

Kingdom of Saudi Arabia

QUARTERLY ECONOMIC REPORT

**FOURTH
QUARTER
2025**

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Executive Summary

Global economic performance had been steadily improving, with growth forecasts for 2025 stabilizing at around 3%. This outlook had been supported by a more balanced economic performance during the second half of 2025. Although expected growth remains below pre pandemic levels, it reflects the global economy's growing capacity to adapt to ongoing challenges, aided by more flexible fiscal and monetary policies, particularly as several central banks start to gradually reduce interest rates. Overall, Q4 2025 signals the continuation of a phase of global economic consolidation, accompanied by a gradual improvement in conditions. This trend is underpinned by the easing of monetary policies and the stabilization of . Nevertheless, the recovery remains fragile and highly contingent on developments in global trade and geopolitical dynamics, underscoring the need for continued caution and close monitoring of potential risks that could undermine the sustainability of growth in the periods ahead.

Saudi Arabia's **real Gross Domestic Product (GDP)** recorded a year-on-year growth of 5.0% during Q4 2025, marking the eighth consecutive quarter of growth, driven by increases in both oil and non-oil activities. Oil activities grew by 10.8%, reflecting improvements in production and global demand, while non-oil activities expanded by 4.3%, supported by sectors such as wholesale and retail trade, restaurants, and hotels.

Furthermore, growth was bolstered by a 3.6% rise in final private consumption and a 12.8% increase in exports of goods and services, both of which contributed positively to overall economic performance. Non-oil activities continued to constitute the largest share of GDP, accounting for 53.9%, which underscores the ongoing structural transformation of the Saudi economy and the continued diversification of income sources in line with the objectives of Saudi Vision 2030.

The average **Industrial Production Index (IPI)** recorded a year-on-year increase of 8.7% in Q4 2025, driven by solid growth in both oil and non-oil activities, which expanded by 10.2% and 5.2%, respectively. In addition, manufacturing activities showed a strong performance during the same period, rising by 5.6% compared with the fourth quarter of the previous year.

The **Riyad Bank Purchasing Managers' Index (PMI)** for the non-oil private sector recorded a positive performance in Q4 2025, reaching 58.7 points, up from 56.8 points in Q3 2025. The index remained firmly in expansionary territory, supported by

sustained strong economic momentum in non-oil activities, improving domestic demand, and increased commercial and investment activity across the market. Moreover, non-oil private sector companies expressed a positive outlook for 2026.

In addition, Saudi Arabia ranked first among G20 countries in terms of performance in December 2025, underscoring the strength of non-oil economic activity and the robustness of business confidence within the domestic operating environment.

In terms of **foreign trade**, Saudi Arabia's trade surplus improved in Q4 2025, reaching approximately SAR 52.4 billion, up from SAR 41.5 billion in Q4 2024, representing a year-on-year increase of 26.3%. This improvement was driven by exports expanding at a faster pace than imports. Exports amounted to SAR 300.1 billion, recording a year-on-year growth of 7.9%, while imports totaled SAR 247.7 billion, rising by 4.7% year on year.

Non-oil revenues declined by 7.2% year-on-year, reaching SAR 122.6 billion in Q4 2025, while oil revenues also fell by 9.8% year-on-year to SAR 154.2 billion during the same period. In contrast, **government expenditures** increased by 3.1% year on year, amounting to approximately SAR 371.6 billion. As a result, the Kingdom's budget recorded a fiscal deficit of SAR 94.8 billion in Q4 2025.

As for **monetary indicators**, Saudi Arabia's broad money supply (M3) registered a year-on-year increase of approximately 8.4% in Q4 2025, reaching SAR 3,167 billion. This expansion was driven by a 23.6% year on year rise in time and savings deposits, which represent the second largest component of total money supply, accounting for 37.1%, or SAR 1,173 billion. Meanwhile, the Saudi Interbank Offered Rate (SAIBOR) stood at 5.02% during the period.

The **unemployment rate** among Saudis declined to 7.2% in Q4 2025, down from 7.5% in the previous quarter. This improvement was primarily driven by a 1.8 percentage point quarter-on-quarter decline in the female unemployment rate, which fell to 10.3%. Additionally, the Saudi labor force participation rate increased by 0.5 percentage points quarter-on-quarter, reaching 49.5% in Q4 2025.



Chapter one

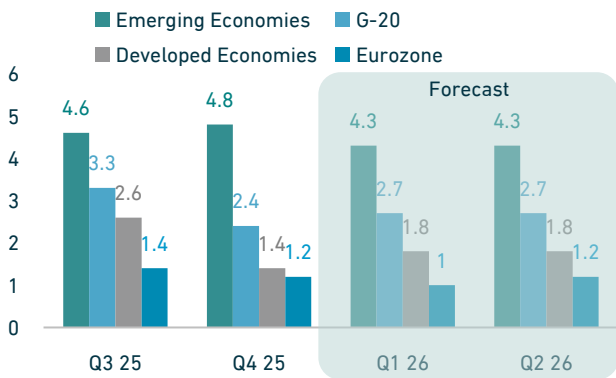
**The Global
Economy**

Global Economic Growth

Global economic growth remains relatively stable, supported by monetary policy easing despite persistent trade pressures

Figure 1: Quarterly growth rate of the global economy

(Percentage, annual basis)



Source: Bloomberg

Q4 2025 saw continued global economic challenges, with elevated uncertainty stemming from geopolitical tensions and trade policies. Despite these headwinds, the growth trajectory showed greater stability than in the previous quarter. During the period, the effects of ongoing trade tensions, particularly between the US and China, persisted, with sustained inflationary pressures and uneven demand conditions across economies. However, the shift by some central banks toward easing monetary policy supported economic activity, helping to moderate the pace of the slowdown across several regions.

The latest estimates from Bloomberg consensus indicate continued relative improvement in global economic performance, with growth expectations for 2025 stabilizing at around 3%, supported by a more balanced performance during the second half of the year. Although this rate remains below pre pandemic levels, it reflects the global economy's ability to adapt to challenges, aided by more flexible fiscal and monetary policies, especially as some central banks have begun to gradually reduce interest rates.

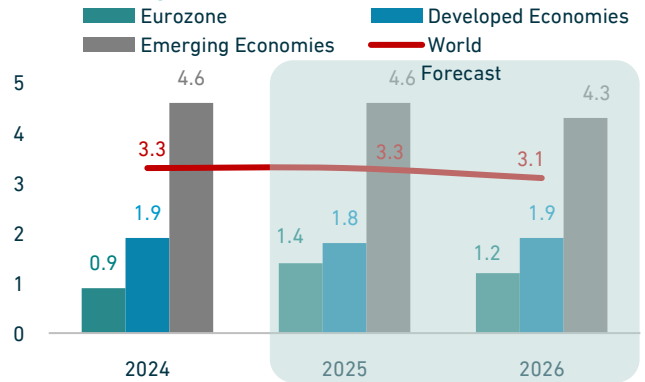
Despite continued challenges, global trade improved in Q4 2025, supported by the stabilization of demand in some major economies and the restructuring of supply chains. In addition, certain partial understandings helped curb the escalation of trade tensions; however, tariffs remained a constraining factor on trade flows, particularly between the US and China. Meanwhile, companies continued to adapt to these conditions by diversifying production sources and markets.

On global financial markets, Q4 saw a stronger performance compared with earlier periods, supported by growing expectations of monetary policy easing. This was reflected in moderate gains in global equities, with lower volatility and a continued improvement in credit conditions, reflecting stabilized and a relative easing of inflationary pressures.

Despite these positive indicators, caution remains regarding the global economic outlook, as the full effects of trade policies and restrictions on international trade have yet to materialize. In

Figure 2: Annual growth rate of the global economy

(Percentage)



Source: Bloomberg

In addition, some major economies continued to show signs of slowdown in Q4, particularly in the industrial and real estate sectors. Any renewed escalation in trade tensions or a weakening of global demand could lead to heightened volatility and weigh on investor confidence.

Bloomberg estimates indicate that advanced economies continued to post moderate growth of around 1.8% in 2025, supported by relative stability in financial conditions and the start of a monetary easing cycle in some countries, alongside continued strength in consumer spending during Q4, despite elevated borrowing costs for most of the year.

In the Eurozone, economic growth is expected to remain at around 1.4% in 2025 and 1.2% in 2026, with economic momentum remaining limited. While economic activity has been supported by an improvement in the services sector and stability in financial markets, weakness in manufacturing and export sectors continues to exert significant pressure, particularly amid a slowdown in external demand.

Emerging market and developing economies are expected to grow by about 4.6% in 2025, with China's growth stabilizing near 5%, despite some challenges in Q4. Growth in the Middle East and Central Asia is projected at 3.9%, supported by stronger non-oil activities and investment. Sub Saharan Africa is expected to grow by around 1.1%, while Latin America and the Caribbean are projected to expand by about 2.8%, with a modest improvement thereafter.

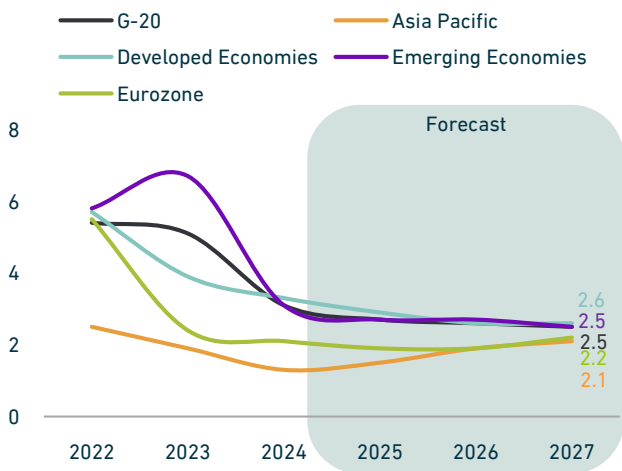
Overall, Q4 2025 reflects a phase of continued global economic consolidation, with a tendency toward gradual improvement, supported by the relative easing of monetary policies and the stabilization of . Nevertheless, this recovery remains fragile and highly dependent on developments in trade and geopolitical conditions, underscoring the need for continued caution and close monitoring of risks that could affect the sustainability of growth in the coming periods.



Global Inflation

Global inflation declines gradually amid expectations of more accommodative monetary policies and a relative balance in energy markets

Figure 3: Headline inflation rates
(Percentage, annual basis)



Source: Bloomberg

Amid continued cautious optimism about the global economy's ability to adjust to challenges, global inflation continues to fall in Q4 2025, easing to about 4.1%, with forecasts of a drop to 3.3% in 2026, according to Bloomberg estimates. This decline reflects persistent weak global demand and steadier energy prices than earlier peaks, while divergence in inflation trends across economies remain. Despite this easing, inflation stays above target in several countries, leading policymakers to keep a cautious stance on monetary and fiscal policy.

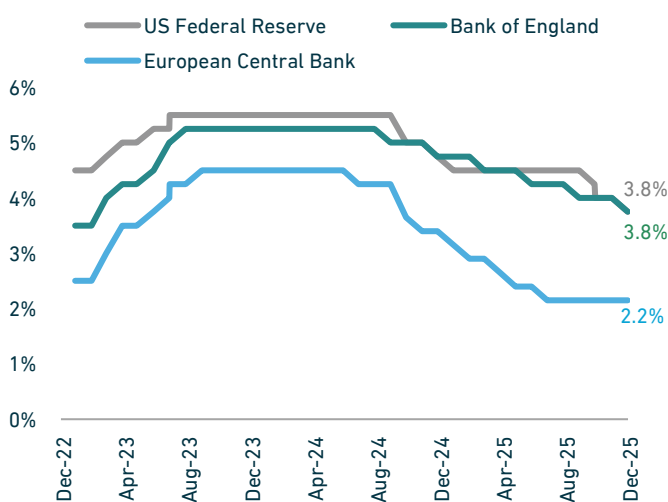
In the US, tariffs imposed during the year continue to place upward pressure on prices in Q4, with consumers being affected by these costs, even though companies bore the majority of them. Prices for core goods and services also remain elevated compared with historical averages, despite early signs of a gradual easing in headline inflation.

In the Eurozone, inflation continues to decline gradually in Q4, supported by a stable euro exchange rate and the continuation of fiscal policies that help ease price pressures. This indicates a more stable inflation trajectory compared with some other major economies, with inflation gradually approaching its targeted levels.

In China, core inflation expectations stabilize toward the end of the year, driven by a moderate pickup in domestic demand and consumer spending during Q4. This occurs despite persistent strains in the real estate sector and subdued external demand, thereby limiting further inflation acceleration.

Stable energy markets supported inflation stability in Q4 2025, as geopolitical factors align with supply demand fundamentals. Despite limited volatility, oil prices stabilized amid ample supply from OPEC+ and non-OPEC producers and slower global demand growth.

Figure 4: Economic policy rates
(Percentage)



Source: Bloomberg

Natural Gas prices also remain within relatively stable ranges, backed by weaker demand outlooks and continued growth in LNG supply, especially in the EU.

The US is expected to continue a gradual path toward lower interest rates in the coming period, supported by declining inflation and a moderating labor market. This outlook reinforces the monetary policy stance toward supporting economic growth.

The Eurozone is expected to maintain a more cautious stance, keeping interest rates unchanged in the near term amid stable inflation conditions. Meanwhile, Japan continues its gradual shift toward monetary tightening, driven by rising bond yields, with potential implications for borrowing and investment costs.

Major economies, including China, Germany, and the US, are expected to continue adopting stimulus fiscal policies in Q4 to bolster growth and address slowdowns in certain sectors. In particular, China remains focused on strengthening domestic demand and stimulating industrial activity to offset weakness in exports.

Emerging economies continue to face persistent pressures stemming from rising global interest rates and heightened volatility in financial markets. These conditions exacerbate challenges related to capital flows and currency stability, potentially dampening investment and employment levels. Consequently, there remains a need for balanced economic policies to mitigate these effects.

Investment in the technology sector, particularly in renewable energy and artificial intelligence, continued to rise during Q4. This trend reflects structural shifts in the global economy and a growing focus on innovation and sustainability as key drivers of future growth.



Global Economic Outlook

Heightened risks and opportunities to stimulate growth in 2026

First: Heightened risks

Challenges related to tariffs imposed by the US persisted during Q4 2025. However, their impact has moved beyond being a potential source of pressure and has begun to directly affect global economic activity. These tariffs, including higher duties on certain goods, have increased production and trade costs, negatively affecting investment, particularly in export-oriented economies, most notably China. In addition, they have led to shifts in supply chains and higher final product prices, increasing the burden on both companies and consumers.

Continued tariffs on strategic sectors such as electronics and pharmaceuticals have raised the average effective tariff rate. However, the impact of supply chain bottlenecks has eased from the prior quarter, as companies adjusted by diversifying production sources and moving some activities to other markets. At the same time, geopolitical tensions, especially in the Middle East and Ukraine, remained a steady concern. Still, their impact in Q4 was mostly limited to mild market fluctuations, with no major supply shocks, which lowered risk compared with earlier expectations.

The impact of the robust economic performance in H1 2025 has started to surface. Elevated inventory levels at companies led to a moderate slowdown in import demand during Q4, particularly across certain industrial and commercial sectors. This impact may extend into Q1 2026, with some companies potentially facing losses due to storage costs or inventory becoming obsolete.

The rise in global public debt remains one of the most significant structural risks, as it strains financing conditions and limits governments' capacity to implement broad stimulus policies in the future. While some central banks have begun to lower interest rates, elevated debt levels continue to pose a risk to financial stability, particularly if volatility re-emerges in global markets.

Second: Strengthening global economic resilience

Despite the risks and challenges currently facing the global economy, promising opportunities are emerging through comprehensive trade agreements, especially those focused on digital services and foreign investment, which boost productivity and strengthen long term economic resilience. The launch of a new round of such agreements has enabled the implementation of deeper structural reforms, including labor market, easier mobility, skills development, streamlined regulations, and enhanced competition and innovation, thereby strengthening the global economy's capacity to effectively address challenges.

Despite persistent challenges, several favorable factors emerged in Q4 2025, enhancing the resilience of the global economy. Most notably, the actual shift toward monetary easing improved financial conditions and supported economic activity. This shift also boosted market confidence and helped ease financing pressures.

Comprehensive trade agreements continued to provide medium - and long-term support, led by RCEP, along with DEPA, which help regulate modern trade and enhance investment flows. That said, their impact during Q4 remained gradual, compared with the more prominent influence of monetary and fiscal policies.

Investment in technology sectors, especially energy and artificial intelligence, continued to expand during Q4, reflecting structural shifts in the global economy toward innovation and sustainability. These investments contribute to higher productivity and stronger competitiveness, reinforcing the global economy's long-term resilience.



Table 1: Selected indicators for G20 countries

G20	Real GDP Growth (%) Q4'25 ¹	Inflation (%) Dec'25	Monetary Policy rate (%) Dec'25	Industrial Production Index (%) Dec'25	PMI (Point) Dec'25
ARGENTINA	2.1	31.5	29.0	-4.0	-
AUSTRALIA	2.6	3.8	3.6	2.7	51.6
BRAZIL	1.8	4.3	15.0	-0.1	47.6
CANADA	-0.6	2.4	2.25	-2.3	48.6
CHINA	4.5	0.8	3.0	5.2	50.1
EU	1.2	2.0	2.15	1.2	48.8
FRANCE	1.2	0.8	2.15	2.0	50.7
GERMANY	0.6	1.8	2.15	0.4	47.0
INDIA	7.8	1.2	5.25	8.0	55.0
INDONESIA	5.4	2.9	4.75	6.1	51.2
ITALY	0.8	1.1	2.15	3.2	47.9
JAPAN	0.4	2.1	0.75	2.6	50.0
KSA	5.0	2.1	4.25	10.1	57.4
MEXICO	1.8	3.7	7.0	2.4	46.1
RUSSIA	0.6	5.6	16.0	3.7	48.1
SOUTH AFRICA	1.7	3.6	6.75	-1.4	47.7
SOUTH KOREA	1.6	2.3	2.5	1.8	50.1
TÜRKIYE	3.4	30.9	38.0	-2.1	48.9
USA	2.2	2.7	3.75	1.3	51.8
UK	1.0	3.4	3.75	0.5	50.6

Source: Bloomberg

¹ Q3 2025 for Russia.



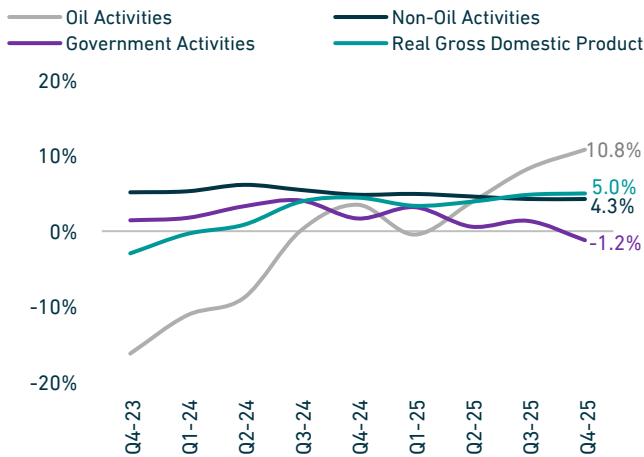
Chapter two

**The Saudi
Economy**

Gross Domestic Product (GDP)

Sustained GDP growth in Q4 2025 with a stronger contribution from non-oil sectors

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



Source: General Authority for Statistics

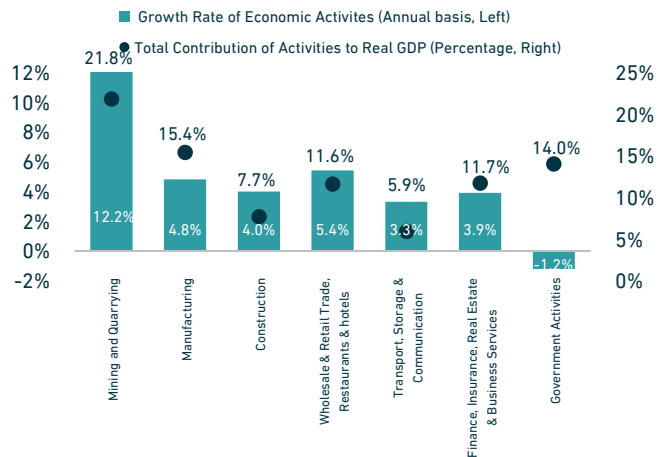
Saudi Arabia's real GDP grew by 5.0% year-on-year in Q4 2025, extending its positive performance for the eighth consecutive quarter. This growth was driven by increases in both oil and non-oil activities.

Oil activities recorded a growth of 10.8% year-on-year in Q4 2025. Compared with Q3 2025, these activities expanded by 2.8%, driven by improved production levels and higher global demand.

Mining and quarrying activities, accounting for 21.8% of total GDP, grew by 12.2% during Q4 2025, reaching a value of SAR 276.9 billion. Meanwhile, manufacturing industries, which represent 15.4% of total GDP, rose by 4.8% over the same period, with output valued at SAR 195.7 billion.

Non-oil activities expanded by 4.3% year-on-year, underscoring the continued advancement of the Kingdom's economic diversification efforts. Within these activities, the wholesale and retail trade, restaurants, and hotels sector showed particularly strong performance, accounting for 11.6% of GDP and recording annual growth of 5.4%. In contrast, government activities declined by 1.2% on an annual basis and by 18.2% quarter-on-quarter.

Figure 6: Growth Rate of most prominent economic activities in Real GDP, Q4 2025
(Percentage)



Source: General Authority for Statistics

Other factors also supported economic growth in Q4 2025, most notably stronger consumption and investment. Private final consumption increased by 3.6% year-on-year, while the Kingdom's exports of goods and services rose by 12.8%.

Non-oil activities continued to account for the largest share of GDP in Q4 2025, representing 53.9% of GDP, with a total value of SAR 686.4 billion. This performance reflects the ongoing structural transformation of the Saudi economy toward income diversification, supported by investment in major projects, infrastructure and tourism development, and the promotion of entrepreneurship, alongside fiscal incentives to attract foreign investment, highlighting the success of Saudi Vision 2030 policies in strengthening the non-oil economy and creating sustainable job opportunities.

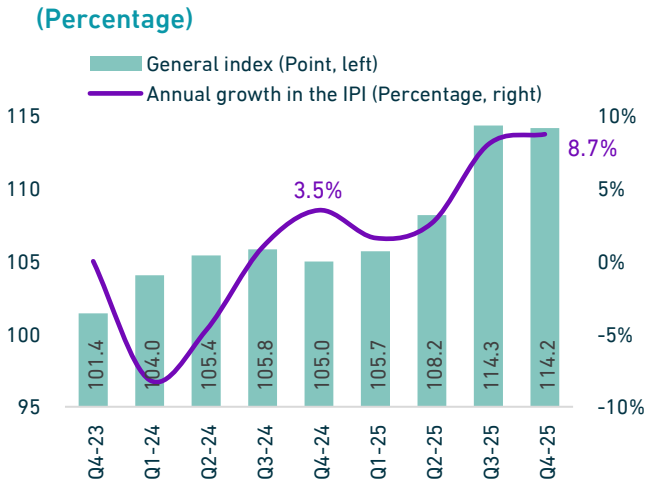
Oil activities accounted for 26.9% of GDP in Q4 2025, up from 25.6% in the same period of 2024. This rise reflects improved production levels and stronger global demand for oil, underscoring the sector's continued pivotal role in supporting overall economic growth.



Industrial Production

Manufacturing drives industrial production growth for the second consecutive quarter

Figure (7): Annual Growth of the Industrial Production Index (IPI) (Percentage)



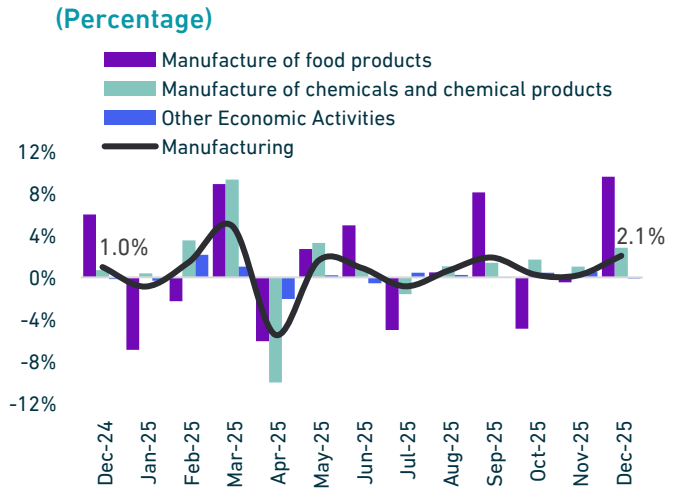
Source: General Authority for Statistics

The Industrial Production Index (IPI) continued to rise in Q4 2025, recording year-on-year growth of 8.7%, supported by gains across all industrial activities during the quarter.

Under the main economic activity classification, oil activities were the primary driver of growth, rising by 10.2% year-on-year. This performance was mainly supported by a 12.4% increase in crude oil and natural gas extraction, as Saudi Arabia's average oil production reached 10.1 million barrels per day in Q4 2025, compared with 8.9 million barrels per day in the same quarter of the previous year. Additionally, the manufacture of coke and refined petroleum products recorded year-on-year growth of 0.5%.

Against this backdrop, non-oil activities grew by 5.2% year-on-year, supported by manufacturing. Manufacturing output rose by 5.6% year-on-year in Q4 2025. Growth was driven mainly by the chemicals and chemical products subsector, other non-metallic mineral products, and food products, which posted year-on-year increases of 11.3%, 4.9%, and 4.6%, respectively, compared with the same period of the previous year.

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



Source: General Authority for Statistics

The manufacturing sector stands at the core of economic diversification in the Kingdom, having achieved strong growth in recent years under the framework of Vision 2030 and its national initiatives. Chief among these is the "Made in Saudi" program, launched in 2021, which focuses on harnessing the capabilities of national talent and converting local innovation into products that can compete globally. Through these efforts, the program supports the localization of supply chains, reduces reliance on imports, and reinforces the Kingdom's role as a leading industrial hub that underpins the sustainability of industrial and economic security.

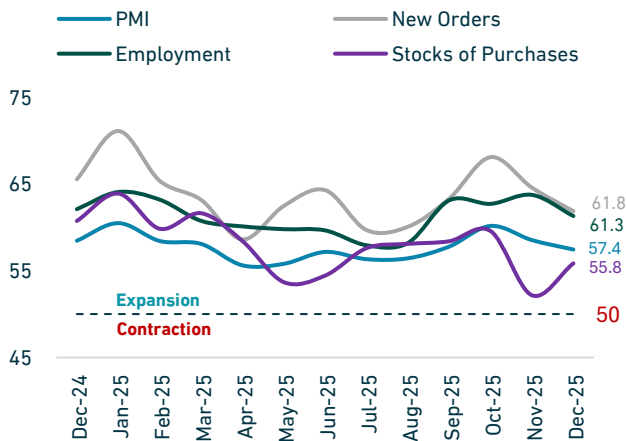
The activity index for water supply, sewerage, waste management, and remediation services increased by 11.7% year-on-year in Q4 2025. During the same period, the index for electricity, gas, steam, and air conditioning supply recorded a year-on-year rise of 0.1%.



Purchasing Managers' Index

The non-oil Purchasing Managers' Index () continued to signal expansion during Q4 2025

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



Source: Riyadh Bank, S&P Global.

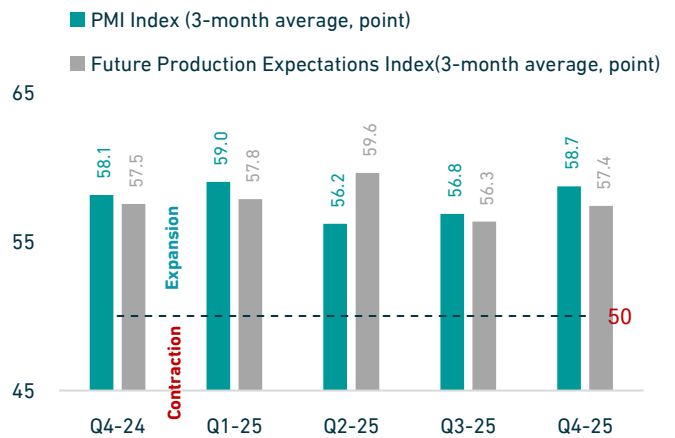
The Riyadh Bank Purchasing Managers' Index () for the non-oil private sector posted a strong outturn in Q4 2025, rising to 58.7 points compared with an average of 56.8 points in Q3 of the same year, and remaining well above the 50-point threshold that signals expansion.

On a monthly basis, however, activity showed some moderation in December 2025, as the index slipped to 57.4 points from 58.5 points in November.

Production continued to grow in December 2025, driven by a rise in new orders. Stronger demand led companies to scale up purchases of production inputs, while companies also stepped up input purchases during the month in anticipation of higher demand ahead. As a result, inventory levels rose in some sectors, supported by improved supplier delivery performance.

Input costs rose in December 2025, reflecting higher raw material prices and increased operating expenses. In response, companies raised the prices of final goods, while continuing to keep pricing competitive to maintain customer demand. Meanwhile, the employee cost index declined, pointing to easing pressure on wages.

Figure (10): quarterly average and the Future Production Expectations Index



Source: Riyadh Bank, S&P Global.

At the employment component level of the index, job growth remained strong in December 2025, rising slightly compared to November, with companies strengthening their workforce. Future production expectations across all non-oil sectors eased month-on-month in December, driven by rising concerns over intensifying competition. Nevertheless, average output expectations for Q4 2025 indicate an improvement compared with the preceding quarter.

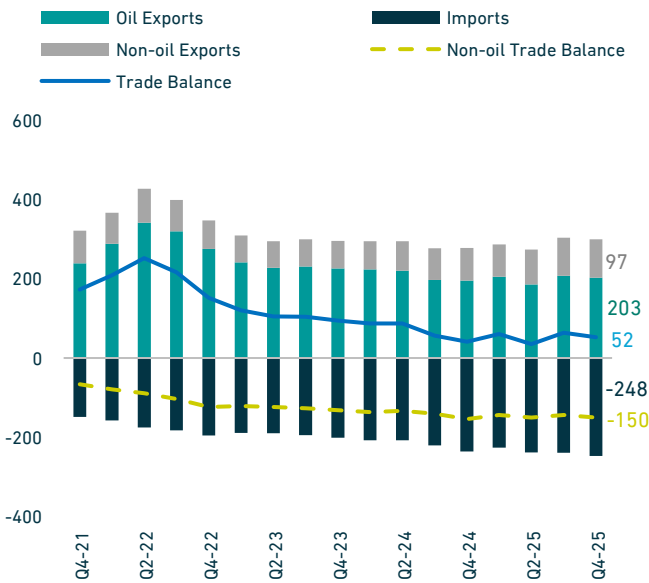
Among G20 economies, the Kingdom ranked first in Purchasing Managers' Index performance in December 2025, posting 57.4 points, ahead of India at 55.0 points. These results highlight the strong domestic demand.



Foreign Trade

Trade balance surplus improved in Q4 2025

Figure 11: Volume of exports, imports, and trade exchange (SAR billion)

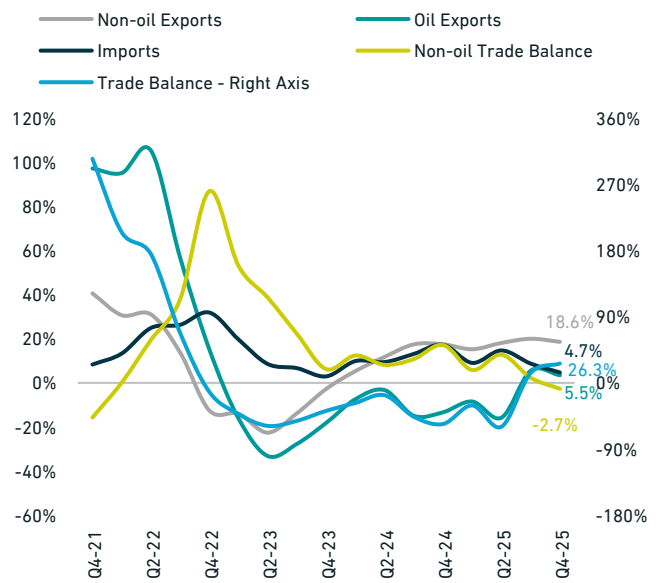


Source: General Authority for Statistics

Saudi Arabia's trade balance strengthened markedly in Q4 2025, increasing by 26.3% year-on-year to around SAR 52.4 billion, compared with SAR 41.5 billion in the same quarter of 2024. This improvement reflected stronger growth in merchandise exports relative to imports. Merchandise exports rose by 7.9% year-on-year to SAR 300.1 billion, while imports increased at a slower pace of 4.7%, reaching SAR 247.7 billion over the same period. At the same time, the non-oil trade deficit widened by 2.7%, despite robust year-on-year growth of 18.6% in non-oil exports, highlighting that non-oil import values continue to substantially exceed non-oil export levels.

Oil exports posted year-on-year growth of 3.5% in Q4 2025, reaching about SAR 202.6 billion, up from SAR 195.9 billion in the same quarter of 2024. During the quarter, oil exports represented roughly 67.5% of total merchandise exports, compared with 70.4% in the same quarter of the previous year. This performance occurred against the backdrop of declining global oil prices, with the average price falling by around 15% year on year over the same period, from USD 74.6 to USD 63.6 per barrel.

Figure 12: Growth rate of exports, imports and trade exchange (Percentage, on an annual basis)



Source: General Authority for Statistics

In contrast, non-oil exports rose sharply, posting year-on-year growth of 19% in Q4 2025 and reaching about SAR 97 billion. Re exports totaled around SAR 40 billion over the same quarter, continuing to record a strong year-on-year increase of 67.4% compared with the same quarter a year earlier. Re exports accounted for approximately 41.2% of non-oil exports and represented 13.4% of total merchandise exports.

Looking at the components of non-oil exports, machinery and electrical equipment ranked first, valued at approximately SAR 22.6 billion and accounting for 23.2% of the total, while posting strong year-on-year growth of 78.6%. Chemical industry products ranked second at around SAR 19.7 billion, representing 20.2% of non-oil exports, despite a year-on-year contraction of 6.9%. Plastics and related products followed, with exports amounting to about SAR 16.4 billion, equivalent to 16.9% of the total, and recording a year-on-year decline of 10.5%.

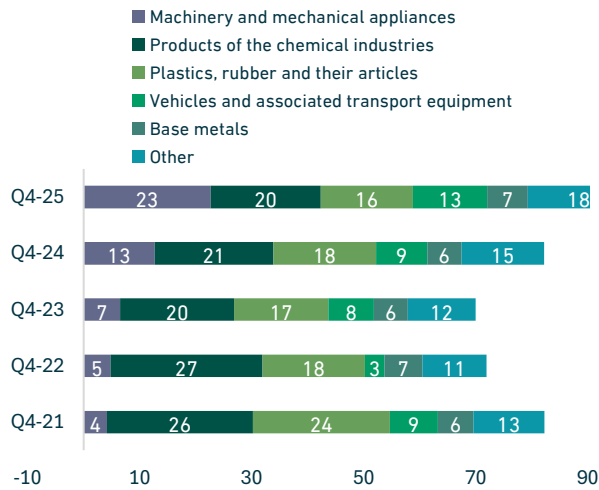
Overall, this performance highlights the expansion of the Kingdom's non-oil export base, reinforcing its diversification and contribution to foreign trade.



Foreign Trade

UAE maintained the largest share of Saudi Arabia's non-oil exports

Figure 13: Non-oil exports by major categories (SAR billion)



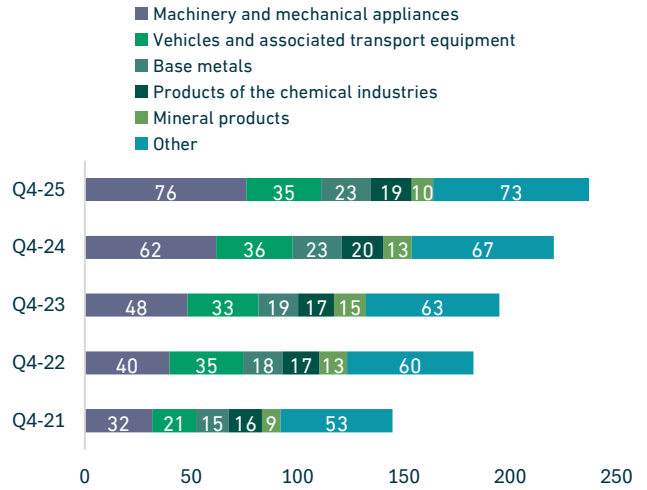
Source: General Authority for Statistics

Saudi Arabia's imports rose by 4.7% year-on-year in Q4 2025, totaling around SAR 247.7 billion. This growth was largely driven by an 11.5% year-on-year increase in capital and intermediate goods imports, which accounted for 70.1% of total imports. In contrast, final consumer goods accounted for 29.9% of imports and saw a year-on-year decline of 8.4%.

Machinery and electrical equipment led import categories in Q4 2025, with imports valued at around SAR 76.0 billion, representing 32.0% of total imports and recording strong year-on-year growth of 23.0%. Transport equipment followed in second place, accounting for 14.9% of total imports, despite a marginal decline of 2.1%. Base metals ranked third, contributing approximately 9.8% of total imports and posting modest year-on-year growth of 0.6%.

Among Saudi Arabia's key trading partners, the UAE emerged as the largest destination for non-oil exports in Q4 2025. Export values reached approximately SAR 30.3 billion, representing 31.0% of total non-oil exports. Shipments to the UAE were mainly concentrated in machinery and electrical equipment, along with transport equipment, which together accounted for around 75.6% of the total, including re exports.

Figure 14: Imports by major categories (SAR billion)



Source: General Authority for Statistics

India ranked second, with exports totaling approximately SAR 8.8 billion, accounting for 9.0% of the overall value. Chemical products formed the bulk of exports to India, representing about 43.5% of the total.

China followed in third place, with exports of around SAR 7.1 billion, representing 7.3% overall. These exports were focused on plastics, rubber and their articles as well as chemical industries, which together comprised around 73.6%.

On the import side, China remained the Kingdom's largest trading partner in Q4 2025, with imports valued at approximately SAR 67.5 billion, equivalent to 27.2% of total imports. Machinery and electrical equipment accounted for the largest share of these imports.

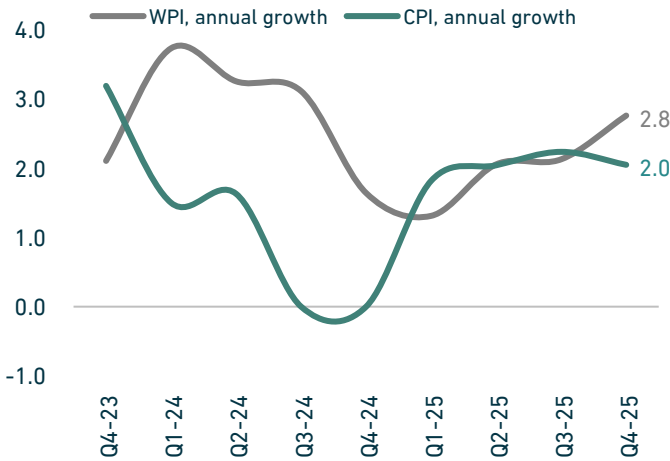
The US placed second, with import values of around SAR 21.6 billion, representing 8.7% of the total. Imports from the US were mainly concentrated in machinery and electrical equipment, along with vehicles and transport equipment. The United Arab Emirates ranked third, with imports totaling approximately SAR 14.2 billion, or 5.7% of the total, driven by precious stones, which formed the largest share of imports from the UAE.



Prices

Inflation eased compared with the previous quarter in Q4 2025

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

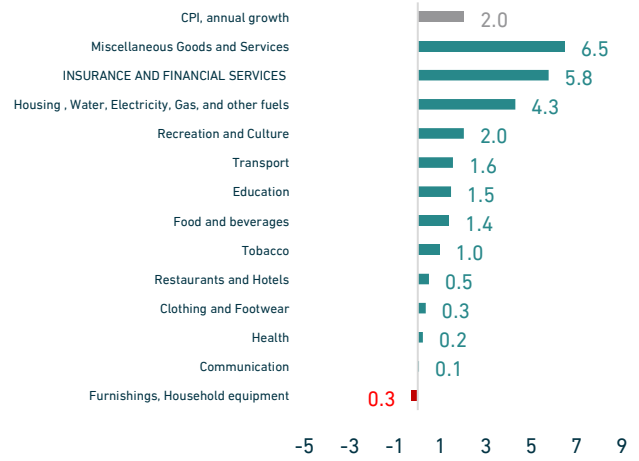


Source: General Authority for Statistics

The average CPI stood at 104.2 points in Q4 2025, registering a 2.0% year-on-year increase, mainly reflecting a 4.3% rise in the housing and related services group, which accounts for roughly 19.5% of the index weight.

The rise in the housing and related services group is driven by 5.4% year-on-year increase in actual rents paid by tenants for primary residences. Additional upward pressure on the annual Consumer Price Index (CPI) came from other divisions, with miscellaneous personal goods and services increasing by 6.5%. Insurance and financial services, transport, and restaurants and hotels also recorded gains of 5.8%, 1.6%, and 0.5%, respectively. Meanwhile, the furniture and household equipment division posted a decline of 0.3%.

Figure 16: Annual rate of change in consumer basket categories for Q4 2025 (Percentage)



Source: General Authority for Statistics

Regarding wholesale prices, the average index stood at approximately 158.8 points in Q4 2025, reflecting a 2.8% year on year increase. This uptick was mainly driven by a 5.2% rise in other transportable goods excluding metal products, machinery, and equipment, followed by a 3.5% increase in agricultural and fishing products. Metal products, machinery, and equipment, along with food products, beverages, tobacco, and textiles, also recorded modest gains of 0.8% and 0.4%, respectively. In contrast, the raw materials and minerals category declined by 0.8% compared with the same quarter of the previous year.

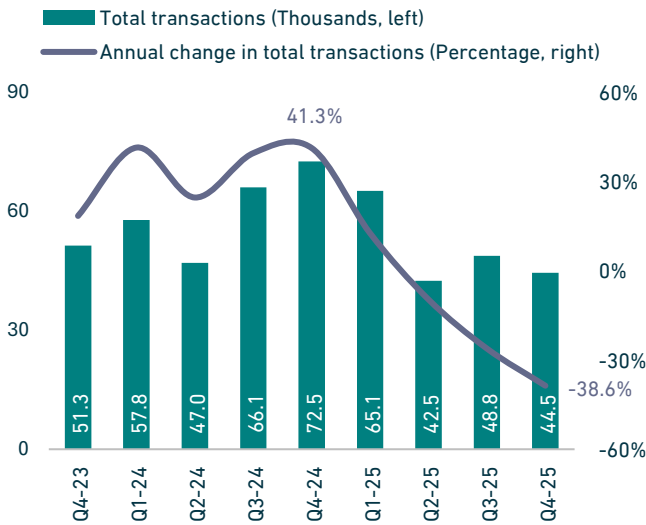
In Q4 2025, the Consumer Price Index (CPI) was subject to less inflationary pressures, largely driven by rising housing prices and selected service sectors, while price stability or declines in certain goods helped offset these increases. Over the same period, the Wholesale Price Index (WPI) recorded a moderate rise, reflecting higher prices for some transportable goods and agricultural products, alongside decreases in raw materials and mineral prices. Overall, consumer and wholesale price movements in 2025 suggest relative price stability, supported by improved economic activity.



Real Estate

The number of real estate transactions executed declined in Q4 2025

Figure 17: Total number of real estate transactions



Source: Ministry of Justice

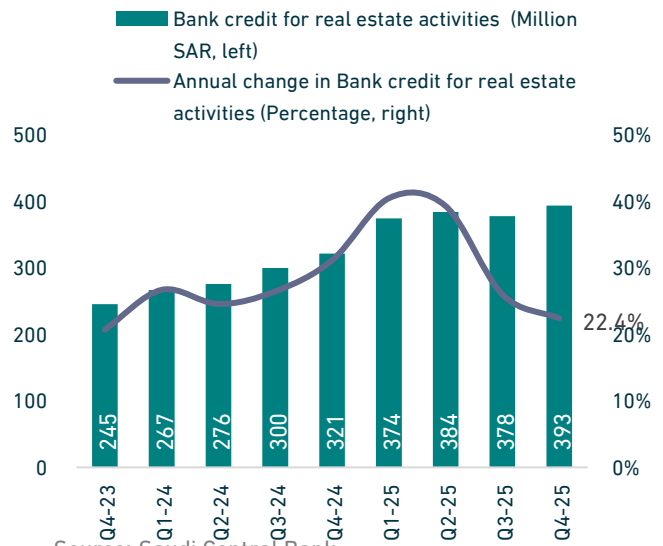
Real estate activity softened in Q4 2025, with around 44.5 thousand real estate transactions were executed, reflecting a 38.6% year-on-year decline and an 8.8% quarter-on-quarter drop, with transactions totaling SAR 48.8 billion in value.

The residential sector, representing 90.8% of total executed real estate transactions, recorded approximately 40.4 thousand transactions, down 38.4% from the same period last year, with an aggregate value of about SAR 32.5 billion. Nevertheless, residential transactions showed quarterly growth of 3.9%, despite the annual downturn.

The commercial sector, accounting for 6.0% of total real estate transactions executed, recorded 2.67 thousand transactions, reflecting a 15.0% quarter-on-quarter decline compared to the previous quarter. On a year-on-year basis, commercial transaction volumes fell sharply by 46.2%, while the total transaction value reached approximately SAR 14.4 billion.

Meanwhile, the agricultural sector, which represents 3.2% of overall real estate transactions, saw around 1.42 thousand executed transactions, with a value of SAR 1.9 billion. This corresponds to a 29.2% year-on-year decline and a 0.4% decrease compared to the previous quarter.

Figure 18: Bank credit for real estate activities



Source: Saudi Central Bank

In terms of real estate financing, bank credit extended to real estate activities continued to expand, recording year-on-year growth of 22.4% and a quarter-on-quarter increase of 4.2% in Q4 2025, bringing the total to SAR 393 billion.

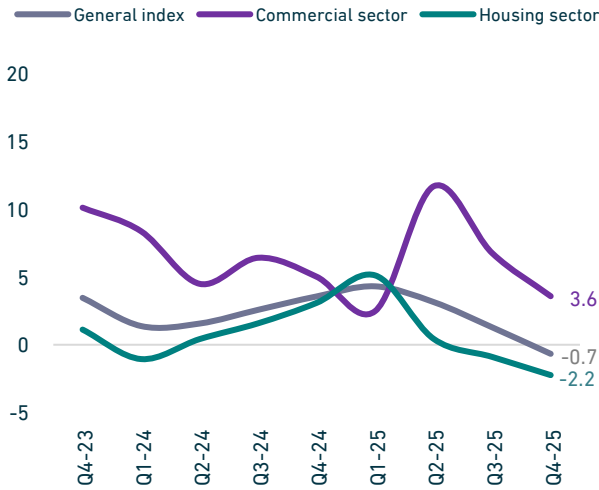
Meanwhile, new residential financing to individuals provided by commercial banks and finance companies witnessed a sharp decline of 47.2% during the same period, falling to SAR 16 billion. This decline was accompanied by a 42.3% reduction in the number of executed residential contracts compared to the same period of the previous year, with total contract values reaching SAR 23 billion.



Real Estate

The real estate price index posted a 0.7% decrease in Q4 2025

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



Source: General Authority for Statistics

The Kingdom's General Real Estate Price Index reached 103.5 points in Q4 2025, reflecting a year-on-year decrease of 0.7%.

Meanwhile, the residential real estate sector recorded a 2.2% year-on-year decline during the same quarter, marking the second consecutive quarter of decline. This contraction was largely attributed to decreases in the prices of residential land, villas, and apartments, which fell by 2.4%, 1.3%, and 2.5% year-on-year, respectively.

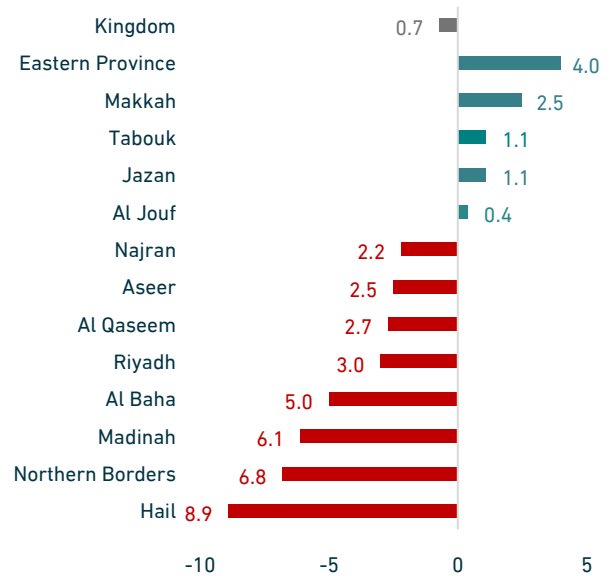
Within the commercial sector, the prices of land and buildings posted a year-on-year growth of 3.5% and 5.7%, respectively, in Q4 2025, driven by stronger demand for commercial spaces.

Similarly, the agricultural sector recorded a year-on-year increase, mainly driven by a 4.3% rise in agricultural land prices.

The higher relative weight of the residential sector helped to outweigh the impact of rising prices in the commercial sector on the overall index, given that the residential sector represents 72.7% of the total weight, compared with 25.4% for the commercial sector and 1.9% for the agricultural sector. Despite the upward movement in commercial sector prices, the rate of increase remained below the peak recorded in Q2 2025.

According to the administrative division of the regions, the

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



Source: General Authority for Statistics

Eastern Province registered the highest year-on-year growth in real estate prices, rising by 4.0% in Q4 2025, followed by Makkah, which recorded an increase of 2.5%. More moderate increases were observed in Tabuk, Jazan, and Al-Jouf, at 1.1%, 1.1%, and 0.4%, respectively.

In contrast, Hail experienced the sharpest annual decline, at 8.9%, followed by the Northern Borders (6.8%) and Al Madinah Al-Munawwarah (6.1%). Declines were also recorded in Al-Baha, Riyadh, and Al-Qassim, at 5.0%, 3.0%, and 2.7%, respectively.

The Riyadh Province showed a slowdown over the past two quarters, following a period of strong growth that had positioned it among the leading provinces. This trend shifted into a decline in Q4 2025, particularly after the issuance of directives introducing a set of measures aimed at expanding real estate supply and alleviating the sharp escalation in property prices and rental rates in Riyadh.

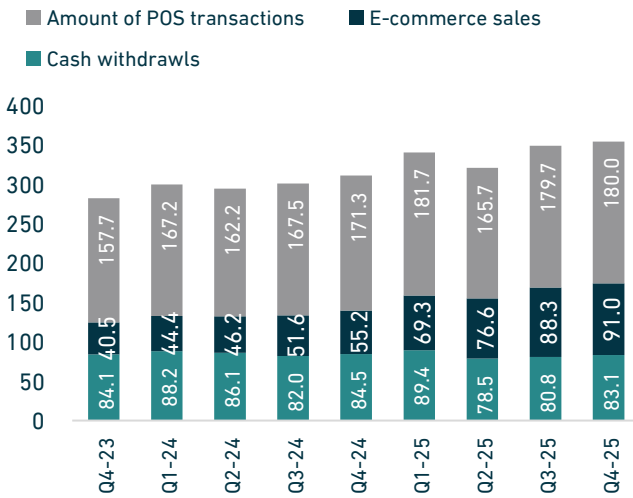


POS and Cash Withdrawals

POS spending increased by 5.1% in Q4 2025

Figure 21: POS and cash withdrawals and E-commerce sales

(SAR billion)



Source: Saudi Central Bank

Point of sales (POS) consumer spending grew by 5.1% year on year in Q4 2025, with the total value transactions amounting to SAR 180.0 billion.

Over the same period, the number of POS transactions increased by 10.8% year on year, reaching 3.0 billion transactions, driven largely by expansion in the restaurants and cafés sector, which accounted for the highest volume of transactions at around 750.2 million.

In contrast, the telecommunications sector recorded the strongest annual growth in transaction volumes, posting a 60.8% increase.

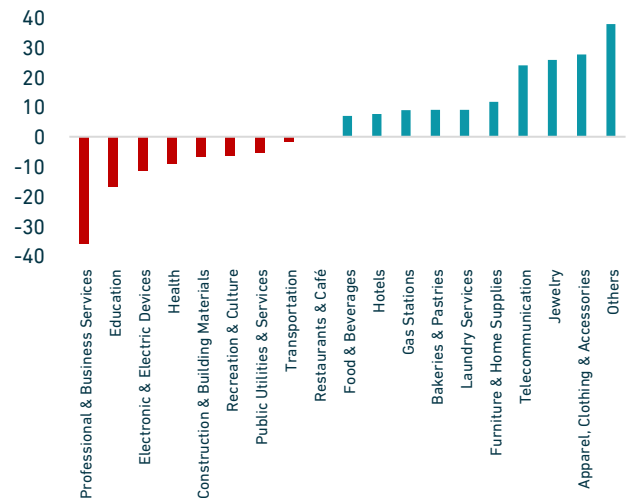
In value terms, the strongest growth in POS sales was recorded in the "Other" category and the clothing and accessories sector, which expanded by 37.8% and 27.6%, respectively. These were followed by the jewelry and telecommunications sectors, which posted annual growth rates of 25.8% and 23.9%, respectively.

By contrast, the most pronounced declines were seen in the professional and business services, education, and electronic and electrical appliances sectors, where sales contracted by 35.8%, 16.8%, and 11.4%, respectively, on an annual basis.

Cash withdrawals through the Mada network declined by 1.7% a year-on-year in Q4 2025, while showing a quarter-on-quarter increase of 2.8%, bringing the total value to SAR 83.0 billion.

Figure 22: Annual change in sales by activities for Q4 2025

(Percentage)



Source: Saudi Central Bank

With consumers increasingly relying on electronic payment methods, e-commerce sales recorded a substantial increase of 64.9% in value in Q4 2025, while the volume of e-commerce transactions rose by 68.2%.

The increase in the POS transactions occurred alongside a rise in consumer credit, which grew by 1.2% year on year in Q4 2025. This parallel development suggests that a segment of consumers has increasingly relied on borrowing to meet consumption needs. Nevertheless, sustained reliance on this spending pattern may pose future financial risks, underscoring the importance of closely monitoring consumer debt levels.

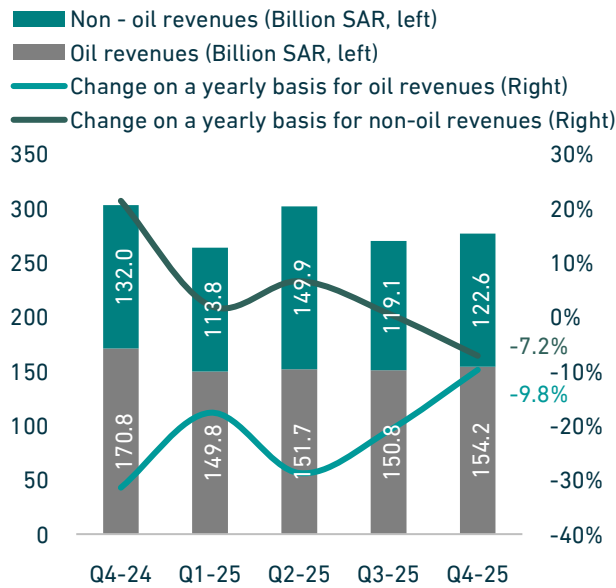
At the same time, the expansion in the total value of POS sales was accompanied by a notable rise in the number of transactions, indicating a shift in consumer behavior toward a higher frequency of lower-value purchases rather than fewer large transactions. This shift signals a change in the structure of consumer spending, with the digital economy expected to be the main beneficiary of this trend.



Public Finance

A downturn in revenues from taxes on goods and services, trade, international transactions, and other sources

Figure 23: Revenues



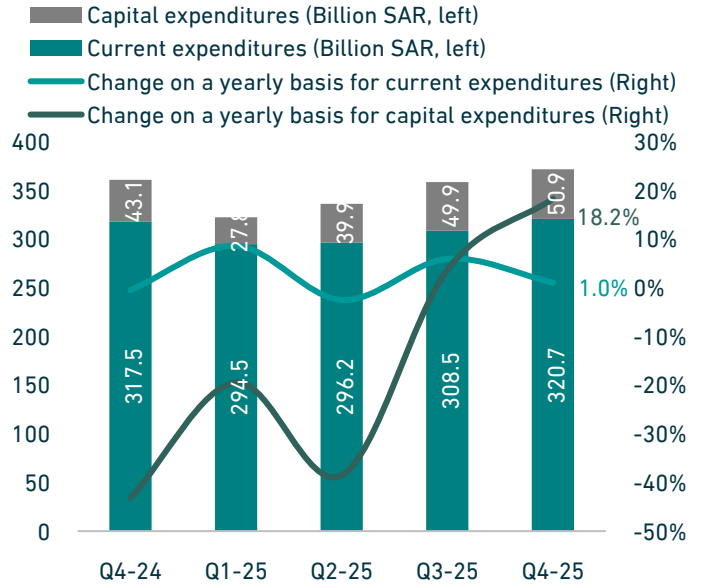
Source: Ministry of Finance

Public revenues declined by 8.6% year-on-year in Q4 2025, driven mainly by a 9.8% drop in oil revenues, reflecting a 14.6% decrease in the average Brent crude price during the same period.

Non-oil revenues also recorded a decline, reaching SAR 122.6 billion, down 7.2% year-on-year. This was largely attributed to lower tax revenues on goods and services, which fell by 1.8%, alongside declines in taxes on international trade and transactions by 12.2%, and other revenues by 20.5%. In contrast, revenues from income, profits, and capital gains taxes increased by 13.0%, while other tax revenues rose by 21.2%.

Overall, non-oil revenues accounted for 44.3% of total government revenues, reflecting the continued impact of economic reform programs aimed at diversifying income sources.

Figure 24: Expenditures



Source: Ministry of Finance

On the expenditure side, total expenditures grew by 3.1% year-on-year in Q4 2025, reaching SAR 371.6 billion. This increase was driven by a 1.0% rise in current expenditures, which totaled SAR 320.7 billion, and a notable 18.2% increase in capital expenditures, reaching SAR 50.9 billion.

A breakdown of expenditures shows that compensation of employees stood at SAR 144.5 billion in Q4 2025. Despite a slight year-on-year decline of 1.2%, it remained the largest component of public expenditures, accounting for 38.9% of actual government spending. Government spending on the use of goods and services followed, representing 25.3% of total expenditures at SAR 94.2 billion, recording marginal growth of 0.1% compared to Q4 2024.

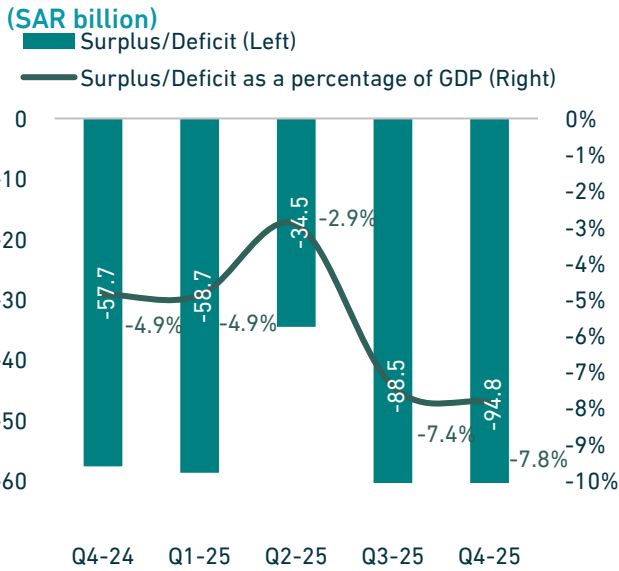
Other expenses and financing costs reached SAR 41.9 billion and SAR 14.9 billion, respectively. Together, they accounted for 11.3% and 4.0% of total expenditure, while posting year-on-year growth of 1.9% and 27.1%, respectively. Social benefits spending fell by 23.7% year-on-year to SAR 13.1 billion. Meanwhile, grants and subsidies recorded substantial increases of 50.8% and 134.4%, respectively.



Public Finance

The deficit widened in Q4 2025, driven by rising financing costs and higher subsidies and grants

Figure 25: Surplus/Deficit



Source: Ministry of Finance

The Kingdom's general budget registered a fiscal deficit of SAR 94.8 billion in Q4 2025, up from SAR 88.5 billion in the previous quarter, indicating the persistence of fiscal pressures amid a notable decline in total revenues.

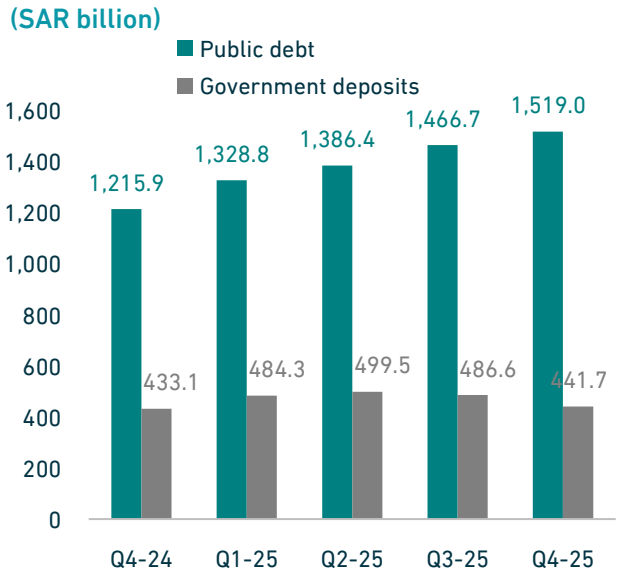
The Kingdom continues to advance ambitious economic goals that aim to enhance service quality, boost productivity, and stimulate private-sector investment, which is expected to generate significant fiscal returns over the medium to long term and contribute to narrowing the fiscal deficit.

In parallel, government deposits rose to SAR 441.7 billion in Q4 2025, recording a 2.0% increase compared with the fourth quarter of 2024.

According to data released by the National Debt Management Center (NDMC), the outstanding direct government debt reached SAR 1,519.0 billion at the end of December 2025. Of this total, SAR 943.4 billion constituted domestic debt, while SAR 575.7 billion represented external debt.

On a year-on-year basis, domestic debt increased by 27.8%, while external debt rose by 20.5%.

Figure 26: Public debt and government deposits



Source: Ministry of Finance

The public debt-to-GDP ratio is considered low, standing at 33.0% according to the National Debt Management Center by the end of Q4 2025, supported by the strength of credit conditions in the Kingdom.

In January 2026, the credit rating agency Fitch affirmed the Kingdom's credit rating at A+ with a stable outlook, reflecting improvements in economic and fiscal performance as a result of the reform measures undertaken to implement Saudi Vision 2030.

The increase in total public debt reflects a strategic shift toward diversifying financing sources, ensuring the sustainability of spending on major projects and infrastructure without adversely affecting domestic liquidity.

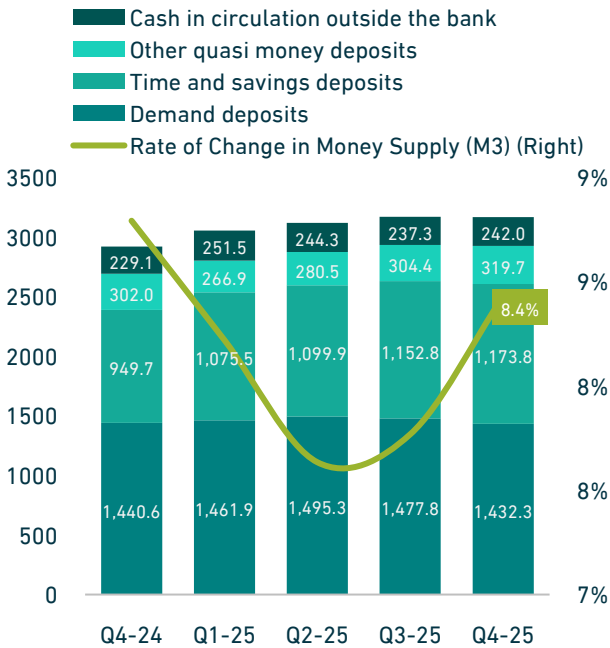
In addition, a debt profile dominated by long-term financing instruments contributes to lower refinancing risks and reinforces the government's capacity to expand investment in high-potential sectors, particularly renewable energy, while also supporting the fiscal balance over the long term and building reserves to withstand potential market volatility.



Monetary Performance

Rising money supply and increased bank credit

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

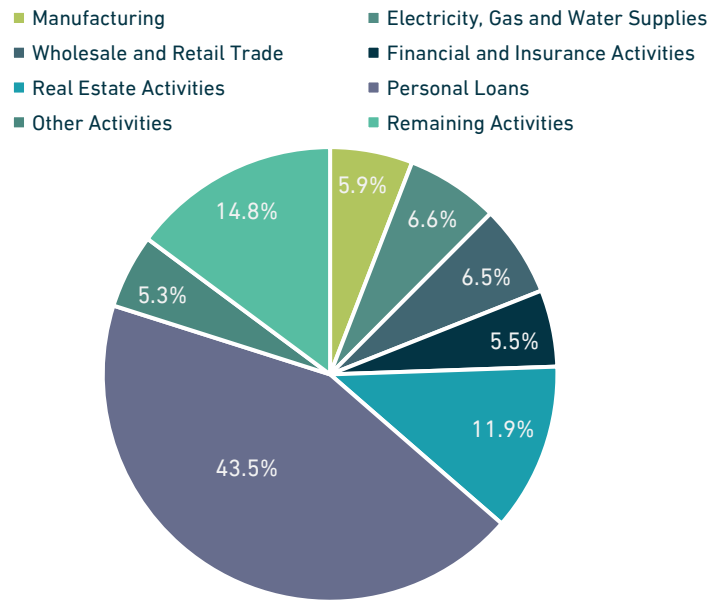


Source: Saudi Central Bank

Broad money supply (M3) expanded by 8.4% year-on-year in Q4 2025, reaching SAR 3,167 billion. Demand deposits represented the largest share of the money supply at 45.2%, followed by time and savings deposits at 37.1%. Other quasi-monetary deposits accounted for 10.1%, while currency in circulation outside banks comprised 7.6% of total M3.

The expansion in broad money supply (M3) was mainly driven by a strong year-on-year increase of 23.6% in time and savings deposits. In addition, currency in circulation outside banks and other quasi-monetary deposits recorded annual growth rates of 5.6% and 5.8%, respectively. Meanwhile, demand deposits declined slightly by 0.6% year-on-year.

Figure 28: Ratio of credit provided to total bank credit by economic activity for Q4 2025 (Percentage)



Source: Saudi Central Bank

Total bank credit extended recorded an annual growth of 11.5% in Q4 2025, reaching SAR 3,296 billion. This growth was driven by increased credit extended to individuals and real estate activities, which together accounted for 55.4% of total credit, amounting to SAR 1,434 billion and SAR 393 billion, respectively.

The continued growth in credit was supported by strong consumer confidence, solid consumer spending, and government support programs, which strengthened the need for finance and outweighed the restraining effect of elevated interest rates.

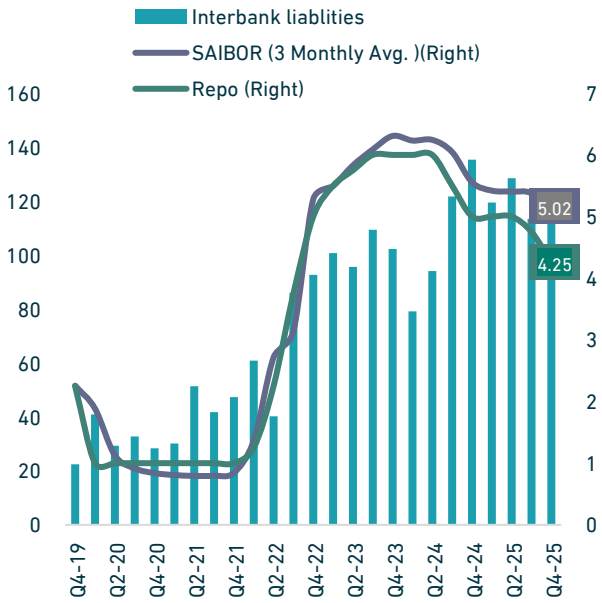
Wholesale and retail trade, electricity, gas and water supply, and manufacturing sectors also contributed approximately 6.5%, 6.6%, and 5.9%, respectively, to total bank credit, with values estimated at around SAR 214 billion, SAR 217 billion, and SAR 193 billion, respectively.



Monetary Performance

Interest rates recorded a decline in Q4 2025

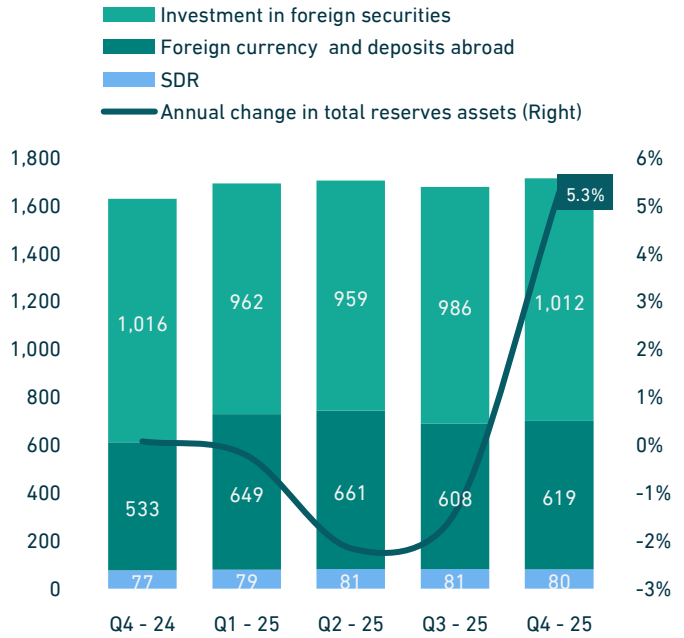
Figure 29: Monetary indicators (Interest rate, Interbank liabilities)
(SAR billion, Percentage)



Source: Saudi Central Bank

In Q4 2025, the Saudi Central Bank lowered the repo rate by 25 basis points twice, bringing it to 4.25%. This decision supported the expansion in broad money supply (M3) over the same period. Meanwhile, interbank liabilities increased to SAR 118.1 billion, up from SAR 113.5 billion in the previous quarter. In tandem, the Saudi Interbank Offered Rate (SAIBOR) declined to 5.02% in Q4 2025, compared with 5.37% in the previous quarter.

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



Source: Saudi Central Bank

The Kingdom's reserve assets grew by 5.3% year-on-year in Q4 2025, reaching SAR 1,725 billion, compared with SAR 1,639 billion in the corresponding period of the previous year. This increase was primarily driven by a 16.2% rise in foreign currency assets and deposits abroad, which constituted 35.9% of total reserves, amounting to approximately SAR 619 billion.

Furthermore, Special Drawing Rights (SDRs) increased by 4.6% to about SAR 80.5 billion, while the reserve position with the International Monetary Fund rose by 6.4%.

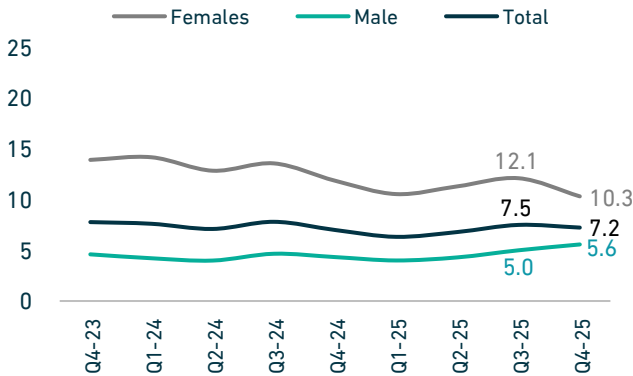
In contrast, investments in foreign securities declined slightly by 0.4%, whereas monetary gold reserves remained broadly unchanged at SAR 1.6 billion.



Labor Market

Unemployment among Saudi women hits a record low in Q4 2025

Figure 31: Unemployment rate among Saudis (Percentage)



Source: General Authority for Statistics

The positive outcomes reflected in Saudi labor market indicators highlight the success of labor policies and the effectiveness of localization initiatives in Q4 2025. As a result, the overall unemployment rate among Saudis declined to 7.2%, representing a decrease of 0.3 percentage points compared with the previous quarter.

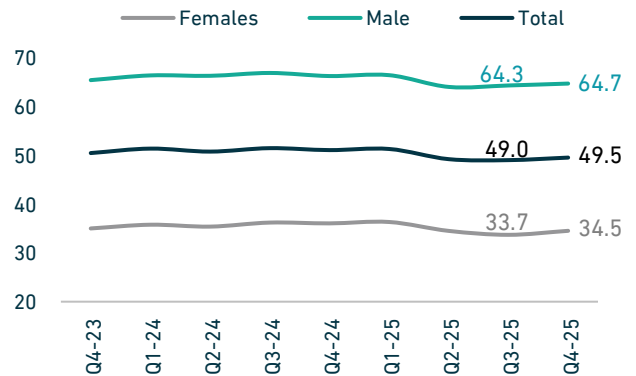
This decline was mainly driven by a reduction in the unemployment rate among Saudi women by 1.8 percentage points quarter-on-quarter, bringing it down to 10.3%. In contrast, the unemployment rate among Saudi men increased by 0.6 percentage points, reaching 5.6%.

On an annual basis, the unemployment rate among Saudis rose slightly by 0.2 percentage points. Despite the 1.5 percentage-point decline in female unemployment, the 1.2 percentage-point increase in male unemployment had the greater impact, leading to the overall rise in the indicator.

The overall unemployment rate for the population increased by 0.1 percentage point in Q4 2025 to 3.5% compared with the previous quarter, while remaining unchanged relative to the same quarter of 2024.

At the regional level, Northern Borders and Jazan recorded the highest unemployment rates among Saudis, at 11.7% and 11.5%, respectively. In contrast, Riyadh and the Eastern Province posted the lowest unemployment rates, at 4.1% and 5.8%, respectively.

Figure 32: Economic participation rate (Percentage)



Source: General Authority for Statistics

The labor force participation rate among Saudis rose by 0.5 percentage points quarterly, reaching 49.5% in Q4 2025. This increase was supported by a 0.4 percentage-point rise in the participation rate of men to 64.7%, alongside a stronger increase of 0.8 percentage points in the participation rate of women to 34.5%.

Regarding average monthly wages of Saudi workers, average earnings increased by 10.1% year-on-year in Q4 2025, reaching SAR 11,103. This growth was driven by higher wages for both male workers, whose average wages rose by 7.4%, and female workers, who recorded a larger increase of 12.0%.

The decline in female unemployment alongside the rise in women's economic participation in Q4 2025 statistics highlights the sustained success of women's empowerment policies, which have driven a constructive structural shift in the labor market.

Labor market strategies have moved beyond a sole focus on job creation toward a broader emphasis on job quality, skills alignment with market needs, and productivity enhancement. This shift, coupled with improved efficiency management, presents a significant opportunity to increase economic participation rates and further strengthen the Kingdom's labor market in the years ahead.



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