

Kingdom of Saudi Arabia

# QUARTERLY ECONOMIC REPORT

**THIRD  
QUARTER  
2025**

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# Executive Summary

**Global economic growth** is projected to reach approximately 3% in both 2025 and 2026, down from 3.3% in 2024. Inflation is expected to decline to 3.6% in 2025 and 3.4% in 2026. This decrease is attributed to weaker global demand and lower energy prices since the beginning of the year, with significant variations in inflation trajectories across countries. Despite this decline, global inflation rates remain above target levels in several economies, a situation governments are addressing cautiously in their economic and monetary policies. Overall, Q3 2025 suggests a period of economic consolidation rather than a robust recovery, as the global economy continues its gradual but slower recovery. There is a growing need to ease trade tensions and improve financial conditions to ensure this trajectory continues in the coming period.

The Kingdom's **real GDP** witnessed positive growth for the seventh consecutive quarter, continuing its upward trend and registering a 4.8% year-on-year increase during Q3 2025. This growth is attributed to the rise in all major economic activities. As part of the Kingdom's efforts to diversify its economy, non-oil activities increased by 4.3% year-on-year. Among the most prominent of these activities was the wholesale and retail trade, restaurants, and hotels sector, which contributed 11.2% to total GDP, achieving annual growth of 5.2%.

The average **industrial production index** in Q3 2025 recorded an 8.0% year-on-year increase, supported by a 9.0% and 5.4% rise in oil and non-oil activities, respectively. The manufacturing sector performed exceptionally well in Q3 2025, rising by 5.0% compared to the same period of the previous year.

The **Riyad Bank Purchasing Managers' Index (PMI)** for the non-oil private sector in Q3 2025 showed strong performance, reaching 56.8 points, up from 56.2 points in the second quarter of the same year. The index remained in expansion territory, supported by continued strong economic momentum in non-oil activities, improved domestic demand, and increased business and investment activity in the market. The Kingdom also ranked first among G20 countries in terms of PMI performance for September 2025, reflecting the strength of the non-oil economy and robust confidence in the local business environment.

In terms of **foreign trade**, the Kingdom's trade surplus improved during Q3 2025, reaching approximately SAR 66 billion, compared to SAR 56 billion in Q3 2024, registering an annual growth of 17%. This improvement is attributed to the faster growth rate of merchandise exports compared to imports. Exports reached SAR 303 billion, achieving an annual growth rate of 10%, compared to imports of SAR 237 billion, reflecting an annual growth rate of 8%.

**Non-oil revenues** recorded a slight year-on-year increase of 0.6%, reaching approximately SAR 119.1 billion in Q3 2025. Meanwhile, **oil revenues** decreased by 21.0% to SAR 150.8 billion in the same quarter. In contrast, **government expenditures** increased by 5.6% compared to the same period of the previous year, reaching approximately SAR 358.4 billion. The Kingdom's budget recorded a deficit of SAR 88.5 billion, representing its highest quarterly deficit.

As for **monetary indicators**, the Kingdom's total money supply (M3) increased by approximately 7.8% year-on-year in Q3 2025, reaching SAR 3,172 billion. This increase is attributed to a 2.4% rise in demand deposits, amounting to SAR 35.1 billion, which constitutes the largest contributor to the total at 46.6%, reaching SAR 1,477 billion. The interbank interest rate (SAIBOR) reached 5.37%.

**Unemployment rates among Saudis** recorded 7.5% in Q3 2025, compared to 6.8% in Q2 2025. This increase is attributed to a rise in both male and female unemployment rates relative to the previous quarter, as well as a drop in Saudi economic participation, which reached 49.0% on a quarterly basis, compared to 49.2% in Q2 2025.



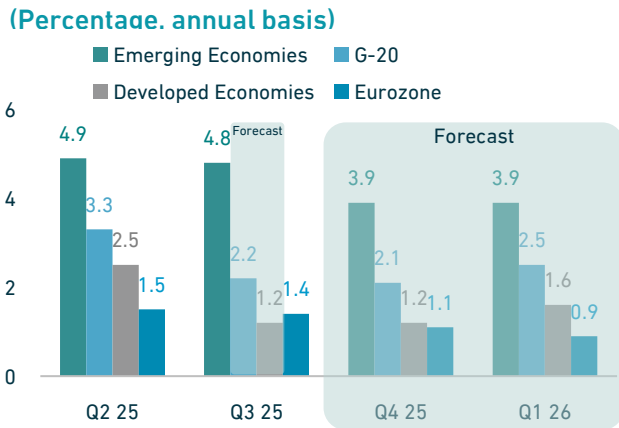
**Chapter one**

**The Global  
Economy**

# Global Economic Growth

## A resilient global economic growth despite continued trade pressures and inflation

Figure 1: Quarterly growth rate of the global economy



Source: Bloomberg

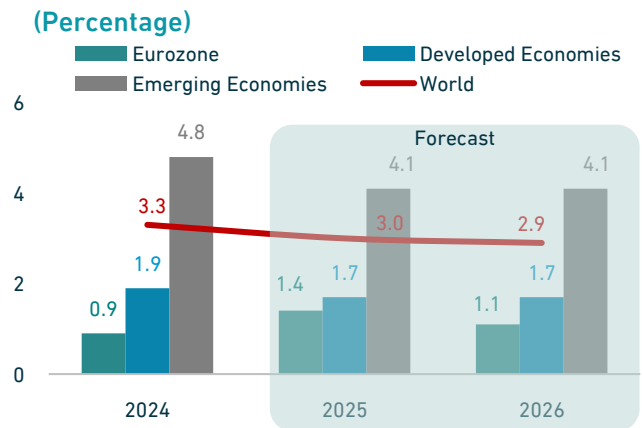
During Q3 2025, the global economy continued to face challenges amid heightened economic uncertainty and geopolitical tensions. However, the growth trajectory showed some resilience. During this quarter, the repercussions of trade disputes remained evident, particularly between the US and several trading partners, most notably China, in addition to inflationary pressures and subdued demand in some economies. Nevertheless, signs of relative equilibrium began to emerge in Q3 compared to the beginning of the year, which helped to mitigate the pace of economic decline in several regions.

Bloomberg's latest estimates reflect a slight improvement in the performance of global markets, raising its forecast for global economic growth in 2025 to approximately 3%, up from 2.8% in mid-2025. This upward revision was underpinned by better-than-expected performance in some major economies during the middle of the year. Although the rate remains below pre-pandemic levels, it reveals a degree of adaptation to economic shocks, in addition to continued support from fiscal and monetary policies across many countries.

Despite continued global economic challenges, global trade saw a slight improvement during Q3 2025, influenced by improved market performance, supported by the reorientation of supply chains and increased activity in certain sectors, notably technology and energy. While trade tensions persisted, partial agreements between some major economies helped mitigate the likelihood of immediate escalation. However, the impact of tariffs remains, as companies continue to face higher costs and greater trade restrictions, particularly between the US and China.

Regarding global financial markets, Q3 showed resilience compared to the peak of volatility observed in 2024, supported by tighter monetary policies from major central banks. Global equity markets posted modest gains, market volatility declined, and credit spreads continued their gradual improvement. This improvement is attributed to more stable expectations regarding monetary policy, alongside fiscal support in some economies with sufficient surpluses to implement stimulus programs.

Figure 2: Annual growth rate of the global economy



Source: Bloomberg

However, excessive optimism about the global economic outlook remains unwarranted. The full impact of trade policies, including trade tensions and protectionist measures, has yet to materialize, and some major economies, such as China and the EU, began showing noticeable signs of slowdown in Q3 2025. Any further escalation of tariffs or additional weakening in demand could undermine investor confidence and increase market volatility, particularly given the slowdown in East Asia's real estate sector and the sluggish growth of heavy industries in Europe.

Bloomberg expects that advanced economies will continue to register moderate growth of around 1.7% in 2025. This outlook is supported by a relative easing in financial conditions and a more stable tariff rate than initially anticipated, and continued consumer spending, which remained resilient during Q3.

In the Eurozone, the economy is expected to continue growing at levels close to 1.4% during both 2025 and 2026, despite some signs of slowdown in the manufacturing and export sectors. Increased investment, reduced volatility in financial markets, and a recovery in tourism in some European countries have contributed to this relative stability. However, economic momentum is weaker than anticipated in the first half of the year.

As for emerging and developing economies, growth is expected to remain broadly stable at around 4.1% in 2025. China's growth forecast remains stable at around 4.9% in 2025, despite a slowdown in Q3, driven by a relative improvement in services and some industrial activities. In the Middle East and Central Asia, growth is expected to accelerate to 3.9%, supported by improved non-oil activity and increased investment. In Sub-Saharan Africa, growth is likely to stabilize at 3.7% in 2025 before rising to 3.9% in 2026, while in Latin America and the Caribbean, growth is projected to reach 2.7%, with a slight improvement expected in 2026.

Overall, Q3 2025 reveals a period of economic consolidation rather than a robust recovery, as the global economy continues its gradual but slower recovery. Sustained efforts to ease trade tensions and improve financial conditions will be important for maintaining this trajectory in the periods ahead.

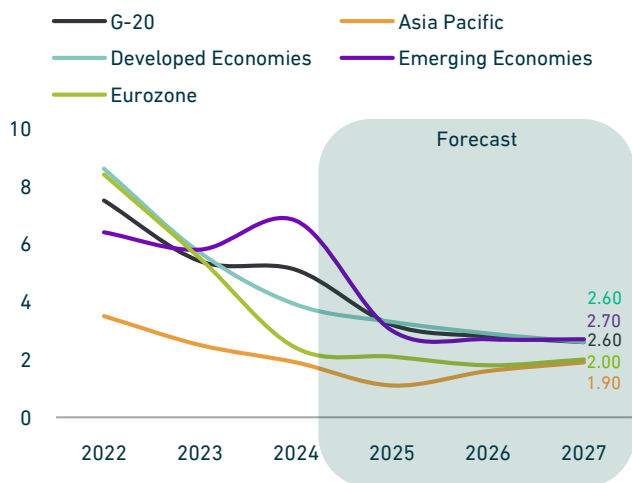


# Global Inflation

## Global inflation eases amid shifting monetary policies and stable energy markets

Figure 3: Headline inflation rates

(Percentage, annual basis)



Source: Bloomberg

Given cautious optimism that the global economy can gradually overcome its challenges, global inflation appears to be sustaining its downward trajectory. Bloomberg expects a continued gradual decline, reaching 3.6% in 2025 and then 3.4% in 2026. This decrease is largely attributed to subdued global demand and declining energy prices since the beginning of the year, alongside significant variations in inflation trends across countries. Despite this decline, global inflation rates remain above target levels in several economies, a situation governments are addressing cautiously in managing their economic and monetary policies.

In the US, the impact of tariffs imposed during the year continues to exert upward pressure on prices, with the burden largely passed on to end consumers. Prices of core goods and services remain above historical averages.

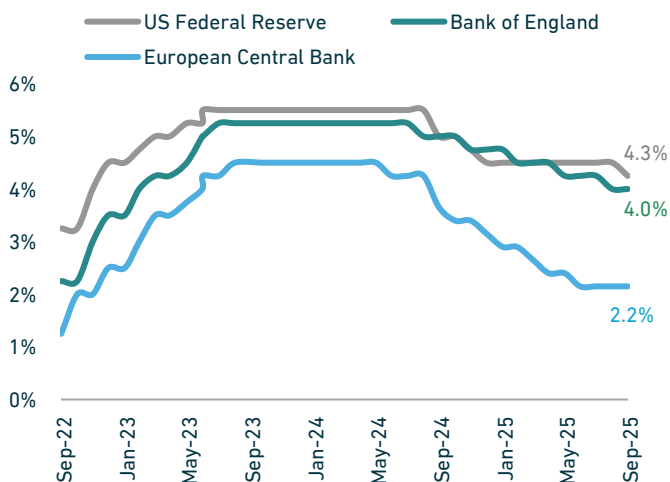
The Eurozone, on the other hand, experienced a relative moderation in inflation levels, supported by the strength of the euro and the continuation of some temporary fiscal policies that eased price pressures during Q3. Inflation in the region appears to be on a more stable trajectory compared to other major economies.

In China, the IMF raised its core inflation forecast to 0.5% for 2025 and 0.8% for 2026, reflecting a gradual recovery in domestic demand and consumer spending, despite continued pressures in the real estate sector and subdued external growth.

This easing of global inflation has impacted global energy prices in 2025. In addition, there would be a balance between geopolitical challenges and market fundamentals, as core energy commodity prices declined by 8% by the end of Q3 2025. Oil prices had briefly risen in June due to tensions in the Middle East, driven by market concerns about escalating geopolitical risks rather than actual

Figure 4: Economic policy rates

(Percentage)



Source: Bloomberg

supply disruptions. However, this rise faded as fundamental factors, such as ample supply from OPEC+ and non-OPEC+ countries and slowing demand, returned to normal. Natural gas prices remained relatively stable amid expectations of lower demand, the easing of gas storage regulations in the EU, and an anticipated increase in liquefied natural gas (LNG) supplies over the medium term.

The US is increasingly likely to continue easing monetary policy in the near term, supported by declining inflation and signs of cooling in the labor market, thereby strengthening the case for interest rate cuts to support economic activity.

In the Eurozone, interest rates are expected to remain unchanged, as inflation stabilizes. Japan continues to raise interest rates due to rising bond yields, which could increase borrowing costs and impact investment.

Major economies such as China, Germany, and the US are expected to adopt further fiscal stimulus policies to boost growth. China, in particular, is focusing on supporting domestic demand and manufacturing to offset declining exports, which could have repercussions for the global economy.

Emerging economies are facing increasing pressure due to higher global interest rates and volatile financial markets. This could lead to an outflow of short-term investments and eventually affect the stability of local currencies. Therefore, emerging and developing economies will face challenges in terms of employment and income levels, coupled with weak inward investment.

Investments in energy technology and artificial intelligence continue to expand, reflecting changes in the global economy and the shift towards sustainable technology.



# Global Economic Outlook

## Heightened risks and opportunities to stimulate growth in 2025

### First: Heightened risks

Problems related to US tariffs, including the imposition of tariffs as high as 50% on some goods, will reduce global growth by nearly 0.2 percentage points in 2025. Persistent uncertainty and trade policy tensions could negatively impact economic activity and investment, particularly in export-oriented economies.

Increased tariffs on strategic sectors such as electronics and pharmaceuticals could raise average tariffs, placing a greater burden on these sectors and creating bottlenecks in supply chains. Such developments would amplify both the direct and indirect economic effects of protectionist measures. Escalating geopolitical tensions, especially in the Middle East or Ukraine, represent a significant downside risk, potentially triggering new negative supply-side shocks, disrupting shipping routes and supply chains, and driving up commodity prices, especially if infrastructure is damaged.

Strong economic activity in H1 2025, driven by pre-existing stimulus measures, could make economies more vulnerable to negative shocks up to Q1 of 2026. Elevated inventory levels could lead to an unexpected drop in import demand, and companies could incur losses due to storage costs or the obsolescence of stored goods.

The rise in global public debt poses an increasing risk, as it exacerbates financing pressures and limits governments' ability to adopt future stimulus policies, increasing the likelihood of financial crises that negatively impact global economic growth.

### Second: Strengthening global economic resilience

Despite the current risks and challenges in the global economic environment, positive opportunities emerged from comprehensive trade agreements, particularly those focused on digital services and foreign investment. These agreements enhance productivity and bolster long-term economic resilience. The launch of a new wave of such agreements has enabled deeper structural reforms, including labor market reforms, improved mobility, skills development, streamlined regulations, and enhanced competition and innovation, thereby strengthening the global economy's ability to effectively address challenges.

Among the most prominent of these agreements are the Regional Comprehensive Economic Partnership (RCEP), the largest free trade agreement in the Asia-Pacific region, and the Digital Economy Partnership (DEP), which aims to regulate digital trade among several countries. These agreements form crucial pillars for supporting recovery and sustainable growth, especially with their focus on developing human capital and productivity.



## Table 1: Selected indicators for G20 countries

G20	Real GDP Growth (%) Q3'25	Inflation (%) Sep'25	Monetary Policy rate (%) Sep'25 <sup>1</sup>	Industrial Production Index (%) Sep'25	PMI (Point) Sep'25
ARGENTINA	3.3	31.8	29.0	-0.5	-
AUSTRALIA	2.1	3.6	3.6	-1.2	51.4
BRAZIL	1.8	5.2	15.0	2.0	46.5
CANADA	2.6	2.4	2.5	-	47.7
CHINA	4.8	-0.3	3.0	6.5	51.2
EU	1.4	2.2	2.15	1.2	49.8
FRANCE	0.9	1.2	2.15	1.3	48.2
GERMANY	0.3	2.4	2.15	-1.4	49.5
INDIA	8.2	1.4	5.5	4.6	57.7
INDONESIA	5.0	2.7	4.75	-	50.4
ITALY	0.6	1.4	2.15	1.4	49.0
JAPAN	0.6	2.9	0.5	3.8	48.6
KSA	4.8	2.2	4.75	9.3	57.8
MEXICO	-0.1	3.8	7.5	-2.3	49.6
RUSSIA	0.6	8.0	17.0	0.3	48.2
SOUTH AFRICA	2.0	3.4	7.0	1.0	50.2
SOUTH KOREA	1.8	2.1	2.5	11.9	50.7
TÜRKIYE	3.7	33.3	40.5	3.0	46.7
USA	2.3	3.0	4.25	1.9	52.0
UK	1.3	3.8	4.0	-2.5	46.2

Source: Bloomberg

<sup>1</sup> Jun 2025 for Argentina.



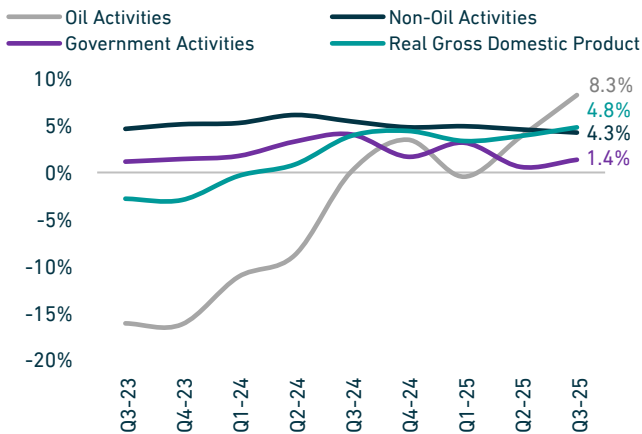
**Chapter two**

**The Saudi  
Economy**

# Gross Domestic Product (GDP)

## GDP growth driven by growth across all economic activities in the third quarter of 2025

Figure 5: Real GDP growth  
(Percentage, annual basis)



Source: General Authority for Statistics

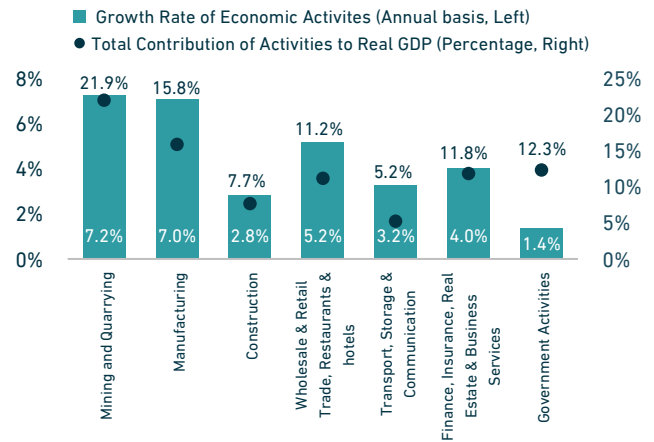
Saudi Arabia's real GDP positively grew for the seventh consecutive quarter, continuing its upward trend and registering a 4.8% year-on-year increase during Q3 2025. The growth is attributed to the rise in all economic activities.

Oil activities grew by 8.3% year-on-year in Q3 2025, and by 5.2% compared to the previous quarter. This was a result of the gradual easing of OPEC+ production cuts, which allowed for higher production, in addition to improved global demand and market stability, alongside the recovery of domestic economic activity, which boosted the performance of the oil sector.

Mining and quarrying activity increased by 7.2% during Q3 2025, driven by higher production. The sector constituted the largest contributor to GDP at 21.9%, with a value of SAR 268.34 billion. Manufacturing industries recorded the second largest contribution at 15.8%, achieving annual growth of 7% during the same period, with a value of SAR 193.74 billion.

Non-oil activities also increased by 4.3% year-on-year, as part of the Kingdom's efforts to diversify the economy. Among the most prominent of these activities was the wholesale and retail trade, restaurants, and hotels sector, which contributed 11.2% to total GDP, achieving annual growth of 5.2%.

Figure 6: Growth Rate of most prominent Economic Activities in Real GDP, Q3 2025  
(Percentage)



Source: General Authority for Statistics

Government activities recorded annual growth of 1.4%, contributing 12.3% to GDP during Q3 2025, amounting to SAR 150.6 billion.

Other factors also contributed significantly to supporting economic growth during Q3 2025, most notably improved consumption and investment. Private final consumption rose by 2.7% year-on-year, while investment in non-governmental gross capital formation grew by 3.2%. The Kingdom's exports of goods and services also contributed to this growth, increasing by 18.4% year-on-year.

The share of non-oil activities remains the largest contributor to GDP, despite a slight decrease during Q3 2025, reaching 55.1% compared to 55.4% in Q3 2024, amounting to SAR 674.2 billion. This reflects the accelerated structural transformation of the Saudi economy in recent years towards greater support for non-oil activities. This growth underscores the effectiveness of development policies aimed at boosting domestic consumption, tourism and infrastructure, especially for major projects, in line with the objectives of Saudi Vision 2030.

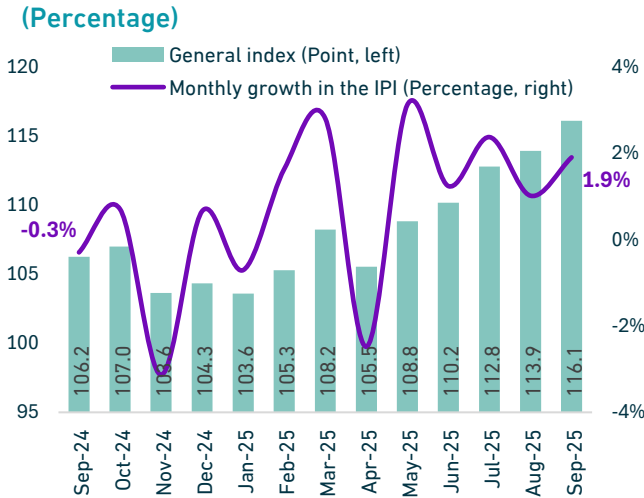
The expansion of the contribution of oil activities to the GDP led to a limited decline in the share of non-oil activities, due to the redistribution of relative weights among the components of the economy, where oil activities constituted 27.3% of the GDP in Q3 2025, up from 26.4% in the same period in 2024.



# Industrial Production

## The industrial production index continues to rise in the third quarter of 2025

Figure 7: Monthly growth of Industrial Production Index (IPI) (Percentage)



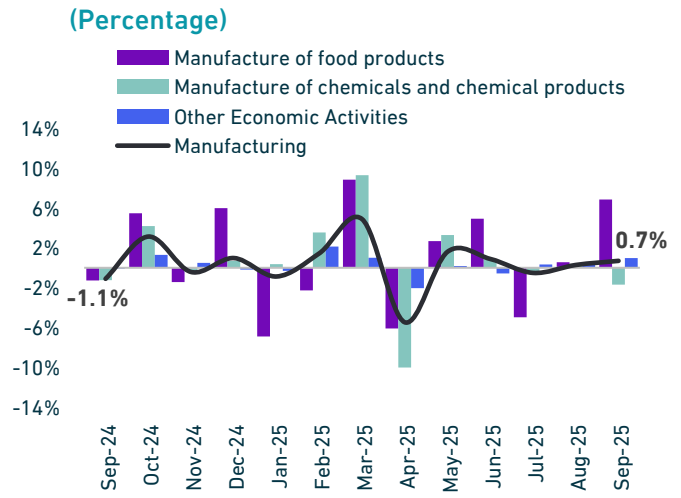
Source: General Authority for Statistics

The average industrial production index for Q3 2025 recorded an 8.0% year-on-year growth, supported by growth in both oil and non-oil activities.

According to the classification of major economic activities, the average oil activity index rose by 9.0% year-on-year during Q3 2025, driven primarily by increases in crude oil and natural gas extraction and the production of coke and refined petroleum products, which rose by 8.6% and 11.1%, respectively, compared to the same period of the previous year. The Kingdom's oil production in Q3 2025 reached 9.74 million barrels per day, compared to 8.97 million barrels per day for the same period of the previous year.

The average non-oil activity index also increased by 5.4% year-on-year, indicating positive performance of the manufacturing sector, which grew by 5.0% in Q3 2025 year-on-year. The manufacturing of other non-metallic mineral products, the chemical and chemical products industry, and the food products industry were among the main contributors to the manufacturing index, as each recorded growth during the third quarter of 2025 by 10.8%, 9.4%, and 6.6% respectively compared to the same period of the previous year.

Figure 8: Monthly growth of key manufacturing activities (Percentage)



Source: General Authority for Statistics

The manufacturing sector in the Kingdom has witnessed remarkable growth in recent years, driven by Saudi Vision 2030, which prioritizes diversifying the economic base and reducing dependence on oil as key strategic goals.

The manufacturing sector has recorded increased production rates and expanded manufacturing capacity, contributing to several positive outcomes such as enhancing economic diversification, boosting the competitiveness of national exports, and localizing supply chains, thereby supporting industrial and economic security and reducing reliance on imports. This growth has generally had a positive impact on the labor market by creating job opportunities, as the sector is labor-intensive, helping to attract and develop national talent, thus contributing to the Kingdom's development goals.

Furthermore, the average activity index for water supply, sewerage, waste management, and remediation activities rose by 8.0% year-on-year in Q3 2025, and the activity index for electricity, gas, steam, and air conditioning supply increased by 7.4% year-on-year, confirming the continued development of infrastructure and enhanced efficiency in the management of service facilities.

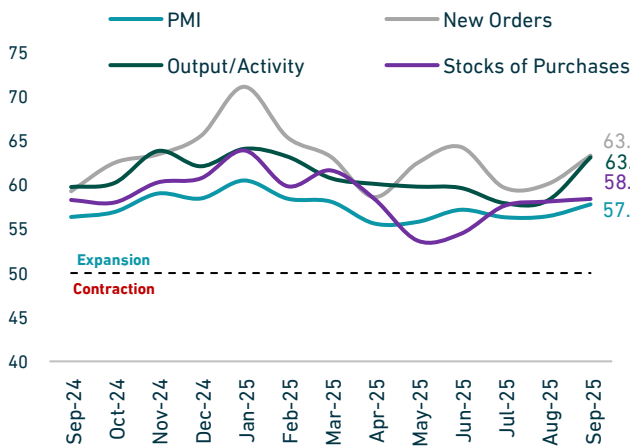


# Purchasing Managers' Index

## Continued expansion of activity and business in the non-oil private sector in the Kingdom in the third quarter of 2025

Figure 9: Monthly performance of the Purchasing Managers' Index (PMI)

(Point)



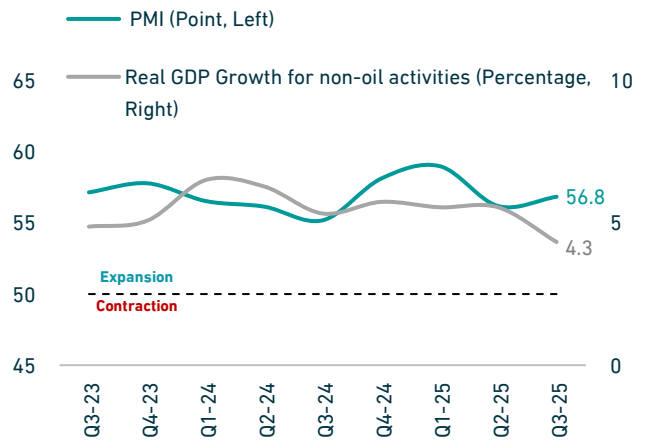
Source: S&P Global

The Riyadh Bank Purchasing Managers' Index (PMI) for the non-oil private sector performed strongly in Q3 2025, reaching 56.8 points, up from an average of 56.2 points in Q2, thus maintaining its expansionary position (above 50 points).

On a monthly basis, the index accelerated in September 2025, reaching 57.8 points compared to 56.4 points in August. Output grew by 5 points in September 2025, supported by a rise in new orders, largely driven by the acquisition of new clients, foreign investment inflows, and price competitiveness, in addition to stronger export orders. The increase in demand came primarily from the GCC region, while many participating companies in the Riyadh Bank PMI report for September indicated that they benefited from increased advertising, price reductions, and strong relationships with foreign clients. The rate of increase in export orders was the highest since April 2025.

The growth in new orders prompted companies to expand their purchases of production inputs at a faster pace, resulting in higher inventory levels since April 2025, while the employment rate has remained at its elevated levels, with a continued moderate expansion due to increased demand for labor.

Figure 10: PMI quarterly average and non-oil activity growth rate



Source: General Authority for Statistics, S&P Global

Although input costs declined slightly during Q3 2025, they remained high due to rising employee wages. Some companies indicated that wage adjustments put pressure on costs, with all sectors experiencing an increase, particularly in manufacturing. This had a slight impact on product prices, as efforts were made to keep prices low to attract customers.

Non-oil private sector companies maintained their positive outlook for business activity over the next twelve months, with optimism improving for the second consecutive month in September 2025, supported by improved market conditions, increased domestic demand, and ongoing projects and infrastructure development.

At the G20 level, the Kingdom ranked first in terms of Purchasing Managers' Index (PMI) performance, registering 57.8 points in September 2025. This high ranking reflects the continued success of economic policies in boosting domestic demand, creating employment opportunities, and attracting investment.

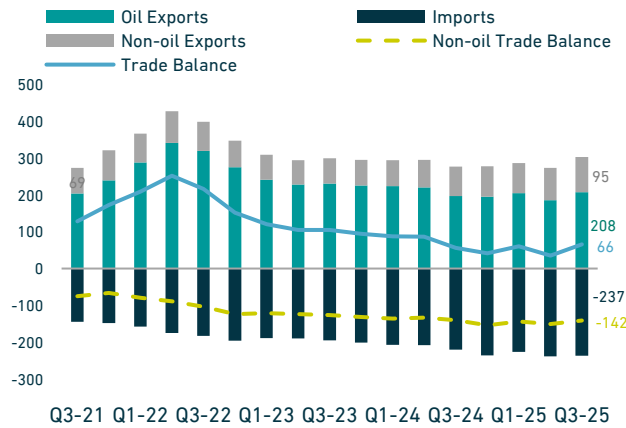


# Foreign Trade

## Trade balance surplus improved in Q3 2025

Figure 11: Volume of exports, imports, and trade exchange

(SAR billion)



Source: General Authority for Statistics

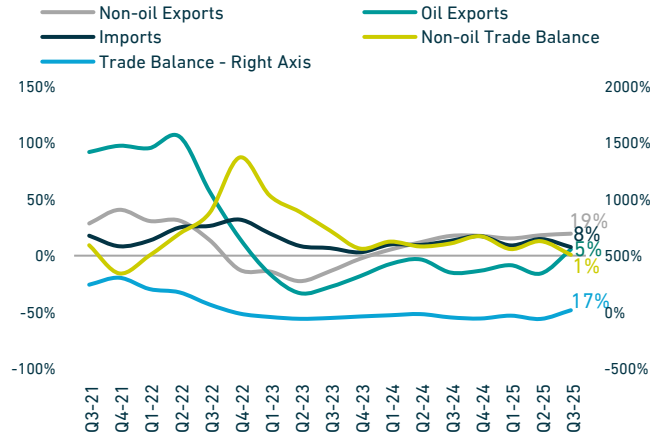
The Kingdom's trade balance witnessed a notable improvement during Q3 2025, increasing by 17% year-on-year to reach approximately SAR 66 billion, compared to SAR 56 billion in Q3 2024. This improvement is primarily attributed to a 10% year-on-year increase in merchandise exports, which reached SAR 303 billion, while imports rose by 8% year-on-year to reach SAR 237 billion.

Oil exports also grew during Q3 2025, increasing by 5% year-on-year to reach approximately SAR 208 billion, compared to SAR 197 billion in the same quarter of 2024. Oil exports constituted 69% of total merchandise exports during the third quarter of 2025, compared to 71% in the corresponding period of the previous year. This performance is attributed to global oil price developments, with average prices declining by approximately 13.4% year-on-year (from USD 80 to USD 69 per barrel), which weighed on the value of oil exports.

Oil imports continued to have a limited impact on the trade balance structure, given the dominance of oil exports in the oil trade balance, thereby supporting the recorded surplus in this item.

Figure 12: Growth rate of exports, imports and trade exchange

(Percentage, on an annual basis)



Source: General Authority for Statistics

Non-oil exports recorded strong growth of 19% year-on-year during the third quarter of 2025, reaching approximately SAR 95 billion, marking their highest level on record and exceeding the five-year average of SAR 75 billion.

Re-exports reached approximately SAR 38 billion during Q3 2025, registering a remarkable annual growth of 70% compared to the same period of the previous year. This accounted for 40% of total non-oil exports and 13% of total merchandise exports.

At the component level of non-oil exports, machinery and electrical equipment ranked first, with a value of approximately SAR 26 billion, representing 27% of the total and achieving strong annual growth of 120%.

Chemical industry products came in second place at about SAR 20 billion, which constitute 21% of the total, remaining broadly stable on an annual basis, followed by plastics and their products at a value of about SAR 18 billion, which constitute 19% of the total, registering an annual decline of 10%.

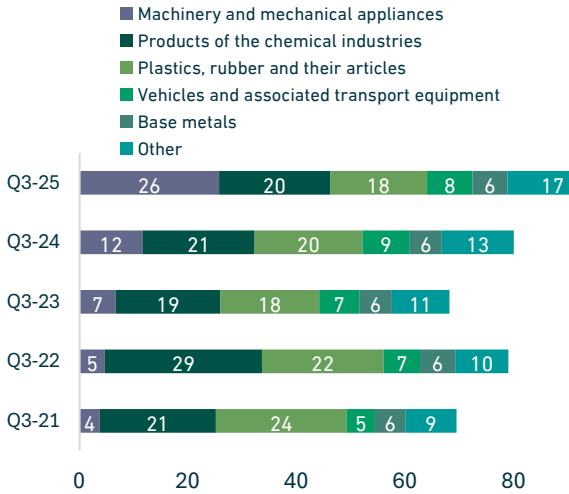


# Foreign Trade

## UAE maintained the largest share of Saudi non-oil exports

Figure 13: Non-oil exports by major categories

(SAR billion)



Source: General Authority for Statistics

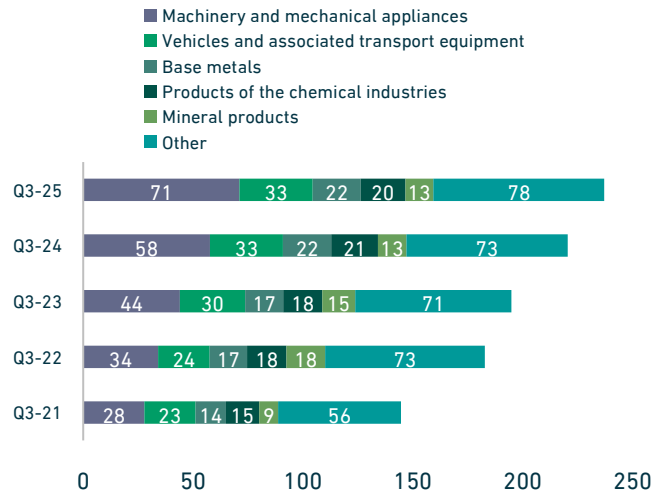
Saudi Arabia's imports grew by 8% year-on-year in Q3 2025, reaching approximately SAR 237 billion. This growth was driven by a 12% year-on-year increase in imports of capital and intermediate goods, which constituted 69% of total imports. In contrast, imports of final consumer goods accounted for 31% of total imports, registering a slight decrease of 1% year-on-year.

Imports of machinery, mechanical appliances, and similar items ranked first during Q3 2025, reaching approximately SAR 71 billion, representing 30% of total imports and recording a year-on-year growth of 23%. Vehicles and associated transport equipment came in second, representing 14% of the total, with a modest year-on-year growth of 0.7%. Base metals and their products ranked third, posting a slight decrease of 0.8%, and constituting approximately 9% of total imports.

Consequently, the deficit in the non-oil trade balance widened marginally during Q3 2025 by 1% year-on-year to reach about SAR 142 billion, compared to SAR 141 billion in the same period of 2024. This is attributed to the continued growth of non-oil imports at a higher rate than that of exports.

Figure 14: Imports by major categories

(SAR billion)



Source: General Authority for Statistics

The UAE topped the list of importers of non-oil exports during Q3 2025, with a value of approximately SAR 30 billion, representing 31% of total non-oil exports. Exports to the UAE were concentrated in the categories of machinery and electrical equipment, and vehicles and associated transport equipment, which together accounted for approximately 77% of the total, including re-exports.

India ranked second with a value of approximately SAR 11 billion (11% of the total), with chemical industries dominating exports to India, accounting for approximately 62% of the total.

China came in third with a value of approximately SAR 7 billion (7% of the total), with goods mainly concentrated in the categories of plastics and rubber and their products, and chemical industries, which together accounted for approximately 72%.

Regarding imports, China maintained its position as the Kingdom's largest supplier during Q3 2025, with a value of approximately SAR 65 billion, representing 28% of total imports. The largest share of these imports was concentrated in machinery and electrical equipment.

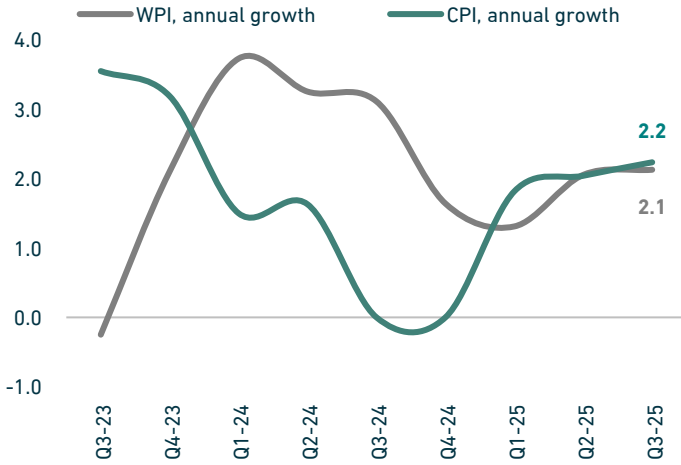
The US ranked second with a value of approximately SAR 19 billion (8% of the total), with machinery, electrical equipment, and transport vehicles and equipment leading its imports. UAE came in third with a value of approximately SAR 13 billion (6% of the total), with precious stones being the Kingdom's top import from the UAE.



# Prices

## Inflation rate reaches 2.2 in Q3 2025

Figure 15: Consumer price index (CPI) and wholesale price index (WPI)

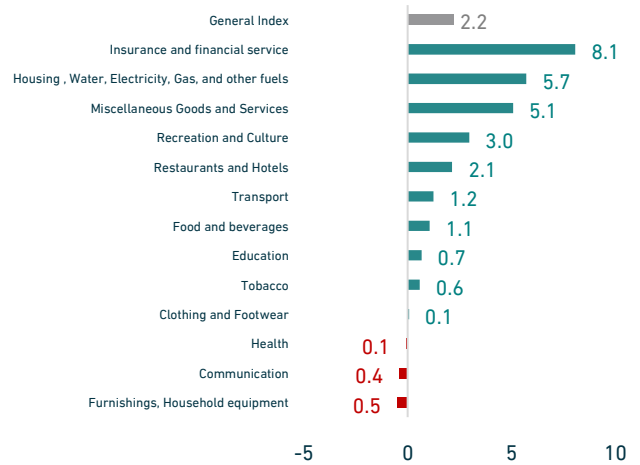


Source: General Authority for Statistics

The Consumer Price Index (CPI) averaged 103.8 points in Q3 2025, reflecting a 2.2% year-on-year increase. This rise was primarily driven by a 5.7% increase in the housing and related services category, which represents approximately 19.5% of the index's weight. This increase in housing prices is attributed to the widening gap between supply and demand, which led to higher raw land values. This, in turn, resulted in increased residential rents.

Other categories also contributed to the year-on-year increase in the CPI, with the food and beverage, transportation, and restaurants and hotels categories recording increases of 1.1%, 1.2%, and 2.1%, respectively. Conversely, the furnishings and household equipment, communications, and health categories experienced year-on-year declines of 0.5%, 0.4%, and 0.1%, respectively.

Figure 16: Annual rate of change in consumer basket categories for Q3 2025 (Percentage)



Source: General Authority for Statistics

Regarding wholesale prices, the average Wholesale Price Index (WPI) reached approximately 157.4 points in Q3 2025, reflecting a 2.1% year-on-year increase. This growth was driven by a 4.1% increase in the other transportable goods excluding metal products, machinery and equipment category, followed by a 4.5% increase in the agriculture and fishing products category. The food, beverages, tobacco and textiles and metal products, machinery and equipment categories also saw increases of 0.5% and 0.1%, respectively. Conversely, the raw materials and minerals category experienced a 0.8% year-on-year decline in Q3 2025.

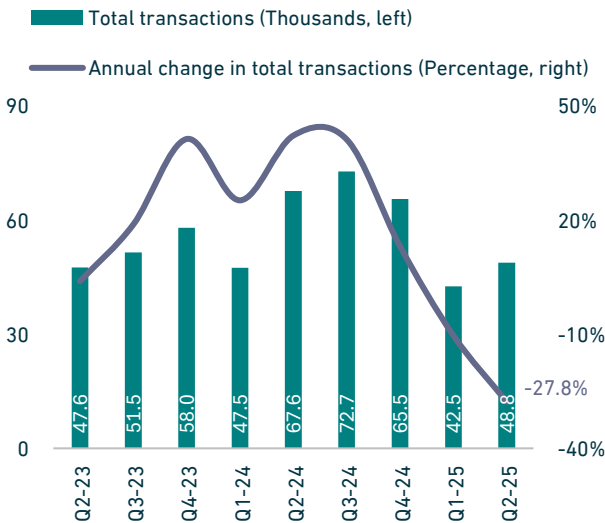
Overall, the data indicates stable inflation rates in the Kingdom, despite demand pressures that are driving up prices, particularly in the housing and construction materials sectors. Furthermore, the Kingdom's inflation rates are relatively low compared to other global economies, ranking ninth in September 2025, a testament to the effectiveness of the government's proactive measures and precautionary policies.



# Real Estate

## Decrease in the number of real estate transactions executed during Q3 2025

Figure 17: Total number of real estate transactions



Source: Ministry of Justice

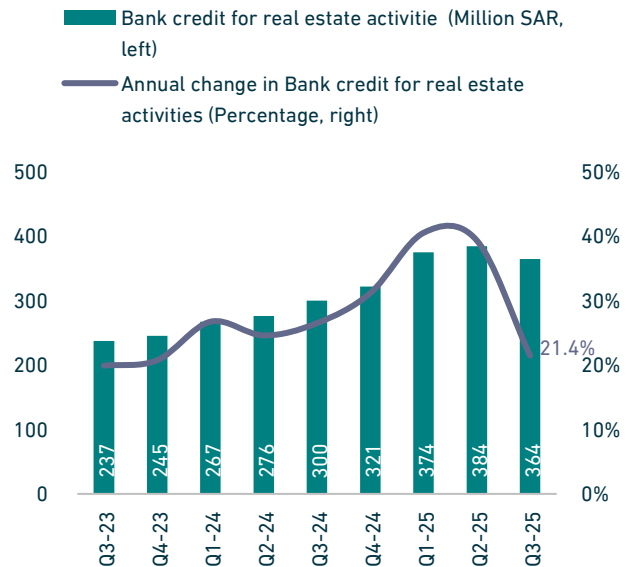
The Saudi real estate market recorded approximately 48.8 thousand transactions during Q3 2025, a decrease of 27.8% year-on-year, and a 14.7% quarter-on-quarter increase. The total value of these transactions reached approximately SAR 46.4 billion.

In the residential sector, which accounts for 90.6% of total real estate transactions, the number of transactions reached approximately 44.2 thousand, a decrease of 26.2% year-on-year. The value of these residential transactions reached approximately SAR 31 billion, registering a quarterly increase of approximately 14.9%.

As for the commercial sector, which accounts for 6.5% of the total, the number of transactions reached 3.2 thousand, with the total value of commercial transactions reaching approximately SAR 12.8 billion. This represents a quarterly increase of around 14%, while on an annual basis, the number of commercial transactions declined markedly by 31.7%.

Meanwhile, the agricultural sector accounted for only 2.9% of total real estate transactions, registering a 53.4% year-on-year decrease and a 12% quarter-on-quarter decrease, with approximately 1.4 thousand transactions executed, valued at SAR 2.3 billion.

Figure 18: Bank credit for real estate activities



Source: Saudi Central Bank

Bank credit granted to real estate activities recorded an annual growth of 21.4% during Q3 2025, rising from SAR 299 billion in Q3 2024 to SAR 364 billion in Q3 2025, while it recorded a decline of 5% on a quarterly basis, which may reflect the allocation of part of the financing towards long-term projects or refinancing operations for existing activities.

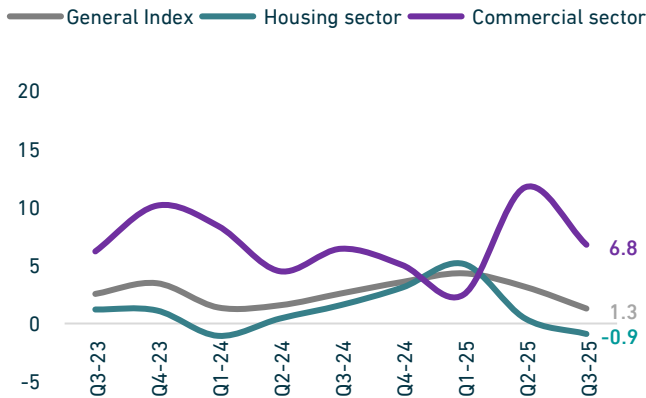
Meanwhile, new residential financing for individuals provided by commercial banks and finance companies decreased during Q3 2025 by 11.4%, with the number of residential contracts signed declining by 12.2% compared to the same period of the previous year.



# Real Estate

## The real estate price index rose by 1.3% during Q3 2025

Figure 19: The annual change in real estate index  
(Percentage, annual basis)



Source: General Authority for Statistics

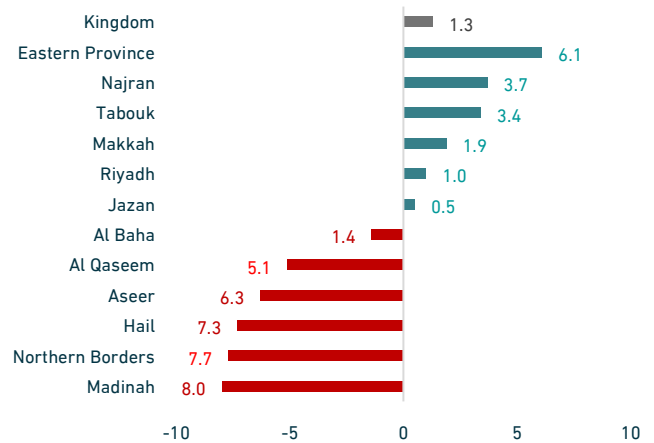
The general real estate price index in the Kingdom witnessed a slowdown in its growth rate during Q3 2025, with the annual change rate reaching 1.3%, registering 103.9 points.

Residential sector prices recorded a 0.9% year-on-year decrease. This decline was driven by a drop in residential land prices and apartment prices of 0.9% and 1.7%, respectively. Conversely, villa and apartment floor prices increased year-on-year by 0.2% and 0.3%, respectively.

In the commercial sector, land, building, and showroom prices recorded annual increases of 7.2%, 3.3%, and 1.1%, respectively, due to increased demand for commercial space, along with the influx of foreign investment. The agricultural sector also witnessed an annual increase, driven by a 15.3% rise in agricultural land prices.

The high relative weight of the residential sector helped to limit the impact of the significant increase in commercial sector prices on the overall index, as the residential sector accounts for 72.7% of the total weight, while the commercial sector accounts for 25.4% and the agricultural sector for 1.9%.

Figure 20: The annual growth of the real estate price index by region  
(Percentage)



Source: General Authority for Statistics

According to the administrative division of the regions, the Eastern Province recorded the highest annual increase in real estate prices during Q3 2025 at 6.1%, followed by Najran at 3.7%, then Tabouk, Makkah, and Jazan at 3.4%, 1.9%, and 0.5%, respectively.

The Riyadh region witnessed a slowdown in real estate price growth, achieving a rate of 1.0% in Q3 2025, a decrease of 0.4% on a quarterly basis.

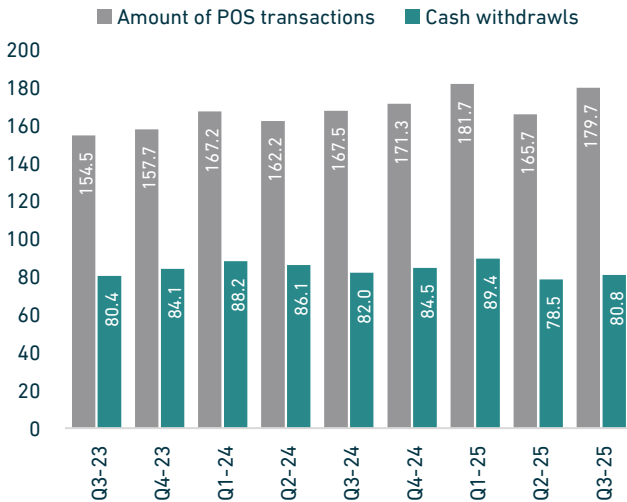
Conversely, Madinah recorded the largest decline at 8.0% year-on-year, followed by the Northern Borders region at 7.7%, Hail at 7.3%, and then Asir, Qassim, and Al-Jawf at 6.3%, 5.1%, and 4.5%, respectively.



# POS and Cash Withdrawals

## Consumer spending increased by 7.3% in Q3 2025

Figure 21: POS and cash withdrawals  
(SAR billion)



Source: Saudi Central Bank

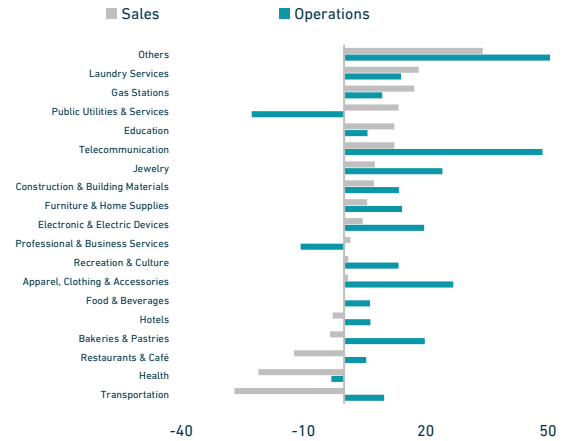
Consumer spending continued its upward trend in Q3 2025, with point-of-sale (POS) transactions reaching approximately SAR 179.6 billion, a 7.3% year-on-year increase.

In terms of the number of POS transactions, Q3 2025 saw a rise of approximately 12.3% year-on-year, reaching 2.9 billion transactions. Notably, the largest number of transactions was recorded in the restaurants and cafes sector, with approximately 732.5 million transactions. The telecommunication sector registered the highest year-on-year growth of approximately 48.8% in the number of transactions.

In terms of value, the highest growth in POS sales was in the other and jewelry sectors, both registering similar growth rates of 34.0%. This was followed by the apparel, clothing, and accessories sector, which saw a growth of 18.4% compared to the same period of the previous year. The furniture and home supplies sector also recorded growth of 17.2%. On the other hand, sales in the public utilities and services, electronics and electric devices, and professional and business services sectors saw the most significant declines, falling by 26.9%, 21.0%, and 12.4%, respectively, compared to Q3 2024.

As for cash withdrawals from Mada, they decreased in Q3 2025 by approximately 1.4%, reaching SAR 80.1 billion, compared to withdrawals in the same quarter of the previous year.

Figure 22: Annual change in POS by sector for Q3 2025  
(Percentage)



Source: Saudi Central Bank

Electronic payments grew as consumers continued to favor using credit cards and e-wallets for purchases. The value of e-commerce sales increased by 71.0% in Q3 2025, while the number of e-commerce transactions rose by approximately 64.6%.

It is noteworthy that the growth in the value of POS transactions coincided with the growth in consumer loans, which saw a 3% increase during Q3 2025 compared to the same period of the previous year. This correlation indicates that a segment of consumers is resorting to borrowing to finance their consumer needs.

Despite the moderate growth recorded in the total value of POS sales, the data indicates a significant increase in the number of transactions executed. This reflects a shift in consumer behavior towards a spending pattern based on multiple small purchases rather than large-value transactions.

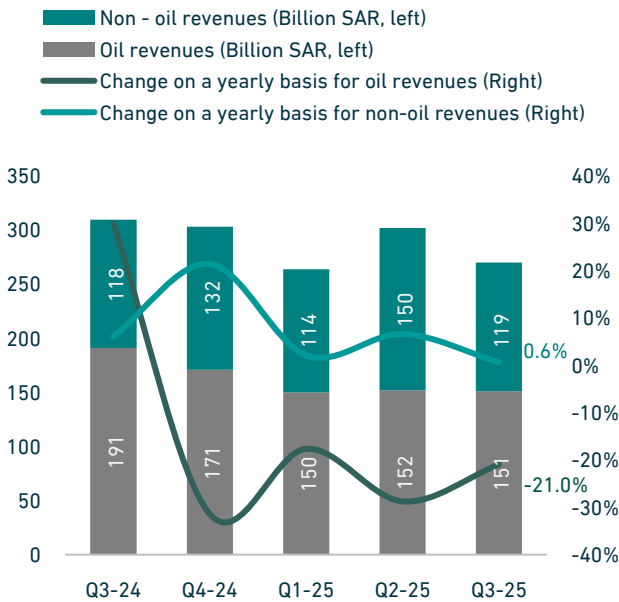
This shift is an indicator of a change in the form of consumer spending, with the digital economy expected to be the biggest beneficiary of this trend due to its close association with repetitive and low-value transactions. However, continued reliance on consumer loans to finance this spending may entail future financial risks, which necessitates monitoring consumer debt levels and trends to ensure the sustainability of economic growth.



# Public Finance

## Slight growth in non-oil revenues due to increased domestic demand

Figure 23: Revenues

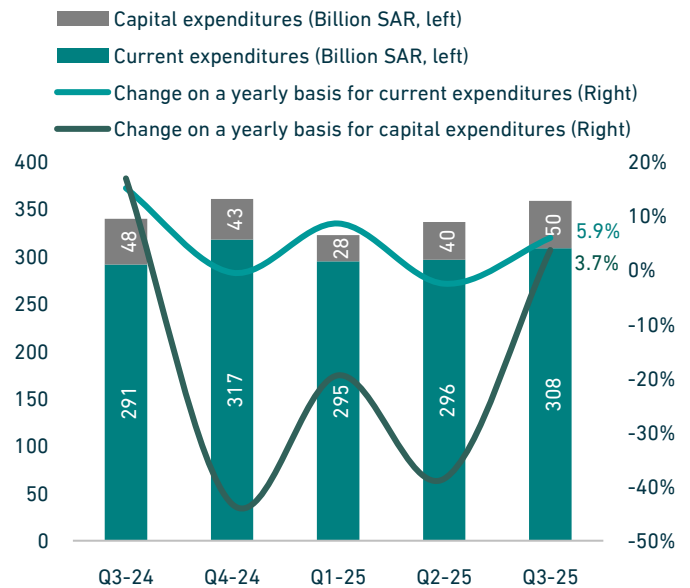


Source: Ministry of Finance

The Kingdom's total public revenues decreased by 12.7% year-on-year to reach SAR 269.9 billion in Q3 2025. Oil revenues totaled SAR 150.8 billion, declining by 21.0%, attributed to a 13.4% drop in the average price of Brent crude oil during Q3 2025 compared to the same quarter of the previous year.

In contrast, non-oil revenues constituted 44.1% of total public revenues, a result of economic reform programs aimed at diversifying income sources. Non-oil revenues reached SAR 119.1 billion, registering a slight increase of 0.6% year-on-year. This growth was supported by increases in taxes on income, profits, and capital gains; taxes on goods and services; taxes on international trade and transactions; and other revenues, by 10.8%, 0.5%, 6.1%, and 5.8%, respectively. Meanwhile, other taxes declined significantly by 42.2% year-on-year.

Figure 24: Expenditures



Source: Ministry of Finance

On the expenditure side, government spending grew in Q3 2025 by 5.6% year-on-year, reaching SAR 358.4 billion. This growth was driven by a 5.9% increase in current expenditures, reaching SAR 308.5 billion, and a 3.7% increase in capital expenditures, reaching SAR 49.9 billion.

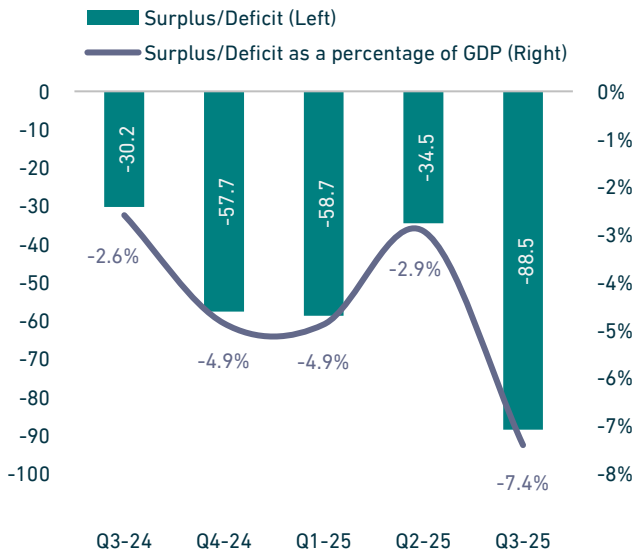
Analysis of expenditure items reveals that employee compensation reached SAR 143.6 billion in Q3 2025, a 3.6% year-on-year increase, representing the largest share of actual government spending at 40.1%. Government spending on goods and services came in second, accounting for 23.4% of total expenditures, amounting to SAR 84.0 billion, a 1.5% increase compared to Q3 2024. Other expenses and financing costs amounted to 9.8% and 4.2% respectively of total expenditures, reaching SAR 35.1 and SAR 15.2 billion, with annual growth estimated at 22.2% and 27.1% respectively. Spending on social benefits amounted to SAR 16.5 billion, a decrease of 21.7% on an annual basis.



# Public Finance

## Increase in deficit during Q3 2025, driven by declining oil revenues

Figure 25: General budget: Surplus/Deficit (SAR billion)



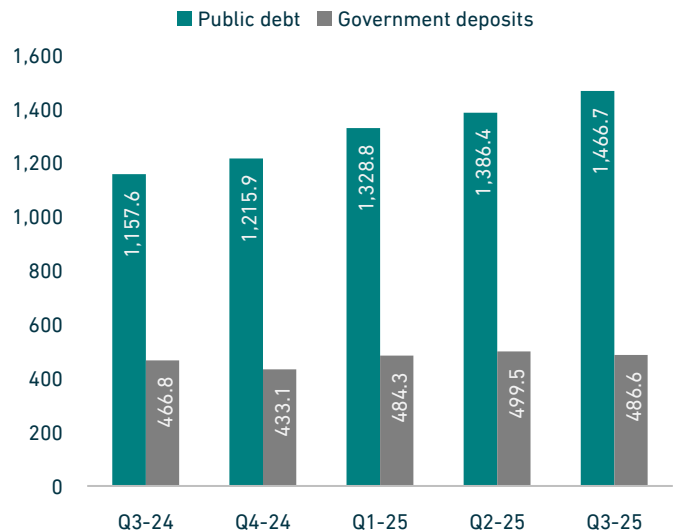
Source: Ministry of Finance

The Kingdom's general budget recorded a fiscal deficit of SAR 88.5 billion in Q3 2025, compared to a deficit of SAR 34.5 billion in the previous quarter, reflecting continued financial pressures amid a significant decline in oil revenues.

The Kingdom continues to pursue ambitious economic goals aimed at improving services, increasing productivity, and encouraging private sector investment, which is expected to generate substantial financial returns in the future and contribute to reducing the deficit. Government deposits rose to SAR 486.6 billion in Q3 2025, representing a growth of 4.3% compared to Q3 2024.

The increase in total public debt reflects the trend towards diversifying funding sources to ensure the sustainability of spending on major projects and infrastructure without negatively impacting domestic liquidity. The debt structure, which leans towards long-term financing, helps reduce refinancing risks and supports the government's efforts to enhance its investments in promising sectors such as renewable energy, support the budget in the long term, and build reserves to address potential market fluctuations.

Figure 26: Public debt and government deposits (SAR billion)



Source: Ministry of Finance

According to data issued by the National Debt Management Center, the government's outstanding direct debt reached SAR 1,466.7 billion at the end of September 2025, comprising SAR 930.1 billion in domestic debt and SAR 536.5 billion in external debt. This represents a year-on-year increase of 35.1% for domestic debt and 14.4% for external debt.

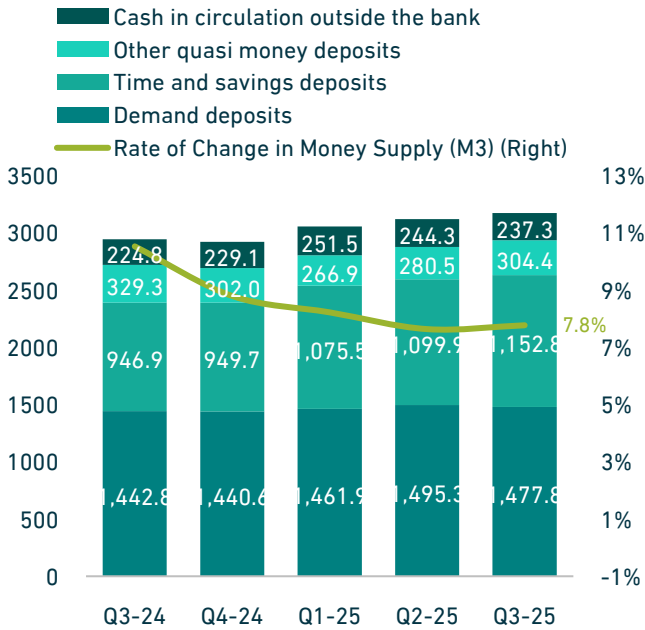
The public debt-to-GDP ratio is considered low, reaching 31.9% by the end of Q3 2025, reflecting the Kingdom's strong credit rating. In July 2025, Fitch Ratings affirmed the Kingdom's credit rating at A+ with a stable outlook, reflecting the improvement in economic and financial performance resulting from the efforts undertaken to implement Saudi Vision 2030.



# Monetary Performance

## Increase in money supply and bank credit granted

**Figure 27: Components of the money supply (M3)**  
(SAR billion, Percentage)

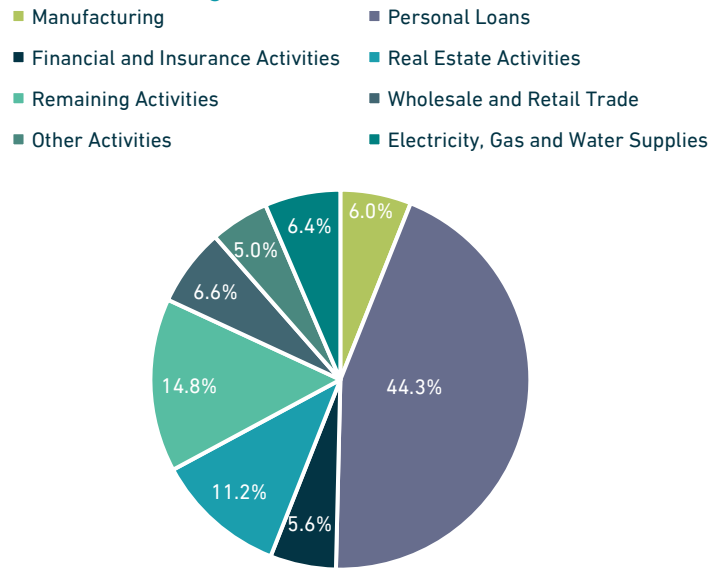


Source: Saudi Central Bank

The total money supply (M3) increased by 7.8% year-on-year in Q3 2025, reaching SAR 3,172 billion. Demand deposits constituted 46.6% of the total money supply, while time and savings deposits represented 36.3%, other quasi-money deposits 9.6%, and currency in circulation outside banks 7.5%.

This growth in M3 is attributed to a 2.4% year-on-year increase in demand deposits. Currency in circulation outside banks and time and savings deposits also saw year-on-year increases of 5.6% and 21.7%, respectively. Meanwhile, total other quasi-money deposits decreased by 7.5% year-on-year.

**Figure 28: Ratio of credit provided to total bank credit by economic activity for Q3 2025**  
(Percentage)



Source: Saudi Central Bank

Total bank credit extended during Q3 2025 recorded year-on-year growth of 14.3%, reaching SAR 3,262 billion. This growth was driven by increased credit extended to individuals and real estate activities, which together accounted for 55.5% of total credit, amounting to SAR 1,446 billion and SAR 363 billion, respectively. This growth was bolstered by strong consumer confidence, robust consumer spending, and the presence of government support programs, making the need for financing more compelling than the impact of high interest rates.

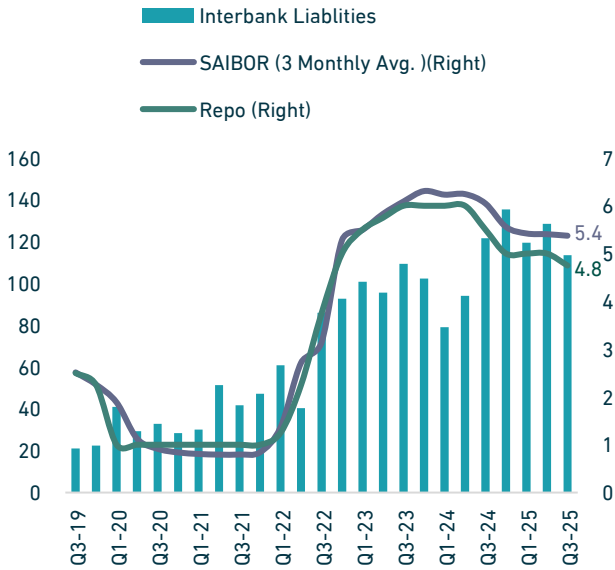
Furthermore, the wholesale and retail trade sector, the electricity, gas, and water supply sector, and the manufacturing sector contributed approximately 6.6%, 6.4%, and 6.0%, respectively, of total credit, with values estimated at around SAR 216 billion, SAR 210 billion, and SAR 197 billion, respectively.



# Monetary Performance

## A decline in interest rates during Q3 2025

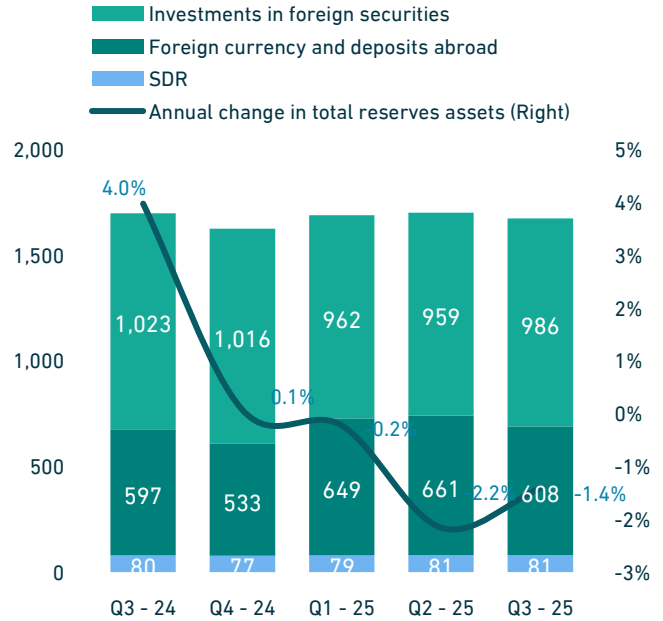
Figure 29: Monetary indicators (Interest rate, Interbank liabilities) (SAR billion, Percentage)



Source: Saudi Central Bank

The Saudi Central Bank (SAMA) reduced the repo rate by 25 basis points to 4.75% during Q3 2025. This boosted the money supply (M3) during the same period, while interbank liabilities decreased to SAR 113.5 billion compared to SAR 128.5 billion in the previous quarter. The Saudi Interbank Offered Rate (SAIBOR) also saw a slight decrease during Q3 2025, reaching 5.37% compared to 5.41% in the preceding quarter.

Figure 30: SAMA reserve assets (SAR billion, Percentage)



Source: Saudi Central Bank

The Kingdom's reserve assets recorded a year-on-year decline of 1.4% in Q3 2025, reaching SAR 1,689 billion compared to SAR 1,713 billion in the same period of the previous year. This decline is primarily attributed to a 3.6% decrease in investments in foreign securities, which constitute 58.3% of reserves, bringing the total to approximately SAR 986 billion.

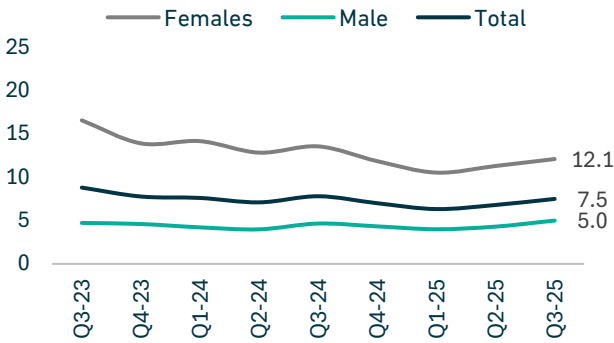
Foreign currency and deposits abroad increased by 1.9% to reach SAR 608.1 billion, as well as levels of Special Drawing Rights (SDRs), which rose by 1.6%. The reserve position at the International Monetary Fund recorded an increase of 2.5%, and the monetary gold reserve remained stable at 1.6 billion riyals without change.



# Labor Market

## An increase in unemployment rate on a quarterly basis, while it declined on an annual basis

**Figure 31: Unemployment rate among Saudis (Percentage)**



Source: General Authority for Statistics

The unemployment rate among Saudis reached 7.5% in Q3 2025, an increase of 0.7 percentage points compared to the previous quarter.

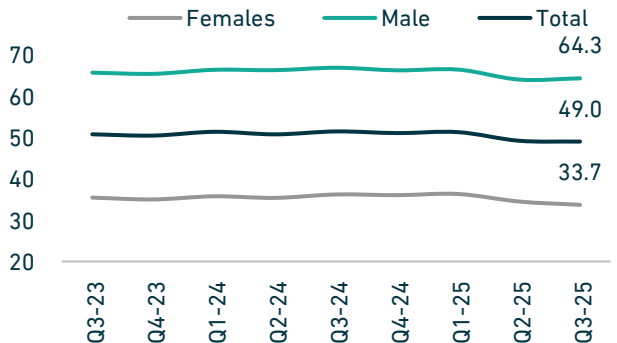
This increase is attributed to a rise in the female unemployment rate of 0.8 percentage points compared to the previous quarter, reaching 12.1%, as well as a rise in the male unemployment rate by 0.7 percentage points, reaching 5.0%.

On an annual basis, the unemployment rate among Saudis decreased by 0.3 percentage points. Despite the unemployment rate among males increasing by 0.4 percentage points, the decline in female unemployment by 1.5 percentage points, driven by ongoing labor market policy reforms that support women, offsets this increase.

As for the overall unemployment rate, it increased by 0.2 percentage points in Q3 2025 to 3.4% compared to the previous quarter. It decreased by 0.3 percentage points compared to the same quarter of 2024.

The Saudi labor force participation rate declined by 0.2 percentage points quarter-on-quarter, reaching 49.0% in Q3 2025. This was attributed to a 0.8 percentage point decrease in the female participation rate to 33.7%, despite a 0.3 percentage point increase in the male participation rate to 64.3%.

**Figure 32: Economic participation rate (Percentage)**



Source: General Authority for Statistics

The average monthly wage for employed Saudis increased by 1.5% in Q3 2025 compared to the previous quarter, reaching SAR 11,197. This increase resulted from a 1.4% rise in average wages for males and a 0.8% rise for females.

The Saudi labor market witnessed significant developments during Q3 2025, reflecting a divergence in job supply and demand. Government efforts continued to enhance Saudization and diversify employment opportunities across various sectors. These results highlight the importance of continuing structural reforms in the labor market, strengthening training and qualification programs, improving the alignment of educational outcomes with market needs, and expanding quality job opportunities, all in line with the objectives of Saudi Vision 2030 to build a more efficient and sustainable labor market.



# Disclaimer

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