness of workers efficiently.
	The establishment of a new emergency hospital in the Holy Site of Mina within 30 days with a capacity of 200 beds and linking it to King Abdulaziz Road to contribute to speeding up the response time and efficiently transporting emergency cases.
	Implementing and functioning operational excellence projects and raising the quality of services and infrastructures in the Holy Sites during the Hajj season 1446H, through the establishment and implementation of several projects, including: • The project "Towards Mina" development of spatial guidance, and the project of escalators, in addition to projects to develop the drinking water system. • Establishment of 71 centers, among emergency response and first aid centers and the project was completed within 59 days.

Second: Main Achievements in FY 2025

Scope	Achievement
Foreign Affairs	Developing an intelligent virtual assistant for AI-powered automated conversations to improve the user experience through instant interaction across different communication channels and support the optimal use of modern technologies.
	Developing an automated answering system supported by AI for the project of the Unified Center for Receiving Communications and Reports for the Ministry of Foreign Affairs (MOFA).

Third: Key Projects Planned for FY 2026

Scope	Objective
Islamic Affairs	Hosting 3,310 Hajj and Umrah pilgrims and visitors as part of Custodian of the Two Holy Mosques' Guests Program
	Launching the "Qiyam" (Values) initiative as one of the awareness initiatives that aims to spread and promote Islamic and humanitarian values in society in the Kingdom of Saudi Arabia's regions. This will be achieved through qualitative programs and mentoring projects that contribute to the consolidation of positive moral and behavioral values, such as honesty, trustworthiness, benevolence, tolerance, and discipline.
	Implementing 3 international initiatives entitled "Inna Lahu Lahafithoon" (Indeed, We will be its guardian) in a number of countries during 2026, with the aim of highlighting the leadership of the Kingdom of Saudi Arabia in the field of printing the Holy Quran, translating its meanings, recording its recitations, and taking care of Quranic research and studies with efforts that promote the optimal application of the good image of moderation and temperance, and enhancing the positive mental image of the Kingdom of Saudi Arabia's position as a global center for serving the Holy Quran.
Justice	Building and developing documentation services to promote preventive justice through the development of electronic documentation services for all documentation products (power of attorney, declarations, virtual notary) in a way that contributes to the promotion of preventive justice.
	Automating the processes of executing real estate evictions, direct enforcement, and eliminating manual procedures, in order to support technical transformation and integration between systems, improve the experience of beneficiaries, and promote the values of justice and transparency.

Third: Key Projects Planned for FY 2026

Scope	Objective
Justice	Developing and preparing offices for the provision of conciliation services in a typical manner, spreading the culture of reconciliation, and promoting the concept and principle of mediation for all segments of society so that mediation is the preferred option for settling disputes, and developing new paths and categories for settling disputes.
Hajj and Umrah	Targeting the arrival of the number of Umrah pilgrims from abroad in FY2026 to more than 20 million pilgrims. Launching "Nusuk" card for Umrah pilgrims with the aim of issuing and printing it as a unified identity that contributes to facilitating the identification of pilgrim's data and enhancing the level of organization and service during the Umrah trip.
Foreign Affairs	The possibility of issuing and renewing national IDs directly through the missions without the need to visit the status offices, through the Absher Government platform "in coordination with partners". Work on a project to obtain ISO certification in the field of translation process management to improve translation quality, standardize procedures, raise performance efficiency, enhance reliability, and support institutional excellence.

Security and Regional Administration Sector

First: Overview

Sector allocation

in FY2026 Budget

ﷲ120 bn

Main functions

Focusing on maintaining internal security and the country's safety, which includes border guards, countering terrorism and extremism, narcotics control, civil defense, passport administration, and traffic safety. In addition, it focuses on managing and organizing the affairs of the emirates of the regional administration, reformatories and prisons administration, as well as the technical integration of the citizen's transactions to civil affairs, cybersecurity, and premium residency.

Number of governmental

entities affiliated with the sector

31 Entities

Second: Main Achievements in FY 2025

Scope	Achievement
Cybersecurity	The Kingdom of Saudi Arabia has maintained its first rank globally in the Cybersecurity Index, as part of the World Competitiveness Yearbook 2025 report issued by the World Competitiveness Center of IMD.
	The Global Cybersecurity Forum (GCF) and the World Economic Forum (WEF) announce the launch of the Centre for Cyber Economics (CCE) in Riyadh, Saudi Arabia, to be a global platform that addresses the economic dimensions of cybersecurity and provides solid tools for formulating policies and strategies to protect the global economy and enhance cybersecurity around the world.
	Implementing the Cyber Security Enhancement Program for the Hajj Season 1446H to enhance the cyber readiness of the technical systems and services provided during the Hajj season, develop the skills of national capabilities specialized in the field of cybersecurity, and raise the level of cybersecurity awareness among the pilgrims and employees of government entities.
Interior Affairs	The launch of 50 new e-services on the Ministry of Interior's electronic platforms "Absher Individuals – Absher Business – Absher Government", bringing the total number of operations carried out during 2025 around 431 million transactions at a rate of about 1.2 million transactions per day, providing more than 28 million digital identities to citizens, residents and visitors.
	Launching the field hospital and field clinics for Hajj in 1446H. The project aims to strengthen the medical care system for pilgrims through the field hospital and mobile field clinics, which contributed to raising the capacity and raising the level of readiness and preparedness to provide service to beneficiaries in cases of crises and emergencies.
	The Ministry of Interior contributed to spreading and promoting the culture of volunteering among community members and appreciating the efforts of volunteers by providing more than 49 thousand volunteer opportunities through Volunteer Work Platform, which benefited more than 195 thousand volunteers, and the volunteer hours exceeded 5,495 thousand volunteer hours. The volunteers were empowered by involving them in the implementation of various volunteer activities and work, which led to the achievement of the desired objectives and the provision of valuable services, and the measuring level of satisfaction among volunteers reached about 100%.

Third: Key Projects Planned for FY 2026

Scope	Objective
Cybersecurity	Maintain the Kingdom of Saudi Arabia's ranking in the Global Cybersecurity Index (GCI) issued by the United Nations specialized in information and communication technologies (ICT) (ITU).
	The launch of 20 e-services in the Ministry of Interior's electronic platform "Absher Individuals - Absher Business - Absher Government" to serve more than 28 million unified digital identities for citizens, residents and visitors.
Interior Affairs	Providing an automated diving experience so that diving practitioners, including citizens, residents, and tourists, can issue diving permits in a simplified electronic process without the need for paper permits, in order to organize and facilitate the practice of the activity and the beneficiary groups (individuals, private sector, government sector).

Military Sector

First: Overview

Sector allocation

in FY2026 Budget

ﷲ240 bn

Main functions

Focusing on defending the Kingdom of Saudi Arabia and protecting its sovereignty. This includes: enhancing military capabilities and developing and localizing the military industries; providing medical services through the military hospitals; supporting military research, education and training in military colleges and universities; as well as operating and maintaining military facilities, bases and cities.

Number of governmental

entities affiliated with the sector

18 Entities

Second: Main Achievements in FY 2025

Scope	Achievement
National Guard	Saudization of 6 contracts in order to maximize the economic impact by localizing local capabilities and maximizing the utilization of locally used raw materials and providing more job opportunities for Saudis. In addition to ensuring self-sufficiency and localizing all maintenance, operation and repair activities, as well as supporting local companies specialized in certain fields, which in turn will contribute to enhancing the capabilities of local companies, and the contracts include the following: • Contract for the operation and maintenance of simulators in the Ministry of National Guard's facilities. • Contract for the operation and maintenance of National Guard's fields. • Contract for the operation of the Geographic Information System (GIS) Department at the Ministry of National Guard. • Sustainability contract for all fleets of vehicles of the Ministry of National Guard. • Sustainability contract for weapons integrated into systems and heavy weapons. • Sustainability contract for electronic systems. Operating of King Salman Specialist Hospital in Taif Governorate (Phase I) with a capacity of 300 beds. The Specialized Hospital for Women's Health in Riyadh at King Abdulaziz Medical City, affiliated with the Ministry of National Guard's Health Affairs, has launched a pioneering program to preserve fertility in children.

Second: Main Achievements in FY 2025

Scope	Achievement
National Guard	The Eye Bank at King Abdulaziz Medical City in Riyadh, affiliated with the Ministry of National Guard's Health Affairs, has obtained ISO (20387) accreditation as the first eye bank in the region to obtain this accreditation.
	Accreditation by the International Council of Prince Mohammed Bin Abdulaziz Hospital in Madinah, affiliated with the Ministry of National Guard's Health Affairs, as an autism-friendly health facility.
Military Industries	Building 41 industrial capacities until November FY2025 in the field of drones by providing industrial incentives to support the non-recurring costs of national companies to enable them to enter this vital field. In addition, 4 investment opportunities were launched in cooperation with the Ministry of Industry and Mineral Resources, the Ministry of Investment and the Saudi Industrial Development Fund (SIDF), where these opportunities were launched through the Invest in Saudi platform affiliated with the Ministry of Investment.
	The first technical hackathon "Emdadthon" in the military industries was held with the aim of developing innovative technical solutions that enhance the efficiency of supply chains in the sector, with the participation of representatives from Saudi companies operating and students from the National Academy of Military Industries. The two-day event was attended by more than 40 developers, innovators and designers, and at the end of the event, 3 creative teams that presented quality technical solutions were awarded.
	Approving the formation of the Main Committee for Military Standards and Specifications to approve annual plans for the Military Standards and Specifications Committees and forming 6 sub-committees emanating from it to prepare and approve standards, specifications and technical regulations for military products for the military industries sector, which contributed to the adoption of annual plans, the preparation of unified military specifications and the provision of an approved national reference.
	Developing and improving the procedures for the unified platform for military industries, including procedures for managing industrial compliance, procedures for issuing foundational permits and military licenses, and procedures for import and export operations, by employing technology and software systems to simplify and manage administrative and operational tasks and document the outputs of permits and licenses. This has contributed to enhancing efficiency, accuracy and overall performance by reducing effort, speeding up processes and connecting relevant government systems.

Second: Main Achievements in FY 2025

Scope	Achievement
Defense	Prince Sultan Military College for Health Sciences in Dhahran has achieved the fifty-fifth place among the top hundred international research universities in the field of chronic respiratory diseases according to the (Scholar GPS) classification and the first rank in the Kingdom of Saudi Arabia in the same field.
	Attracting recent graduates from national competencies as 295 members were accepted to the "Fakhour 2" Graduate Development Program.
	The increase in the capabilities of the naval forces comes through the supply of 5 (Avanti 2200) combat ships in order to develop the capabilities of the naval forces to carry out their duty in defending the security and stability of the country.
	The Kingdom of Saudi Arabia ranks ninth globally in the Geospatial Knowledge Infrastructure (GKI), and the General Authority for Survey and Geospatial Information (GEOSA) has received the world's first award in the geospatial field at the level of government geospatial bodies and agencies. Also, the system of geospatial licenses and permits has been launched, where the Kingdom of Saudi Arabia stands out as a leader in the geospatial industry by organizing activities and building an attractive investment environment.
	Inaugurating three brigades of (THAAD) air defense missile system, which aims to enhance air defense readiness to protect the airspace and vital facilities, in a way that contributes to supporting the security of Saudi Arabia's strategic interests.

Third: Key Projects Planned for FY 2026

Scope	Objective
Military Industries	Completion of the project to update the strategy of the military industries sector to achieve the strategic objective of localizing 50% of military spending.
	Developing and qualifying the national capabilities of the human resources working in the military industries sector and raising their capabilities through the launch of many related programs, by way of example, not exhaustively, specialized training courses, traineeship, secondment and scholarship programs for military industry sector establishments.

Third: Key Projects Planned for FY 2026

Scope	Objective
	Increasing the capabilities of the naval forces through the Sarawat Ship Expansion Project to supply 3 Corvette (Avanti 2200) combat ships with integrated logistical support and training services at the Naval Station Rota.
Defense	The launch of the National Center for Imaging and Remote Sensing, as it contributes to the revenue growth of the Public Authority for Survey and Geospatial Information by providing a financial return on the available services, achieving spending efficiency and preventing financial waste. This is achieved by unifying the source of the remote sensing service provider for the beneficiaries of government agencies and the private sector, as well as contributing to the transfer of knowledge, building national expertise, supporting and stimulating innovation. In addition to providing updated and corrected images, which helps in making the appropriate decision in planning and infrastructure work, as well as supporting the conduct of environmental and climate studies.
	Activating the Geospatial Academy project in order to achieve the main strategic pillars of the Human Capabilities Development Program and the objectives of the National Geospatial Strategy, the Academy provides educational paths and training programs that promote the concept of sustainable learning and the qualification of national cadres by bridging the gap between education outcomes and the requirements of the labor market.
National Guard	Virtual consultation project in various health affairs areas of the Ministry of National Guard.

General Items

The allocation for the general items sector in the FY2026 budget (the central expenditure sector) amounted to approximately ¥236 bn. The sector is responsible for expenditures related to the government's share in retirement pensions and social insurance, contributions to international organizations, Government programs and facilities, the cost of debt, and the management of allocations (such as budget support allocation, essential service facilities allocation, and emergency allocation), in addition to providing subsidies to government agencies.

Sectoral Expenditures

(SAR bn, unless otherwise stated)

Sector	Budget 2025	Estimates 2025	Budget 2026	Annual Change* (Budget FY2026- Estimates FY2025)
Public Administration	44	50	57	13.2%
Military	272	239	240	0.3%
Security and Regional Administration	121	123	120	-2.1%
Municipal Services	65	91	72	-21.2%
Education	201	199	202	1.5%
Health and Social Development	260	269	259	-3.5%
Economic Resources	87	90	92	1.7%
Infrastructure and Transportation	42	41	35	-14.9%
General Items	192	234	236	1.0 %
Total	1,285	1,336	1,313	-1.8%

Source: MOF

*Annual change rates are based on the total aggregate values
Figures are rounded to the nearest decimal point

D. Key Economic Enablers and Projects for FY2025 and FY2026 Budget Objectives

Saudi Vision 2030 Realization Programs (VRPs) are one of the main enablers of the medium-term development path, as they have contributed to enhancing integration between government entities and accelerating the pace of achievement in strategic areas, in addition to developing institutional capacities and building the skills necessary to sustain growth and development. These programs have also supported government entities with tools and frameworks that enable them to implement their objectives more efficiently and effectively. In the long term, national strategies represent an extension of these efforts and a pivotal tool to achieve the objectives of Saudi Vision 2030, ensuring the acceleration of the pace of achievement and maximizing the development impact.

- National Strategies:

The Government of the Kingdom of Saudi Arabia continues its efforts towards achieving the objectives of comprehensive economic development, driven by an ambitious vision based on long-term financial and strategic planning. The FY2026 budget and plans over the medium-term confirm that the government will continue to direct resources towards transformational spending aimed at developing various sectors. The government continues to maximize financial, economic, and social revenues by investing resources efficiently, focusing on sectors that are major drivers of the economy such as energy and mining, and raising their position globally. In addition, the government is enhancing the contribution of sectors that were not exploited before the launch of Saudi Vision 2030—such as tourism, entertainment, culture, and sports—which have become today one of the most important tributaries of the non-oil economy, and contributed to enhancing the quality of life for citizens and residents. The government is also continuing to

invest in foundational sectors such as industrial, technology, transportation, and logistics, as they are pillars of sustainable growth and supportive of other sectors.

In this context, **the National Industrial Strategy** (NIS) is one of the pillars of Saudi Vision 2030, seeking to diversify the production base and contribute to the expansion of GDP through the growth of non-oil exports. NIS launched the standard incentive program for the industrial sector in 2025, and the first set of investment opportunities was qualified, which amounted to 43 opportunities within the automotive, machinery and equipment, and chemicals sectors. The program aims to enable the production of goods that are not currently manufactured in the Kingdom of Saudi Arabia, open new horizons for qualitative investments, and facilitate local and foreign investors in taking advantage of Saudi Arabia's potential and opportunities. The eligible projects attracted in the first phase of the standard incentives are expected to contribute to an increase in GDP in FY2025 of approximately SAR 2.3 bn and create 5,710 jobs in the national economy. **The industrial sector** experienced a remarkable development in the growth of the number of industrial licenses issued during FY2025 compared to the previous year, reflecting the stimulating policies set by the government to simplify procedures, with the aim of raising the attractiveness of the industrial sector to local and foreign investors. The number of industrial licenses reached 12,387, of which 9,668 were for factories that have become operational. Moreover, the strategy has enabled more than three thousand factories to join the Factories of the Future, to adopt technologies and concepts of advanced manufacturing, which contributes to raising the productivity and efficiency of national factories and making them eligible to compete globally. The strategy has also remained effective until 2025 to attract more than 1,100 investors, increasing the total expected number to more than 8,500 investors in industrial cities, with investments estimated at SAR 437 bn. These achievements embody the effective implementation

of the strategy to move the Kingdom of Saudi Arabia towards a diversified and sustainable economy. In FY2026, the strategy aims to attract a number of new industrial products to enter the Saudi market, which will reflect positively on the GDP, add more jobs to the economy, and improve Saudi Arabia's trade balance. In addition, it will be expanding the geographical scope of industrial cities by adding three industrial cities, bringing the total number of industrial cities to 42 cities, which supports attracting quality investments in priority sectors, including the industrial equipment sector and advanced technologies. The strategy is also enabling partnerships with SMEs to enhance the localization of supply chains, raise the level of local content for the government and private sectors, by enhancing the share of local content in government procurement, and increasing the private sector's contribution to the development of local content.

In a parallel context, since its launch in 2021, **the National Investment Strategy (NIS)** has contributed to increasing the volume and efficiency of investments in the Kingdom of Saudi Arabia to stimulate economic growth in line with Saudi Vision 2030, in various priority sectors while assigning a greater role to the local and foreign private sector. As a result, the total fixed capital formation record $\text{SAR} 1,441$ bn in FY2024, exceeding the strategy target by 49%. Foreign direct investment (FDI) flows reached $\text{SAR} 119.2$ bn for FY2024, marking an increase of 24.2% compared to FY2023 and exceeding the investment strategy target of $\text{SAR} 109$ bn by 9.3%. According to data from GOSI, the number of jobs created by foreign direct investment for Saudis increased by more than 105 thousand job opportunities until the Q3 of FY2025, bringing the total since the launch of the National Investment Strategy to approximately 455 thousand job opportunities until Q3 of FY2025. As for the program to attract regional headquarters for international companies to the Kingdom of Saudi Arabia, 682 international companies have been attracted since the launch of the program in FY2022 until

Q3 of FY2025 exceeding the objective of Saudi Vision 2030, which is to attract 500 companies. These achievements are reflected in Saudi Arabia's rise in a number of global indicators, as the Kingdom of Saudi Arabia ranked 25th globally in the Global Attractiveness Index in Q1 of FY2025 compared to 35th in FY2021. In the IMD World Competitiveness Ranking, the Kingdom placed 17th in Q1 of FY2025, compared to 32nd in FY2021.

In light of Saudi Arabia's orientation to diversify the sectors of the economy and enhance its presence in the creative and digital industries, **the National Gaming and Esports Strategy** stands out as one of the supporting paths to achieve this orientation, as the second edition of the Esports World Cup for the year 2025 was organized in Riyadh, with the participation of more than 2,000 players from 89 nationalities, and the number of matches held reached 871 matches with total prize money estimated at about USD 70M. This event has attracted more than 3 million visitors, of which nearly 20% are from outside the Kingdom of Saudi Arabia. In terms of the development of **the Creative and Digital Industries sector**, more than 50 local gaming companies have been supported through the establishment of investment funds dedicated to electronic gaming companies during the year 2025, as qualitative support was provided to the sector through the National Development Fund (NDF). In addition, NDF is supporting a number of local startups to provide technical, administrative and creative support, and financial and mentoring support has also been provided to more than 30 local gaming companies through business incubators and accelerators in 2025. Within this framework, the national strategy for the National Gaming and Esports sector aims to organize the third edition of the esports World Cup during the year 2026, with the tournament continuing as a global multi-game event, with the expectation of expanding the types of competitions and increasing the number of participating clubs compared to the second edition of the tournament. It also aims to organize

the first edition of the 2026 Esports World Cup as a new global tournament that brings together national teams to compete in the most prominent esports games.

- Saudi Vision 2030 Programs:

The Kingdom of Saudi Arabia is moving confidently towards achieving the objectives of Saudi Vision 2030, through a system of integrated executive programs, which are designed to enhance national strengths, seize promising opportunities, and overcome development challenges. These programs touch on various financial, economic and social aspects, as each program is specialized in a strategic area that keeps pace with Saudi Arabia's ambitions and contributes to building a prosperous economy, a vibrant society, and an ambitious nation. From this perspective, a number of qualitative programs have been launched that have contributed to achieving tangible results, whether in terms of generating an economic impact, enabling new sectors, or improving the quality of services provided to citizens and residents.

At the forefront of these programs is **the National Industrial Development and Logistics Program (NIDLP)** as one of the main enablers to achieve the objective of the industrial sector and raise the competitiveness of the national economy, as it aims to stimulate industrial investment, expand the industrial base, and strengthen strategic partnerships with major international companies. During Q1 of FY2025, the program continued to strengthen the industrial empowerment system by supporting entrepreneurs and SMEs through prefabricated factory projects in cooperation with the Saudi Authority for Industrial Cities and Technology Zones (MODON), where four new projects were completed, including the implementation of 170 prefabricated factories, bringing the total prefabricated factories to more than 1,500 factories, in support of attracting industrial investments and enabling national entrepreneurship. The Kingdom of Saudi Arabia

also stood out during Q1 of FY2025, by hosting the fourth edition of the International Mining Conference, with the participation of more than 89 countries and the presence of 50 ministers within the International Ministerial Meeting of Mining Ministers, with the participation of about 18 thousand people from 165 countries, reflecting the Kingdom's position as a major destination for investment in the mining sector, and enhancing its role in building a promising industrial future.

In a qualitative step to enhance the efficiency of supply chains, the Air Cargo Security Control Center, the first of its kind in the Kingdom, was launched as an advanced system that links to all accredited air cargo agencies to follow up and supervise their procedures. The center aims to enhance the security of air cargo supply chains by employing the latest remote inspection and monitoring technologies, in a way that contributes to raising the efficiency of operational operations and increasing capacity in accordance with the highest quality standards, in line with the objectives of Saudi Vision 2030. As an extension of these efforts to strengthen the industrial sector and expand the scope of technological innovation, the Saudi Space Agency, in cooperation with NASA, launched during Q2 of FY2025 the mission of developing the first Saudi satellite to study the space climate. The program also worked to launch the National Center for Advanced Manufacturing and Production to support the industrial transformation in the Kingdom to enhance the competitiveness of the industrial sector at the regional and global levels, In line with the goals of Saudi Vision 2030 towards a developed and sustainable industrial economy.

In light of the rapid developmental transformations that the Kingdom of Saudi Arabia is experiencing, **the Quality of Life Program** will contribute to the reshaping of the urban and service landscape, through the development of integrated environments that enhance the attractiveness of Saudi cities, and expand recreational, cultural and sports options, which reflects positively on the lives of

citizens and residents. In line with the program's objectives to enhance the local and urban character of cities, the "Saudi Architecture" project was launched in 2025 as a comprehensive urban map that embodies the cultural, environmental and urban characteristics of the Kingdom of Saudi Arabia, which includes 19 architectural styles inspired by the geographical and cultural characteristics of the Kingdom, within the framework of enhancing the quality of life, celebrating the urban heritage and developing the urban landscape in Saudi cities. Saudi architecture is expected to contribute more than $\text{S\$}8$ bn to the Kingdom's GDP and create more than 34 thousand job opportunities by 2030. Since its launch in 2018, the Quality of Life Program has also continued to make a qualitative impact on the tourism sector, as it has contributed to transforming the Kingdom of Saudi Arabia into a leading destination for global events and making it a magnet for tourists at the regional and international levels. This was reflected in Saudi Arabia's achievement of first place globally as the highest tourist destination, as reflected in the growth rate of international tourist revenues during Q1 of FY2025, compared to the same period in FY2019. The Kingdom of Saudi Arabia also recorded a remarkable growth in the number of international tourists, increasing by 102% during Q1 of FY2025, which exceeded the global growth rate of 3%, and strengthened its leading position in global tourism. On the tourism sector, the Kingdom continued to consolidate its position as a global destination for tourism, as the travel item in the balance of payments recorded positive rates during H1 of FY2025, achieving a surplus of $\text{S\$}32.2$ bn, in a clear reflection of the improvement in tourism in the Kingdom and the diversity of economic activities associated with it.

As part of the ambitious vision efforts to improve human capabilities and prepare citizens with skills that enable them to compete globally, the most notable accomplishments of **the Human Capability Development Program** achieved during the year 2025 include the ranking of King Fahd University of Petroleum

and Minerals at 67th in the QS report, becoming the second Saudi university among the top 100 universities in the world. The program also aims to develop human capabilities and meet the needs of the labor market, by training more than 221 thousand beneficiaries within the sectoral skills accelerators targeting priority sectors. About 70 entrepreneurial and innovative projects have been completed and launched to enter the labor market in partnership with local and international entities. The enrollment of children in kindergartens has also increased by 36% to reach more than 330 thousand students for the current year. It also aims to establish and rehabilitate 168 educational buildings for early childhood in 2026. In addition to the positive effects of the Human Capacity Development Program, it also enriches specialists in the field of education, as the National Institute for Educational Professional Development has completed the training of more than 5 thousand teachers, faculty members, and educational leaders, in partnership with 9 Saudi universities and local and international entities for the qualification and training of teachers, and launched the pre-job qualification program for teachers. The National Curriculum Center has also launched 6 new curricula for the levels of general education, and the Education and Training Evaluation Commission has completed the classification of more than 22 thousand educational institutions, including governmental, private and international schools, by the end of 2025, which contributes to raising the quality of education. In order to increase the contribution of human resources to economic growth, the percentage of education graduates entering the labor market within 6 months of graduation is targeted to reach 75% in Saudi Arabia in 2030, compared to the baseline in 2019, which reached 13.3%.

In terms of empowering women in leadership, **the National Transformation Program** has contributed to achieving many accomplishments, as the percentage of women employed in middle and senior management positions in Q2 of FY2025

reached about 43.7%, exceeding the year's objective of 31%. This reflects the success of national initiatives and policies in supporting women's participation in leadership roles and enhancing their role in decision-making in various sectors. The index of the volume of sales of productive families supported by the Social Development Bank also achieved approximately ₪21 bn of total sales, exceeding the target for the year 2025 of ₪18 bn, with the aim of supporting the diversification of the national economy, stimulating local entrepreneurship, and providing sustainable income opportunities in line with the objectives of Saudi Vision 2030. As for promoting digital transformation, the program contributed to enhancing technical integration between government agencies and the private sector in the provision of justice services, as the "Najiz" platform upgraded its digital justice services in 2025, by launching innovative services and expanding the base of beneficiaries, and the "Percentage of e-Services to the Ministry of Justice" index in Q2 of FY2025 achieved 87%, exceeding the target of 86.2%.

Within the framework of the objectives of Saudi Vision 2030, which seeks to facilitate access to the Two Holy Mosques and improve the Hajj and Umrah experience, **Pilgrim Experience Program (DARP)** was created to improve the quality of services provided to Hajj and Umrah pilgrims. The role of the program was clearly reflected in the Hajj and Umrah system, as the Hajj season in 1446H underwent the achievement of tangible progress at various organizational, service and technical levels. This progress has resulted in improving the quality of services, enhancing integration between the relevant authorities, and raising the readiness of the infrastructure, which has contributed to facilitating the performance of rites and providing an easy, safe and sustainable experience for Hajj and Umrah pilgrims. This was directly reflected in the increase in the general satisfaction index of the rites performance journey to reach 91%. Until October 2025, the Kingdom of Saudi Arabia received about 12.1 million Umrah pilgrims

from outside Saudi Arabia, representing 81% of the total annual target for the year 2025 of 15 million international Umrah pilgrims. This positive performance reflects the effectiveness of efforts made in facilitating the issuance of visas, expanding the scope of service packages, and integrating digital solutions, especially through the “**Nusuk**” platform. The Hajj season of 1446H also represented a qualitative leap in the level of organization and quality of performance, as the total number of pilgrims reached more than 1.7 million pilgrims, including more than 1.5 million pilgrims from outside Saudi Arabia, according to data from the General Authority for Statistics (GASTAT).

As part of the digital transformation efforts, the year 2025 experienced the comprehensive development of the “Nusuk” platform, which included the launch of more than 30 smart services, the provision of language support in more than 100 languages, and the activation of the emergency assistance feature “**SOS**”. In addition, the system provides interactive maps of Makkah and Holy Sites for smart navigation during the Hajj season, implementing the first trial of digital twinning, and training over 300 employees in how to use it. The Hajj and Umrah system also experienced the implementation of qualitative initiatives in infrastructure and health services in the Holy Sites, most notably the establishment of a new emergency hospital in the Holy Site of Mina with a capacity of 200 beds, which was completed within 30 days with the aim of enhancing the readiness of immediate medical interventions. In addition, there was the establishment of 71 centers within the departure points, emergency facilities and first aid stations in various holy sites, and the implementation of the project was completed within 59 days, which contributed to raising the level of rapid response and improving the coverage of field ambulance services. In light of these achievements, the Hajj and Umrah system aims to continue to expand to accommodate the increasing numbers of pilgrims, as it aims to reach more than 20 million international Umrah pilgrims by 2026, while continuing to develop the infrastructure in the holy sites and raise

the quality of services provided. The unified “Nusuk” card for Umrah pilgrims will also be launched, with the aim of issuing and printing it as a digital identity that facilitates the identification of Umrah performer’s data and enhances the efficiency of field organization. In addition, the system is to develop digital payment services within the “Nusuk” application, which contributes to providing an easy and secure electronic financial experience that enriches the religious journey and keeps pace with the technical aspirations of the beneficiaries.

Within the framework of the continuous national efforts achieved during 2025 to improve the quality of life and improve the level of health services within **the Health Sector Transformation Program**, three new technical regulations for public health have been adopted that aim to promote community health and encourage proper nutritional behaviors. This contributes to providing more balanced food choices and supporting a healthy and sustainable lifestyle, in a step that reflects the consolidation of the principle of “public health” as one of the pillars of quality of life in the Kingdom. In a qualitative step that reflects the Kingdom’s excellence regionally and globally, the city of Jeddah was accredited as the first healthy city with a population exceeding one million, and Madinah ranked second in Middle East, according to WHO’s classification, reflecting the efficiency of the health system and the level of safety and prevention in the city.

In terms of enhancing traffic safety, government agencies have joined efforts to reduce accidents and raise the level of safety on the roads, through the development of the traffic safety system and enhancing community awareness of the importance of adhering to traffic regulations. This contributed to reducing the road accident fatality rate per 100 thousand inhabitants to 12.1 deaths by the end of Q2 in FY2025 compared to 28.6 deaths in 2016. These achievements reflect the tangible progress made in promoting public health and promoting a healthy lifestyle, in line with the objectives of Saudi Vision 2030 to build a healthy society and quality of life.

As part of Saudi Arabia's continuous efforts to improve the quality of life and enable Saudi families to own their homes, the housing system has continued to implement its initiatives and programs within **the Housing Program** aimed at enhancing housing stability and providing a variety of housing options that suit the needs of citizens. These efforts have contributed to achieving a 65.4% ownership rate for Saudi households by the end of FY2024, exceeding FY2025 target of 65%, reflecting continuous progress towards achieving the target of 70% by FY2030. During 2025, more than 107 thousand housing units and developed lands have been provided in various regions of the Kingdom of Saudi Arabia in partnership with a group of real estate developers, which contributes to increasing the housing supply and stimulating growth in the real estate sector. The program is moving forward towards achieving its objectives for FY2026, which are represented in providing more than 80 thousand housing units and additional developed lands in various suburbs and residential destinations in the Kingdom's regions. As part of Saudi Arabia's interest in supporting the most in need groups, the program aims to serve 20 thousand families of developmental housing beneficiaries, through sustainable housing solutions that ensure the provision of adequate housing and improve their quality of life.

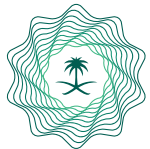
In the context of strengthening the role of the private sector and raising the efficiency of public services, **the Privatization Program** is part of efforts aimed at developing a more efficient and sustainable economic model in partnership with the private sector. The program seeks to explore new opportunities that add value to both society and the economy. The features of this direction have been reflected in the implementation of qualitative projects that demonstrate the depth of the institutional transformation led by the program, most notably the granting of operational concessions to about 8 port terminals to the private sector during 2025, in a step aimed at easing investment obligations on the public sector, raising

operational efficiency and enhancing the capacity of port terminals to process more than 1,724 million tons, while focusing the role of Saudi Ports Authority (MAWANI) on regulatory and legislative aspects. In another aspect of the qualitative achievements that contribute to improving the quality of life, King Abdullah International Gardens (KAIG) is being developed as one of the most prominent environmental and educational projects, as it is being built on an area of more than 2 million square meters to be a global botanical landmark that reflects the course of environmental development through geological eras. KAIG includes 15 gardens with diverse designs that combine indoor covered gardens that mimic different ecosystems and plants, and open outdoor spaces that are prepared for visitors as a destination for learning, entertainment, and reflect on the richness and diversity of nature. The expected impact of the program extends towards qualitative objectives that enhance its role in the development of national infrastructure in partnership with the private sector. Most notably the launch of the master plan for the new Abha International Airport, which will be built with an architectural identity that is in line with the cultural and heritage character of the Asir region, and includes the construction of a new terminal and the expansion of supporting facilities, with the aspiration to raise the airport's capacity to about 8 million passengers annually by 2030, in support of the objectives of the National Strategy for Transport and Logistics. The program also aims to develop a new international airport in the city of Taif, to increase the capacity from 0.6 million passengers to 5 million passengers per year, reflecting the program's commitment to supporting the participation of the private sector in the transport sector and enhancing infrastructure as one of the enablers of economic growth and regional development.

03

Key Fiscal Risks

for FY2026 and the Medium Term



Third Section:

Key Fiscal Risks for FY2026 and the Medium Term

With the rapid pace of global developments and the accompanying challenges that are likely to affect the economic and financial situation globally, the importance of monitoring, analyzing, assessing and disclosing fiscal risks has become increasingly important. This is an essential element in enhancing the efficiency of fiscal planning to address potential challenges, thereby supporting their proactive management and mitigation of their negative impacts. This section highlights **key domestic and global fiscal and economic challenges** surrounding Saudi Arabia's economy, that may affect the achievement of the objectives of FY2026 budget and over the medium term.

A. Global Economic Challenges

The World Economic Outlook (WEO) for FY2026 and the over medium-term is experiencing a state of uncertainty, driven by a set of risks that may limit the pace of global economic growth, as the International Monetary Fund (IMF) projections indicate a slowdown in global economic growth from 3.3% in FY2024 to 3.2% in FY2025 and 3.1% in FY2026¹². One of the most prominent risks that may affect global growth is the possibility of escalating geopolitical tensions, and tightening protectionist policies and trade restrictions, which have not been fully reflected in the markets during FY2025. It is likely that the impact on the global economy will become clearer in FY2026. These factors may hinder the movement of international trade, disrupt supply chains, and create inflationary pressures. In addition, uncertainty over the path of US monetary policy and the possibility of a slower pace of interest rate cuts may continue to affect exchange rate fluctuations, raise borrowing costs, and reduce investment flows between countries.

¹² World Economic Outlook (WEO) October 2025.

In conjunction with the challenges experienced by the global economy, the oil markets underwent successive fluctuations during FY2025, as the average price of Brent crude reached about USD 69.9 per barrel until Q3 of FY2025, recording a decrease of about 14.5% compared to the same period last year. This decline is mainly due to the repercussions of global trade and geopolitical tensions, which contributed significantly to the sharpening of price fluctuations in the oil markets. Despite various global challenges, the Kingdom of Saudi Arabia continues to play its role in supporting the stability of global energy markets through its balanced policies, in addition to diversifying its trade partnerships and adopting flexible and supportive fiscal policies to counter these shocks and maintain sustainable growth.

B. Factors Impacting Domestic Economy

The domestic economy is influenced by the developments of the global economy, which makes it vulnerable to the effects of slowing growth in major economies and the escalation of geopolitical tensions, with the accompanying weakness in global oil demand. In addition, protectionist policies and trade tensions pose challenges that may affect commodity prices, production costs, and investment flows, and the fact that global interest rates remain relatively high is a key factor influencing financing costs and private investment flows, which are among the main drivers for the non-oil activities growth.

Despite this, the domestic demonstrates a strong capacity to adapt to global shocks, as the Kingdom of Saudi Arabia seeks to mitigate the potential repercussions of global risks by adopting proactive measures that support the continuous improvement in economic activity and contribute to the growth of consumption and private investment indicators.

The Kingdom of Saudi Arabia has implemented a number of initiatives that have contributed to maintaining the stability of inflation rates at acceptable levels compared to countries around the world. The initiatives announced by the Kingdom in the real estate sector aim to achieve a balance between supply and demand, which will contain inflation levels over the medium term. Stimulating investment is a key pillar of economic growth in Saudi Arabia, by creating diverse and effective investment opportunities, and enhancing the investment climate, and the Kingdom of Saudi Arabia adopts a set of strategic initiatives to stimulate foreign investment to achieve the objectives of Saudi Vision 2030.

C. Fiscal Risks and Management Mechanisms

On the public finance side, the Kingdom of Saudi Arabia adopts a flexible fiscal policy that responds to global developments and various shocks. The budget estimates also adopt a conservative approach that takes into account potential risks and enhances public finance stability. Saudi Arabia relies on a strong financial position supported by significant fiscal reserves and sustainable levels of public debt, ensuring the sustainability of economic growth.

The Kingdom of Saudi Arabia continues to implement structural reforms that support the efficiency and sustainability of public finances, without affecting development spending priorities, as accelerating the pace of implementation of a number of programs and projects contributed to achieving tangible gains during the past period. In addition, the Kingdom aims to maximize the impact of targeted government spending, prioritize expenditures in order to support economic growth, and direct resources towards programs and projects with economic and social impact. The government also adopts a targeted countercyclical fiscal policy to enable economic transformation and promote the growth of non-oil revenues,

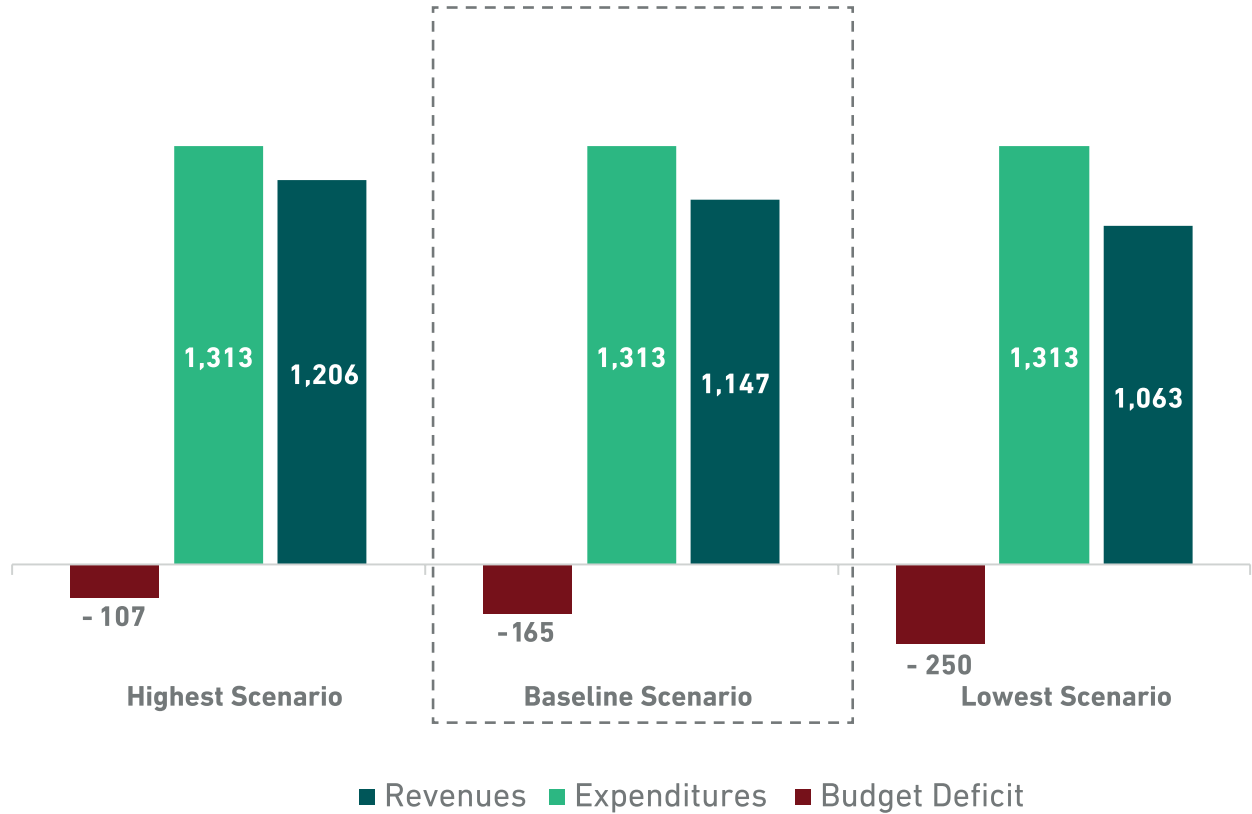
ensuring a stable and sustainable source in the medium and long term away from fluctuations in oil markets, which also supporting the implementation of economic transformation plans, and financing development projects in accordance with the objectives of Saudi Vision 2030.

The deliberate expansion of borrowing under the framework of the medium-term debt strategy is also based on balancing the financing cost and the economic return to support investment in transformational projects, and utilizing available market opportunities, in order to ensure fiscal sustainability and achieve economic returns over the medium and long term. Financing needs are secured by various local and international markets at a fair cost under carefully designed frameworks and principles for managing public debt risks. The Kingdom relies on debt portfolio management by diversifying financing instruments, extending maturities, and optimizing the portfolio structure to reduce the cost of debt servicing. It is worth noting that the Kingdom's positive credit rating enables it to obtain financing by borrowing from international and local markets at an affordable cost, providing it with sufficient fiscal space that can be utilized when needed. Moreover, maintaining sustainable levels of public debt increases investor confidence and supports domestic economic growth.

In light of the Kingdom's adoption of a proactive approach to address various global and domestic economic challenges, three revenue scenarios have been prepared for the budget of FY2026. These scenarios consist of (High Scenario – Baseline Scenario – Low Scenario). These scenarios assist in strengthening the resilience of public finances, enabling the government to respond effectively in case any of them occur, thereby ensuring fiscal stability and sustainability.

D. Revenue scenarios for FY2026 Budget

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Source: MOF