

## PRESS RELEASE

### Saudi Arabia announces 2018 Budget

- **Government spending to be deployed through three key pillars – the annual Budget, National Development Funds and Public Investment Fund**
- **In 2018, the pillars will amount to SAR 1.11 trillion in government spending, the highest amount ever**

**Riyadh, Saudi Arabia, 19 December 2017:** The Government of Saudi Arabia today announced its full year budget for 2018. The figures reveal progress across all areas, most notably: an increase in non-oil revenues, a decrease in the deficit, the ongoing development of the debt management strategy and a clear path to achieving fiscal balance by 2023. This has been achieved without compromising key services provided to Saudi nationals.

The Government has also announced a number of new development initiatives aimed at stimulating non-oil growth. Government spending will now be deployed through three key pillars – the annual Budget, National Development Funds and the Public Investment Fund. Together they will coordinate and amplify the impact of government spending over the coming years. In 2018 the three pillars will amount to SAR 1.11 trillion in government spending, which is the highest amount ever. This proves that the Saudi Government is putting its citizens at the heart of its efforts to build a strong economy, support the private sector, deliver stable economic performance in the medium term and improve fiscal management whilst rolling out further fiscal and economic reforms.

As part of the Government's pledge to increase its levels of transparency and disclosure, for the first time this year's budget statement includes mid-term guidance that provides a clear roadmap outlining how fiscal balance will be achieved. The Fiscal Balance Program will be extended to 2023, a move endorsed by the IMF, to limit any short-term negative impact on economic growth.

The financial indicators for the full year 2017 as follows:

- Total revenues for 2017 amounted to SAR 696 billion, 1% more than had previously been projected, representing a 34% increase over the previous year. This is mainly due to higher oil prices and continued implementation of reforms aimed at increasing non-oil revenues.
- Non-oil revenues were SAR 256 billion, surpassing the projected total by 21%, representing a 38% increase over the previous year. This is due to the government's efforts to introduce new initiatives that generate non-oil revenues, such as taxes on certain goods that are deemed harmful.
- Oil revenues amounted to SAR 440 billion, an increase of 32% over the previous year.