

Saudi Arabia:

Baseline Forecast 2011-13

Executive Summary

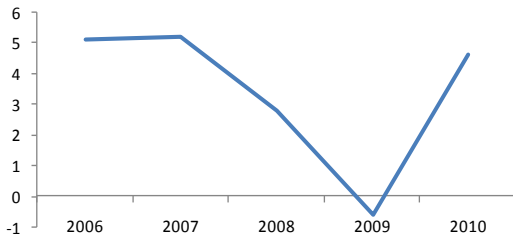
- The **global economic recovery** gathered pace during the course of 2010, led by a strong performance from emerging markets and a gradual recovery in activity in some OECD countries. We expect the pace of growth to moderate slightly in 2011 as policy tightening in some EMs and fiscal retrenchment in much of the eurozone offset the impact of further fiscal stimulus in the US. The pace of global growth should pick up again in 2012, though large structural constraints in much of the OECD (particularly public debt overhangs) will continue to weigh.
- **Oil prices** will broadly follow this trend, though there will be additional support from financial markets, which appear untroubled by a large overhang of global crude stocks. We therefore anticipate an average for WTI of \$85/barrel in 2011, climbing to \$95/b by 2013. Nevertheless, the path of oil prices is far from clear-cut: OPEC production discipline may need to be tightened to offset the impact of still-brittle demand and additional non-OPEC output.
- **Saudi Arabia's economic recovery** is well entrenched and we expect growth of 4.3 percent in 2011, following last year's 3.8 percent expansion. Oil production is likely to increase only slightly this year (though there is upside risk here) but the nonoil economy will be supported by still-strong government spending, much firmer private consumption, and the beginnings of a recovery in private investment. With nonoil export markets also improving, we expect real GDP growth to exceed 5 percent by 2013.
- The **fiscal and external positions** are expected to remain comfortable. Much of the public investment surge is being undertaken by state-owned firms, rather than the central government directly, and with oil prices tracking higher we think the central government will record decent surpluses averaging around 5.5 percent of GDP in 2011-13. The general government position is a matter of conjecture since no accounts are released. The current account is set to record large surpluses thanks to firming oil prices, and strong gains from nonoil exports such as petrochemicals.

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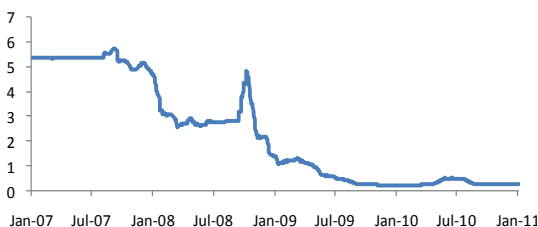
World GDP

(percent change, real terms; IMF, Samba)



3 Month US Libor

(percent)



Overview

The following analysis presents our Baseline Forecast for the global and Saudi economies. Our basic view is that economic activity in the Kingdom should continue to gather pace in the next three years, following the return to growth in 2010. Public investment will continue to drive growth and support confidence, but private consumption should build on the acceleration seen in 2010, and private investment—which had a weak year—should also play a bigger role.

Our baseline is governed by the recovery from global recession, currently underway. The performance of the **global economy** in 2010 was broadly encouraging, with strong industrial output growth, recovering private consumption growth, and a general improvement in business and consumer sentiment. Emerging markets have done particularly well, with strong domestic demand supported by broadly accommodative monetary policy and an improving external environment. The outlook for 2011 has also been bolstered by the recent announcement of further major fiscal loosening in the US. This should provide a powerful impulse for a pickup in consumer spending, and should add 0.5 percentage points to overall US GDP. This will also have positive knock-on effects given the importance of the US consumer to the overall health of the global economy.

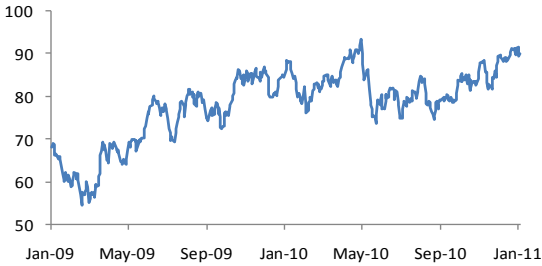
Nevertheless, growth in 2011 is unlikely to be quite as strong as in 2010. For a start the inventory cycle has turned, and stocks that were built up in 2010 are likely to be run down in 2011, at least in the first half of the year. Second, the performance of emerging markets is likely to be less stellar as governments begin to tighten policy in the face of significant inflows of foreign capital, as well as domestic price pressures. Third, eurozone growth prospects remain compromised by the necessary fiscal retrenchment ongoing in some member countries, and likely to be initiated by others during the course of 2011. This suggests a soft patch for global growth at least in the first half of the year, though we expect activity to pick up again in the second half and into 2012 and beyond.

Risks remain tilted to the downside, with the external debt positions of a number of peripheral eurozone countries particularly worrisome. Any default could trigger a further wave of credit tightening given the exposure that European banks have to the region’s sovereign debt. In the US, the housing market remains in a perilous state and a further decline in prices would put renewed downward pressure on consumption growth.

As a result of the global financial crisis, **Saudi Arabia** experienced very weak growth in 2009. Nevertheless, the government’s aggressive counter-cyclical stance helped put a floor under the downturn, and with oil prices high, confidence returned in 2010, and private consumption growth was strong. Signs of a recovery in private investment growth are also clear.

The public sector’s spending surge is being supported by historically high **oil prices**. Prices have been broadly range-bound at around \$75-\$90/barrel,

Oil Prices
(WTI, \$/b; Bloomberg)



which is well above historical averages, and dipped only briefly during the periodic disruptions to financial markets experienced in 2010. Prices have been supported by financial market participants, who regard oil as an asset class and who seem unperturbed by the large overhang of crude oil stocks. They assume that gradually accelerating global demand will clear these inventories in due course.

The relative strength of oil prices coupled with steady (if modest) gains in crude output (and enhanced exports of natural gas liquids) means that the fiscal and current account positions are likely to hold up reasonably well. Preliminary official figures suggest that the budget recorded a surplus of 6.7 percent of GDP—much higher than we were expecting. The figure seems likely to be revised down in due course, but it will remain in surplus, and for 2011-13 we expect fiscal surpluses of an average 5.8 percent of GDP. The current account, meanwhile, is in line to record decent surpluses of an average 8.8 percent of GDP over the forecast period. This should allow net foreign assets to climb to over \$600 billion by the end of 2013—equivalent to 107 percent of GDP.

Saudi Arabia: Summary of Baseline Forecast

	2009	2010	2011f	2012f	2013f
Nominal GDP (\$ bn)	376.0	435.3	477.7	520.9	570.1
Nominal nonoil GDP (\$ bn)	179.2	226.3	252.0	276.7	305.1
Real GDP (% change)	0.6	3.8	4.3	4.8	5.1
Real nonoil GDP (% change)	3.8	4.3	4.8	5.0	5.2
CPI inflation (%)	5.1	5.4	5.7	6.0	6.2
Current account (% GDP)	6.1	10.9	10.1	7.8	8.4
Fiscal balance (% GDP)	-6.1	6.7	6.1	5.7	5.5
Net foreign assets (\$ bn)	435.6	470.0	518.4	559.1	606.9
Oil production (mbd)	8.2	8.3	8.5	8.8	9.1
Population (m)	26.2	27.1	27.9	28.8	29.7
Memo: Oil prices (WTI, \$/b)	62.0	78.0	85.0	90.0	95.0

Sources: SAMA, Samba

World GDP

(percent change, real terms; IMF, Samba)



Emerging economies have been the engine of the global recovery, but policy tightening will mean some deceleration in EM growth in the first half of 2011

Baseline Forecast

The global economic recovery remains uneven. We continue to believe that large debt overhangs and other structural issues will place a check on the pace of recovery in the OECD. In contrast, emerging markets are likely to see continued strong economic activity, although more concerted policy tightening will be necessary to keep growth on a sustainable footing.

US consumption growth is hardening

In the **US**, consumption has been picking up, but at a slow annualised pace of 1.5-2.0 percent. Consumption has been hindered by the sluggish recovery in the labour market, though in recent months there has been some upward momentum thanks to the improving stock market, which has supported the wealth effect. Looking ahead, the renewed bout of fiscal loosening programmed for 2011 should add an additional half percentage point to US growth, though with the inventory cycle turning, US growth will be no stronger than in 2010 at 2.7 percent.

Eurozone growth has been stronger than many anticipated, with a particularly robust showing from German exports. However, export orders are weakening and most forecasts point to some slowing in the growth of world trade volumes in 2011. Given that the fiscal situation is almost certain to tighten in the region's periphery and spread to core Europe, any further increase in consumer spending seems unlikely to make up for the expected slowdown in external demand. Continued weak labour market conditions could dampen future household spending as well. Based on this, we see eurozone growth weakening to 1.4 percent in 2011 from an already anaemic 1.7 percent in 2010.

Emerging economies have performed well

While developed economies are struggling to consolidate their recoveries, **emerging markets** are trying to avoid being overwhelmed with private capital inflows. On the back of widening GDP growth and interest rate differentials, capital continues to flow into emerging markets at a rapid pace, and policy makers will likely have to make more concerted efforts to contain potential effects on consumer prices, assets prices and the real effective exchange rate. We assume that this tightening will be forthcoming and for that reason we see EM growth easing to a still-healthy 6 percent in 2011, from 6.9 percent in 2010.

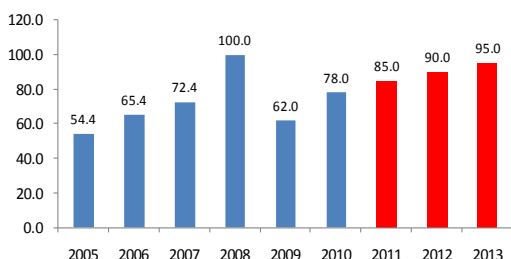
Taken together, these divergent trends suggest that the global economy will grow by **4 percent in 2011**, following 4.6 percent growth in 2010. Growth will gather pace in 2012 and 2013, but with debt problems still weighing the rate of expansion will be below historical averages at around **4.5 percent**.

There are numerous risks to the global outlook

There are also a number of downside **risks** that could mean growth is weaker than we are anticipating. Emerging markets might delay policy tightening for too long, which might mean an unsustainable run-up in asset prices,

followed—potentially at least—by a painful bust. The debt burden carried by some eurozone governments appears unsustainable; given that eurozone banks are heavily exposed to this debt, any sort of restructuring could lead to a reversal of the hesitant recovery in credit growth, with further negative consequences for the European real economy. In the US, meanwhile, the growth stimulus to a large extent remains “artificial”, generated by unprecedented fiscal and monetary laxity. Weak balance sheets mean that consumers remain vulnerable to any further downturn in house prices, or other asset prices. High gasoline prices, too, could nullify some of the impact of the fiscal stimulus in the US. Beyond this, quantitative easing could put downward pressure on the US dollar, which might mean that consumer prices rise just as growth stalls.

Oil Prices
(WTI, \$/b, Bloomberg, Samba)



Global Forecast	2009	2010	2011	2012	2013
Real GDP growth (percent, annual)					
World	-0.6	4.6	4.0	4.4	4.6
US	-2.6	2.7	2.7	3.0	3.2
Japan	-5.2	3.5	1.5	1.7	1.9
Euro area	-4.1	1.7	1.4	1.9	2.0
Emerging Markets	2.5	6.9	6.0	6.5	6.5
GCC	0.8	4.8	6.0	6.0	6.0
Official policy rate (end period)					
US	0.3	0.3	0.3	2.0	3.0
Japan	0.1	0.1	0.1	0.2	0.5
Euro area	1.0	1.0	1.0	2.0	3.0
Crude oil (WTI, \$/b, average)					
	62	80	85	90	95

Oil prices have largely maintained a trading range of \$75/b-\$90/b. At the current level of about \$90/b (WTI) prices are roughly 40 percent below their 2008 peak, but well above the nominal historical average.

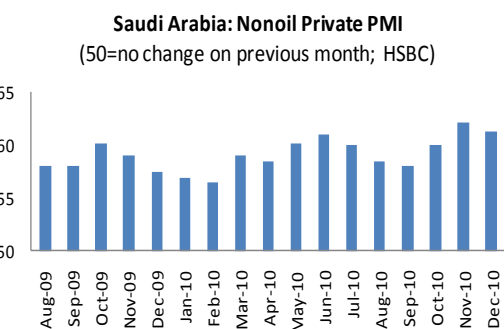
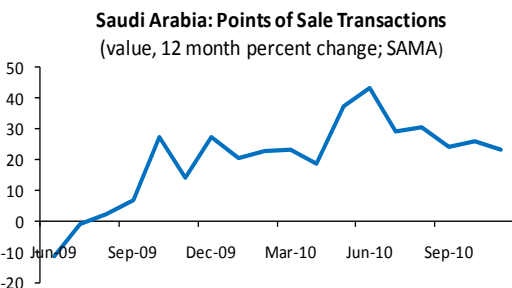
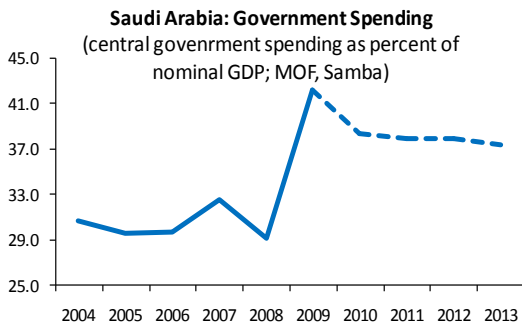
Financial markets believe that crude stocks will diminish over time

Oil prices continue to be supported by financial markets, with the commodity established as a mainstream asset class. Physical market fundamentals remain shaky, however, reflected in historically high crude and product inventories, and OPEC spare capacity of around 6-7 mb/d—the highest cushion since the 1980s. Looking forward, much will therefore depend on the actions of OPEC and financial investors in oil. The former is likely to act to curb oil supply if prices fall significantly below \$70/b for any length of time, while the latter appear to have a positive medium term outlook for oil demand based on emerging market growth and, more recently, renewed fiscal loosening in the US. Because of the latter, we have pushed up our 2011 forecast for WTI to **\$85/b** (from \$80/b previously). Based on continuing expansion of the global economy helping to reduce the supply overhang and reassure financial markets, we see prices trending up to **\$90/b** in 2012 and to **\$95/b** in 2013.

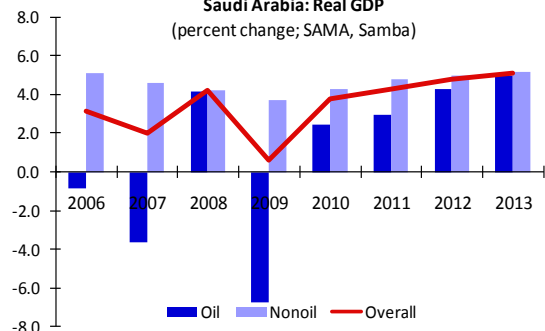
The main implications for **Saudi Arabia's** macroeconomic performance are as follows:

Public spending will remain robust, though it will ease as a proportion of GDP

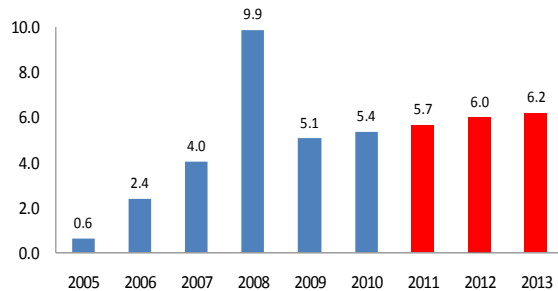
- **Public spending** is expected to remain vigorous as the government continues to expand and improve basic infrastructure. Spending is expected to decline as a proportion of GDP, but it will continue to show nominal increases, and in any case the public sector's investment push extends well beyond the central government and is not necessarily captured by official budgetary data. Thus, investment in hydrocarbons, education, utilities, transport, and health infrastructure (among other areas) should remain robust. And with the authorities eager to limit the social impact of weaker growth, current spending should remain firm, helping to support nominal wages. For example, for 2011 the authorities have extended the inflation supplement for government workers, giving a five percent increase in public sector wages, above other increases, while also raising military wages by 15 percent.
- The impact of higher nominal wages is evident from renewed strength in **private consumption**, which has rebounded well from an extremely weak 2009. For example, average points of sale transactions, which account for around 20 percent of retail activity, were up 27 percent in the eleven months to November 2010, compared with the same period of 2009. As well as government spending, consumers have been comforted by the persistence of historically high oil prices and the ebbing of local and global financial problems. Retail and associated sectors such as transport and logistics will continue to benefit.
- **Private investment** growth is recovering and is likely to be a major driver of nonoil growth during the next three years. The HSBC PMI for the nonoil sector has shown strong gains in the past few months, with stocks built up and new staff taken on in expectation of strong future demand. Saudi banks are still hesitant about extending credit to some classes of corporate clients, but banks are broadly confident that the local corporate sector has weathered the 2009 financial crisis. As such, banks are now keen to regrow their loan books.
- **Oil output** is likely to increase only marginally given the weight of global oil stocks, but hydrocarbons GDP will gain support from growing output of natural gas liquids, which are expected to rise by at least 15 percent in 2011. The pickup in global economic activity should also support the **manufacturing** sector, with Sabic well-placed to take advantage of improving Asian demand for petrochemicals (feedstock issues permitting). High oil prices should also bolster yields in the refining sector. Meanwhile, recovering private investment (and consumption) will keep **import spending** high and this will act as a drag on overall GDP growth.
- Taken together, these trends point to real GDP growth of **4.3 percent in 2011**, up from 3.8 percent in 2010. The trajectory should be



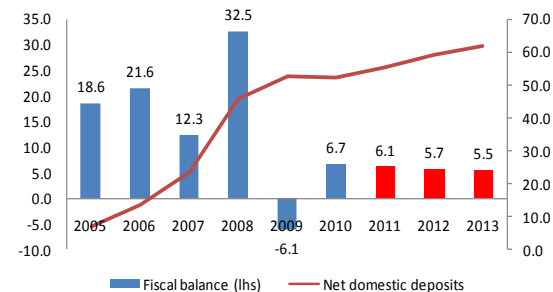
Saudi Arabia: Real GDP
(percent change; SAMA, Samba)



Saudi Arabia: Consumer Price Inflation
(average percent change; CDSI, Samba)



Saudi Arabia: Fiscal Outlook
(percent GDP; MOF, Samba)



consolidated in 2012-13 as further gains in oil revenue, and an improving export environment buttress private confidence and investment, pushing growth to **4.8 percent in 2012** and to **5.1 percent in 2013**. By end-2013 the economy should be worth around \$570 billion in nominal terms (the current size of the economy, \$435 billion, puts Saudi Arabia ahead of Sweden and just behind Poland).

Global food prices and domestic rents will push inflation higher

- **Inflation** will remain below the peaks registered in mid-2008, but will track up over the next few years. Price pressures in the Kingdom tend to be driven by global food prices, domestic rents, and inflation among trading partners. Food price inflation was elevated in 2010 owing to disruptions in the global wheat market. The apparent onset of La Nina—a cyclical occurrence that affects rainfall in the southern hemisphere—seems likely to keep wheat prices volatile for the next quarter at least, with the possibility that it will impact the northern hemisphere summer growing season.
- Rental inflation is expected to keep trending up as the nonoil economy continues to revive, and demand for expatriates increases. Global excess capacity remains substantial, and this should dampen imported inflation; nevertheless, wage inflation in large emerging markets such as China is increasing (China is an increasingly important trading partner for the Kingdom). Emerging market currency strength against the dollar could also have an impact and we therefore expect Saudi inflation to gather pace to an annual average of **6.2 percent by 2013**, with significant risk that it will overshoot.

The fiscal outlook is comfortable

- Recently-released official figures show a budget surplus of 6.7 percent of GDP in 2010, following a deficit of 6.1 percent in 2009. Spending growth surprised on the low side, at only 5.3 percent in nominal terms. Revenue was probably helped by Saudi Aramco returning a larger share of export revenue to the government than in 2009, though this is not clear from the available data. Note that this budget surplus figure could well be revised down, as the original 2009 estimate was (spending growth seems likely to have been stronger than 5.3 percent) though the position will most likely remain firmly in surplus even after any revision.
- Looking ahead, we anticipate spending growth of an average 8.5 percent or thereabouts over the next few years. With oil prices ticking up and nonoil revenue also bolstered by a thriving private sector economy, we see surpluses worth an average of around **5.8 percent of GDP** in 2011-13.
- The general government position remains a matter of conjecture since there are no publicly available data for these accounts. We suspect that the position was in quite a large deficit in 2009 given the sizeable drawdown in public sector savings with the local banking system (SR132 billion). Nevertheless, public sector deposits have since risen again and

stood at SR993 billion in November 2010, with net deposits (i.e. subtracting domestic debt) amounting to SR790 billion or just under 50 percent of GDP.

Box 1: The 2011 Budget

In late December the Ministry of Finance released its budget statement for 2011, which provides a broad outline of spending and revenue assumptions, along with 2010 results.

Saudi Budgets (SR bn)

	2008	% change	2009	% change	2010	% change	2011	% change
Revenue	450	12.5	410	-8.9	470	14.6	540	14.9
Expenditure	410	7.9	475	15.9	540	13.7	580	7.4
Balance	40		-65		-70		-40	

Starting with the 2011 **budget projection**: the authorities are anticipating a 15 percent increase in revenue over the 2010 budget, combined with a 7.4 percent increase in spending. In this sense the budget is expansionary, though the nominal programmed spending increase is smaller than the 2010 budgeted increase, which was 13.7 percent. Moreover, in real terms, i.e. allowing for consumer price inflation, the increase is a modest 1.7 percent. This compares to a real-terms budgeted spending increase of 10.8 percent in 2009 and 8.3 percent in 2010. (The spending allocations detailed in the budget are in line with the current Five Year Development Plan.)

Saudi Budgets: Budgeted Spending Changes in Real Terms (percent)

	2008	2009	2010	2011
Nominal budgeted change	7.9	15.9	13.7	7.4
Inflation	9.9	5.1	5.4	5.7
Real change	-2.0	10.8	8.3	1.7

The 2011 budget projects a real spending increase of just 1.7 percent

The revenue increase in 2011 is very close to the 2010 figure at 14.9 percent. The authorities provide no details about how this figure is arrived at, but we assume that the increase is based on higher oil prices; slightly higher oil production; a larger share of export revenue (see below); and decent gains in nonoil revenue, particularly from refined products, petrochemicals, and fees and duties. The budgeted projections are of course very different from **actual revenue and spending**. For the past three years, actual revenue has been on average 75 percent higher than budgeted revenue; for spending the figure is 23 percent. Revenue has shown great variations from year-to-year: for example, revenue shot up by 71 percent in 2008 before collapsing by more than half in 2009 and then rebounding by 44 percent in 2010. The volatility of revenue is partly explained by oil prices, but also by the proportion of oil

It is impossible to determine the “break-even” oil price without knowing how much export revenue will be withheld by Saudi Aramco

export earnings that Saudi Aramco needs to keep for its own investment purposes each year. This has jumped around from 7 percent in 2008 to 29 percent in 2009. This is a key variable in Saudi budget analysis and is often overlooked in the desire to determine the “break-even” oil price. Without knowing the proportion of revenue withheld by Aramco, it is impossible to gauge what the break-even price might be.

Saudi Government

Spending, Actual (SR bn)	2008	% change	2009	% change	2010	% change
Revenue	1100	71.1	510	-53.6	735	44.3
Expenditure	520	11.5	595	14.4	627	5.3
Balance	580		-85.5		108	
% GDP	32.5		-6.1		6.7	

Spending has shown greater consistency in nominal terms (it has increased every year since 2002) but it has also shown significant fluctuations in real terms. Indeed, in real terms, spending declined very slightly in 2010, based on average inflation of 5.4 percent.

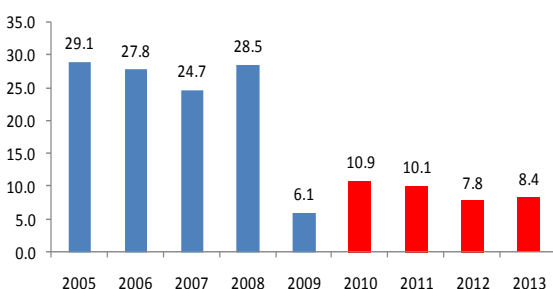
A further point to note about the budget is that the spending projections and outturns capture only the central government’s accounts. Spending by the **broader public sector** is not recorded. This is significant, since a large element of the current spending surge is being undertaken by state-owned companies.

Finally, it should be noted that the “actual” figures are **likely to be revised**. Over the past five years total spending has been revised up by an average of 2.5 percent from the preliminary estimate contained in the budget statement, and revenue by an average of 2 percent. This revision usually occurs around mid-year.

The current-account outlook is positive

- As for the **current account**, we estimate export earnings growth of 20 percent in 2010 given the pickup in oil prices and stronger showings from NGLs, petrochemicals, and refined products. Import spending is estimated to have grown by 10 percent, reflecting the roll-out of government contracts agreed in 2009 and the recovery in private consumption, as well as higher commodity prices. Although the invisibles deficit is set to widen in line with a surge in services demand, the overall current-account surplus is estimated to have increased to **10.9 percent of GDP**, from 6.1 percent in 2009.
- The current-account outlook for 2011-13 is comfortable. Rebounding private investment will keep import spending growth high, but steady gains in oil export earnings and a stronger performance from refined

Saudi Arabia: Current Account Balance
(percent GDP; Sama, Samba)



Lending growth is expected to gather pace in line with an upturn in private investment

products and petrochemicals will help to keep the current account in surplus at an average of around **9 percent of GDP**.

- The projected evolution of the current account indicates that the net foreign asset position (official and commercial bank) will strengthen to around \$607 billion or **107 percent of GDP** by end-2012, from an estimated \$470 billion at end-2010.

Box 2: Banking Sector Outlook

Having weathered the global financial crisis with comparatively moderate distress, the Saudi banking sector is set for a period of strong growth. The sector is well capitalised, and banks have upgraded their risk management culture in recent years aided by Basel II and now Basel III requirements. Its stability is further supported by strict regulations, close monitoring and systemic support (available through injections of public sector deposits). NPLs remain low and provisioning (in most cases) is more than adequate.

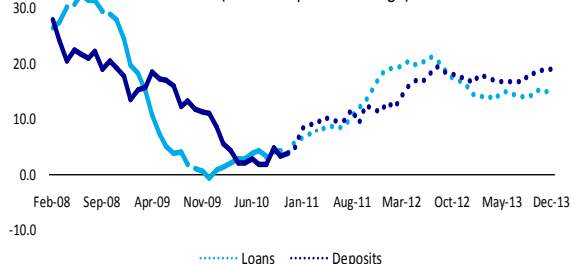
Saudi banks are in the main conservative, with the average loan-deposit ratio currently around 85 (as opposed to 100 or more in other parts of the Gulf). Lending was weak in 2010, mainly reflecting a lack of corporate demand. The weakness in demand stems, in turn, from the more liquid positions of contractors, who in many cases are receiving advance payments from government and therefore have less call for bridging finance, as well as the fact that traders and manufacturers are still working down their inventories built up before the onset of the financial crisis.

Lending growth is expected to gather pace over the next eighteen months as public sector projects continue to be rolled out and as private firms spend more on capital investment. Banks have already begun to build their deposit positions in readiness for what is likely to be a period of strong lending growth. We estimate overall lending growth (to public and private sectors) to have reached around 6 percent in 2010, and to accelerate to around **18 percent** in 2011 as the private sector recovery gains traction. Lending growth will likely be reined back from mid-2012 onwards as L-D ratios nudge towards 90 and we see a somewhat calmer—but still robust—period of lending growth in 2012-13, averaging around **16 percent**. Deposit growth should be supported by a firm pickup in corporate profits. Combined, this will allow the end-2013 L-D ratio to ease back to around 84.

Our projection assumes that the long-awaited mortgage law will not be enacted during the forecast period. If it was passed, then this would provide a major fillip to consumer lending growth, which has, since 2005, been constrained by salary caps. Mortgage lending currently accounts for only around 3 percent of GDP in Saudi Arabia (compared with over 50 percent in OECD countries). There is substantial pent-up demand for new housing in the Kingdom, with only around 30 percent of Saudis owning their accommodation. However, the mortgage law would be no panacea:

Saudi Arabia: Outlook for Commercial Banks' Deposits and Loans

(12 month percent change)



regulations governing building quality, valuations and the encouragement of a much deeper secondary land market will all be necessary to spur mortgage growth.

Saudi Arabia: Baseline Macroeconomic Forecast	2009	2010	2011	2012	2013
Nominal GDP (\$ bn)	376.0	435.3	477.7	520.9	570.1
GDP per capita (\$ '000)	14326.3	16088.6	17122.5	18111.6	19223.5
Real GDP (% change)	0.6	3.8	4.3	4.8	5.1
Hydrocarbon GDP	-6.7	2.5	3.0	4.3	5.0
Non-hydrocarbon GDP	3.8	4.3	4.8	5.0	5.2
Nominal GDP (% change)	-21.1	15.8	9.7	9.1	9.4
Hydrocarbon GDP	-37.9	26.3	11.3	9.8	10.3
Non-hydrocarbon GDP	4.7	6.2	8.0	8.2	8.5
Commercial bank deposits (SR bn)	940.5	984.2	1095.7	1289.2	1533.8
% change	11.2	4.6	11.3	17.7	19.0
Commercial bank loans (SR bn)	762.3	808.3	954.0	1110.4	1282.5
% change	-0.6	6.0	18.0	16.4	15.5
3 month deposit rate (end year, percent)	0.8	0.7	0.8	1.5	2.0
CPI inflation (% change, average)	5.1	5.4	5.7	6.0	6.2
Hydrocarbon exports (\$ bn)	163.3	198.9	216.6	229.5	247.4
% change	-42.0	21.8	8.9	6.0	7.8
Current account balance (\$ bn)	22.9	47.6	48.4	40.7	47.8
(% GDP)	6.1	10.9	10.1	7.8	8.4
External debt (\$ bn) ¹	86.1	77.5	81.4	85.4	89.7
(% GDP)	22.9	17.8	17.0	16.4	15.7
(% current account receipts)	38.8	29.1	27.8	27.7	26.1
Fiscal revenue (SR bn)	509.5	735.0	786.7	851.5	916.5
(% change)	-53.7	44.3	7.0	8.2	7.6
Fiscal spending (SR bn)	595.0	626.5	677.7	739.4	798.6
(% change)	14.4	5.3	8.2	9.1	8.0
Fiscal balance (SR bn)	-85.5	108.5	108.9	112.1	117.9
(% GDP)	-6.1	6.7	6.1	5.7	5.5
Public sector deposits with banking system (SR bn)	923.1	1031.6	1190.5	1352.6	1520.6
(% GDP)	65.6	-	-	-	-
Public sector gross domestic debt (SR bn)	182.3	-	-	-	-
(% GDP)	12.9	-	-	-	-
Public sector net deposits with banking system (SR bn)	740.8	849.1	990.5	1152.6	1320.6
(% GDP)	52.6	52.1	55.4	59.1	61.9
Memoranda:					
Oil price (WTI; \$/barrel)	62.0	78.0	85.0	90.0	95.0
TASI (end year)	6121	6621	7400	8100	8900
Crude oil production (m b/d)	8.1	8.2	8.3	8.5	8.8
Net Foreign Assets (\$ bn)	435.6	470.0	518.4	559.1	606.9
(% GDP)	115.9	108.0	108.5	107.3	106.5

¹ Foreign liabilities of Saudi banks and non-financial enterprises.

Sources: SAMA; Ministry of Finance and National Economy; Samba.

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