

Saudi Arabia budget report 2026

Review of the 2026 budget in the context
of recent economic developments



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Foreword

In our annual KPMG budget report for Saudi Arabia, we return to offering our perspective on the government’s announced expenditures and revenues. The figures included are drawn from the Ministry of Finance’s (MoF) FY 2026 Budget Statement, approved by the government on 2 December 2025, and are supported by our internal analysis and additional sources.

Real GDP growth in Saudi Arabia accelerated from 2.7 percent in FY2024 to an estimated 4.4 percent in FY2025, driven mainly by strong non-oil activity. Non-oil GDP is estimated to grow 5 percent YoY in 2025, supported by expanding domestic manufacturing infrastructure – including increased local content in government procurement – as well trade, transport and logistics.

The economy’s structure has shifted notably since the launch of Vision 2030: the non-oil sector accounted for 55.6 percent of real GDP in the first half of 2025, up from 45.4 percent in 2016. Vision 2030 initiatives have elevated the role of private enterprises – both domestic and foreign – in job creation, sectoral expansion, and overall economic diversification.

Oil revenues have weakened in 2025 because higher production levels are being outweighed by lower global oil prices. However, strong domestic non-oil GDP and continued fiscal reforms have boosted non-oil revenues, a trend expected to persist into 2026 as non-oil income becomes an increasingly important part of government finances.

Looking ahead, in the scenario of continued falling global oil prices, these will partly offset gains from higher oil production. The government is expected to maintain a structured approach to spending according to its priorities, with less dependency on oil revenue movement than last decade and remains focused on upholding its commitments to Vision 2030 initiatives.

The 2026 budget statement adopts the government’s customary conservative approach in relation to revenue growth assumptions, with total revenues projected to reach SAR1,147 billion in 2026, representing a healthy year-on-year (YoY) growth rate of 5.1 percent. Non-oil real GDP growth is forecast to remain robust and broad-based, in turn supporting private consumption and thus tax revenues and

“The Kingdom’s economic structure has shifted notably since the launch of Vision 2030: the non-oil sector accounted for 55.6 percent of real GDP in the first half of 2025, up from 45.4 percent in 2016.”

corporate profitability. The 2026 budget statement estimates that total government revenues will decline by 13.3 percent year-on-year to SAR1,091 billion in FY2025. This outcome is also lower than the original FY2025 budget target of SAR1,184 billion, indicating a revenue shortfall relative to earlier expectations.

Total public expenditure is projected to decline from an estimated SAR1,336 billion in 2025 to SAR1,313 billion in 2026. The 2026 budget seeks to restrain or reduce spending across all sectoral categories, with expenditures expected to decrease YoY, largely as part of the government’s public sector spending efficiency agenda of reducing costs while improving service quality. Lower capital expenditures (CAPEX) also in part reflect progress in Vision 2030, as many earlier objectives have been met and several major projects have moved to completion.

As the Kingdom progresses toward the third phase of Vision 2030, the budget reaffirms its commitment to strategic investments that promote economic diversification, reinforce social support systems, and uphold fiscal stability. Through these initiatives, Saudi Arabia is well-equipped to navigate global uncertainties and sustain long-term economic growth.

We hope you find this publication valuable for your organization, and our KPMG teams remain available to discuss our insights in greater detail.



Dr. Abdullah Al Fozan

CEO
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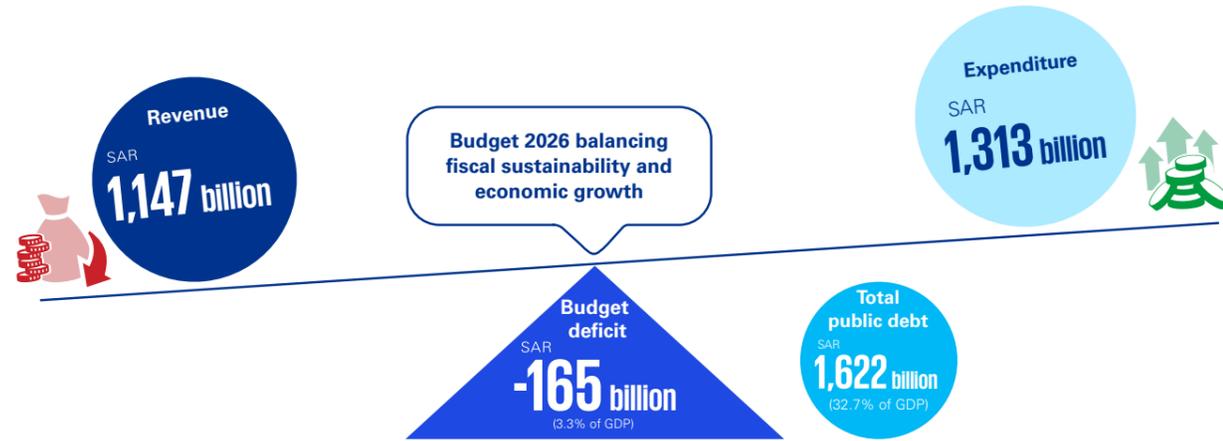
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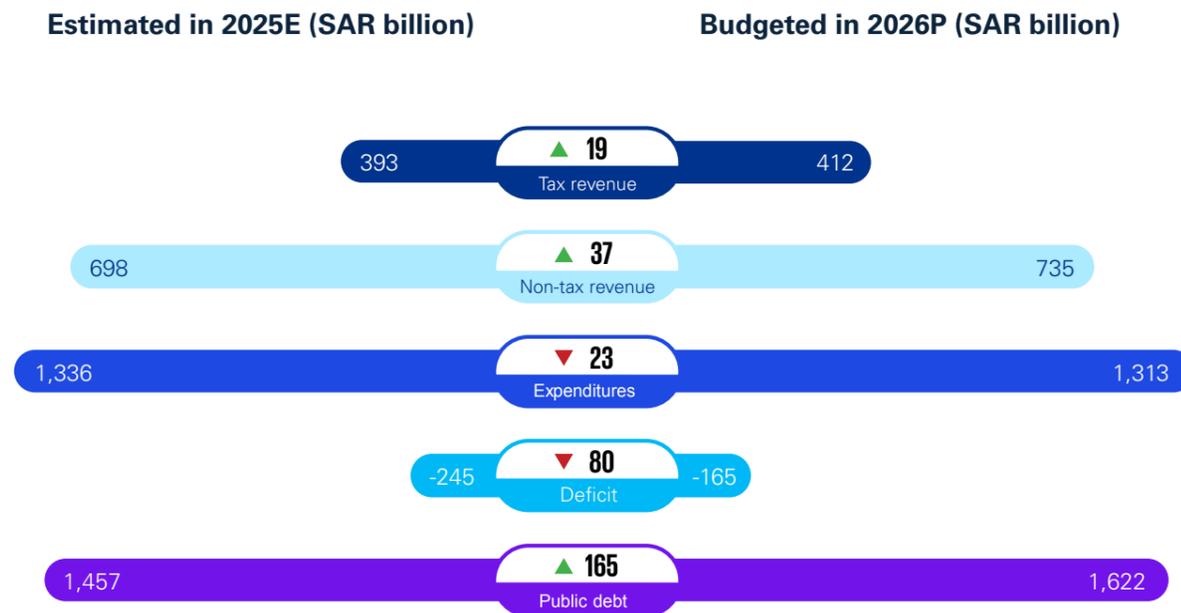
Budget summary

Budget 2026



Source: MoF, Budget Statement 2026

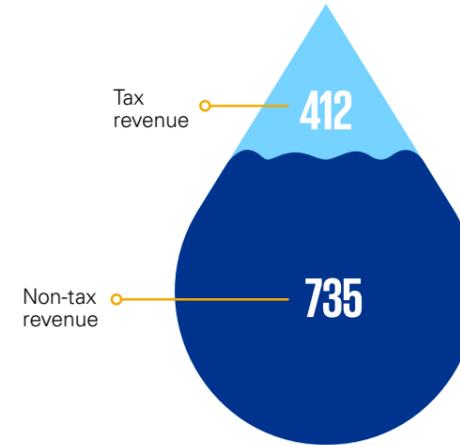
Changes in budget 2025-2026



Source: MoF, Budget Statement 2026

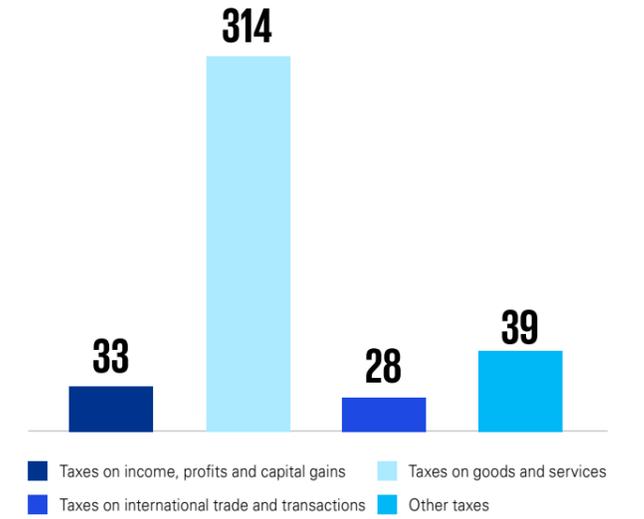
Total revenues 2026

Total revenue, SAR1,147 billion



Source: MoF, Budget Statement 2026

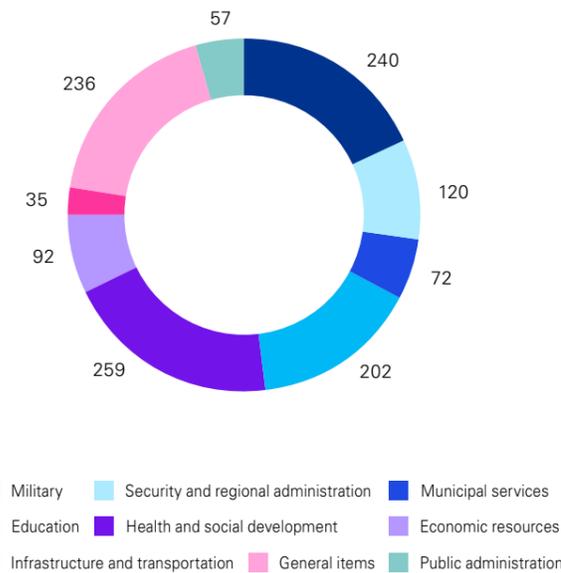
Tax revenue, SAR412 billion



Source: MoF, Budget Statement 2026

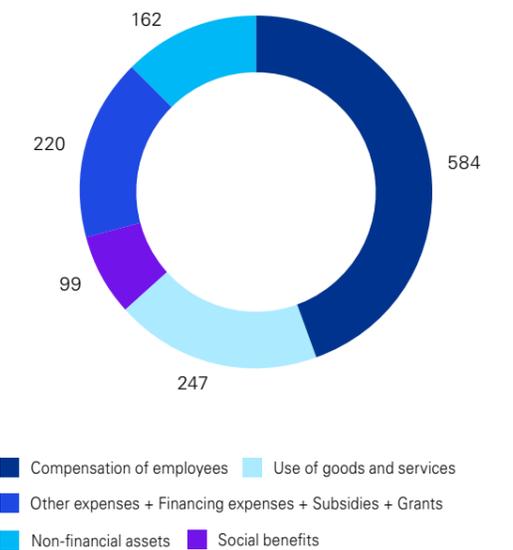
Total expenditures 2026

Expenditure by sectors, SAR1,313 billion



Source: MoF, Budget Statement 2026

Expenditure by components, SAR1,313 billion



Source: MoF, Budget Statement 2026

Disclaimer: Figures are rounded up to the nearest billion throughout the report. Some figures may not add up to 100 percent due to rounding.

Key takeaways



Robust domestic real GDP growth will support non-oil income

Continued healthy private consumption and a broader pick-up in economic growth will support tax revenues, particularly Taxes on goods and services, in 2026. Non-tax revenue performance will benefit from increased oil production but international oil price trends will be key in determining the outlook for this public income component next year.



The government will continue to balance fiscal sustainability with ongoing development spending

Vision 2030 initiatives that are driving a structural transformation of the economy will remain central to government priorities; the third phase of Vision 2030 begins in 2026 and will focus on policies aimed at consolidating the progress achieved to date. The government will continue to provide primary financing for these initiatives, while also maintaining its commitment to fiscal discipline.



Geopolitical shocks remain a risk to Saudi Arabia's fiscal position and reform program

The potential for economic shocks (for example trade-war-induced supply chain disruptions) is expected to persist into 2026, coinciding with continued fragility in the economic outlook of the Kingdom's major trading partners. A sustained period of heightened uncertainty in the region would likely dampen domestic investor sentiment, weakening private-sector engagement in the Vision 2030 agenda.



The budget deficit will narrow and fiscal indicators will remain on a sustainable path

The budget deficit to GDP ratio is projected to narrow in 2026 as revenues rise and the government seeks to reduce nominal spending. The budget deficit will stand at 3.3 percent of GDP and the public debt stock at 32.7 percent of GDP, levels that place Saudi Arabia's fiscal indicators at favourable levels relative to peers.



Public debt management will continue to focus on diversifying funding sources

Efforts to attract domestic and international buyers of public debt at fair cost will remain a key policy objective, a policy that is also supporting a deepening of the domestic financial sector. Fiscal reserves will provide an important buffer in the event of external shocks. Policy measures aimed at mobilising private sector investment to complement Vision 2030 initiatives will remain in place. Details of a public debt plan are expected to be announced in January 2026.



Economic growth assumptions

According to the MoF, annual average real GDP growth accelerated from 2.7 percent YoY in fiscal year 2024 to an estimated 4.4 percent YoY in fiscal year 2025 (see figures 1 and 2). The pick-up in economic activity in 2025 reflects in particular robust growth in non-oil GDP – this component is estimated to expand by 5 percent YoY in 2025 – with multiple sub-sectors enjoying a sustained expansion. Non-oil sector demand is being lifted by sub-sectors that include: Non-oil domestic manufacturing, boosted by the government’s policy of increasing local content in public sector procurement; Wholesale and retail trade, an important contributor to non-oil sector growth; and Transport and logistics services.

The contribution to total real GDP from non-oil activities has shifted considerably since Vision 2030 was initiated; the non-oil contribution stood at 55.6 percent in the first half of 2025, significantly higher than the 45.4 percent recorded in the 2016 fiscal year – at the start of Vision 2030. Vision 2030 initiatives have been a key driver behind private enterprises becoming prominent in driving economic activity across sectors. Indeed, the private sector (both domestic and foreign) is increasingly supporting the government’s broader agenda, for example, by expanding employment opportunities and economic diversification.

Private consumption continues to benefit from myriad factors. Government policies aimed at maintaining real incomes include ceilings on gasoline prices – consumer price inflation is estimated to rise by an annual average

of just 2.3 percent YoY in 2025 – that help to mitigate the impact of volatile global fuel costs on household spending. Programs such as the Citizen’s Account provide direct financial transfers to low- and middle-income households, along with residential rent control efforts, further helping to sustain demand for goods and services. Moreover, the unemployment rate has continued to trend downwards, even as the labour participation rate continues to rise amid the government’s successful nationalization program. Finally, tourism inflows are growing rapidly. Together, these factors have driven private consumption in 2025 and will continue to do so in 2026.

Broader confidence in the private sector has remained strong over an extended period, largely driven by the government’s steady commitment to its Vision

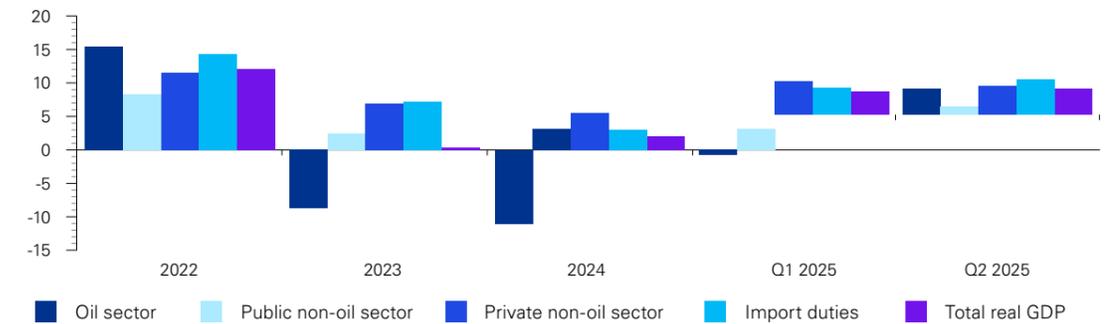
Realisation Programs (VRPs) and improving the business environment. Together, such policy initiatives have encouraged non-government gross fixed capital formation even as the authorities remain directly committed to public infrastructure investment development. Vision 2030 initiatives will continue to bolster broader economic activity through projects and domestic expenditures aimed at expanding and diversifying the economy. In combination with the National Development Fund (NDF) and the Public Investment Fund (PIF), Vision 2030 will drive both public and private sector investment, with infrastructure development remaining a central focus of policy.

Saudi Arabia’s oil-sector real GDP also expanded, by an estimated 3.9 per cent YoY in fiscal year 2025, in line with higher domestic oil production. The main driver of the recovery in output has been the phasing out of voluntary OPEC+ cuts, which had been introduced in November 2023; required production (Saudi Arabia’s allowed output under the agreement) increased from 9.2 million barrels per day (bpd) up to March 2025 to 10.1 million bpd from November 2025.

The Energy Information Administration (EIA) estimates that global oil consumption will stand at an annual average of 104.1 million bpd in 2025, rising to an annual average of 105.2 million bpd in 2026. Global oil prices are expected to decline, however, as global oil production growth outpaces global oil demand growth, leading to a rise in oil inventories. According to the International Monetary Fund’s (IMF) October 2025 World Economic Outlook, oil prices are expected to stand at an annual average of US\$65.8 per barrel (p/b) in 2026, compared with an estimated annual average of US\$68.9 p/b in 2025.

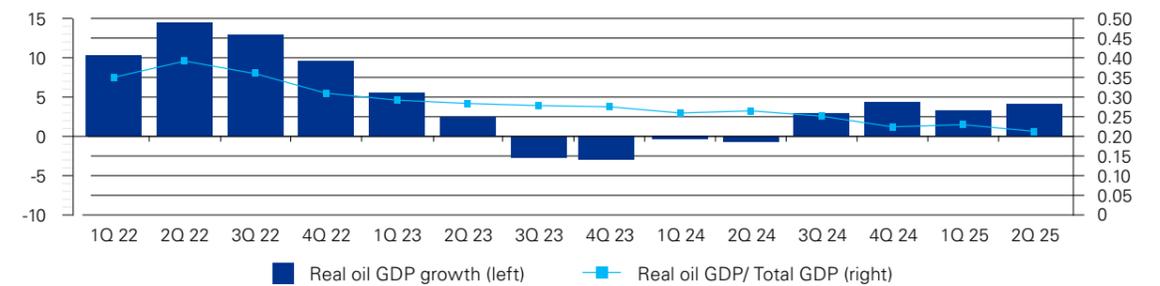
Despite the outlook for reduced international oil prices in 2026, the real economy will obtain a substantial boost from the oil sector, as the aforementioned OPEC+ agreements expire and output records YoY growth. Lower oil prices will nevertheless impact fiscal and external balance sheets that could in turn undermine consumer and investor confidence. On balance, these developments underpin the MoF’s projection that real GDP will rebound to a YoY growth rate of 4.6 percent in 2026.

Figure 1: **Composition of GDP growth**



Source: General Authority for Statistics (GaStat)

Figure 2: **Real oil GDP growth and oil sector contribution to GDP**



Source: GaStat



Budget 2026



Budget

During the budget presentation on 2 December 2025, the authorities reaffirmed their commitment to balancing public spending that drives its economic diversification and structural transformation initiatives even as they maintain fiscal sustainability. Oil revenues, have softened as a rise in oil production volumes over the year is being offset by weaker international oil prices. Oil production and oil price trends have also resulted in dividends from Aramco falling in 2025.

At the same time, robust domestic non-oil GDP and ongoing fiscal reforms have supported non-oil revenues in 2025, and this trend will continue in 2026; non-oil revenues have become an increasingly important component of public revenues since the start of Vision 2030. In 2026, global oil price falls will partly offset the benefits of another expected year-on-year rise in oil production. The government's commitment to containing spending will remain evident in the 2026 fiscal year – actual spending has historically remained closer to planned spending when international oil prices weaken – while simultaneously maintaining its commitments to Vision 2030 initiatives.

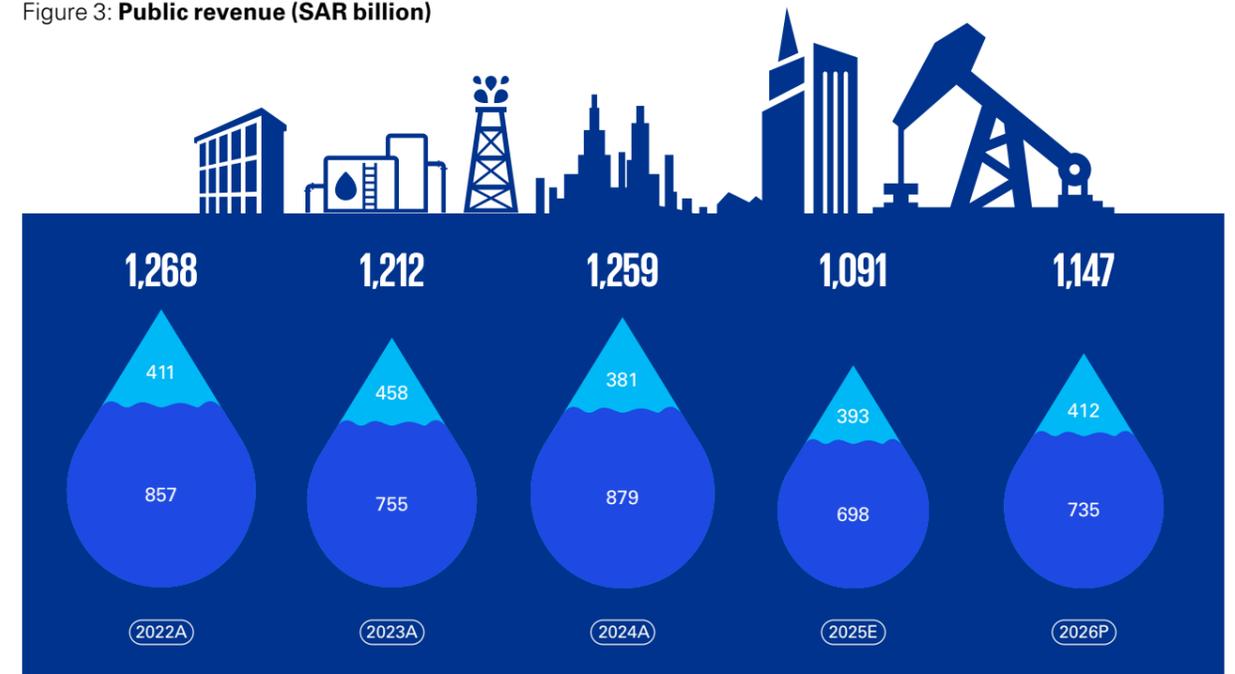
Revenues

The 2026 fiscal year budget statement estimates a 13.3 percent YoY fall in total revenues, to SAR1,091 billion, in the 2025 fiscal year (see figure 3). We note that the total revenue out-turn for 2025 is also below the level originally envisaged; the revenue target in the 2025 fiscal year budget statement was SAR1,184 billion. Estimated total revenues for 2025 have underperformed originally-planned revenues owing singularly to a contraction in Other revenues. There have been two key drivers behind this contraction. A fall in international oil prices and a (related) lower dividend from Saudi Aramco have undermined revenues in this category.

However, robust non-oil GDP growth during 2025 has seen tax revenues rising by 3.3 percent YoY, to SAR393 billion. Strong private consumption and a healthy expansion in several non-oil sub-sectors more generally have been bolstering Taxes on goods and services (the biggest non-oil income component). Further support for non-oil income has come from continued improvements in tax compliance through, for example, broader administrative measures.

In its 2026 budget statement, the government has maintained its traditionally conservative approach in relation to revenue growth assumptions. Total revenues are projected to reach SAR1,147 billion in 2026 (see figure 4), representing a healthy year-on-

Figure 3: **Public revenue (SAR billion)**

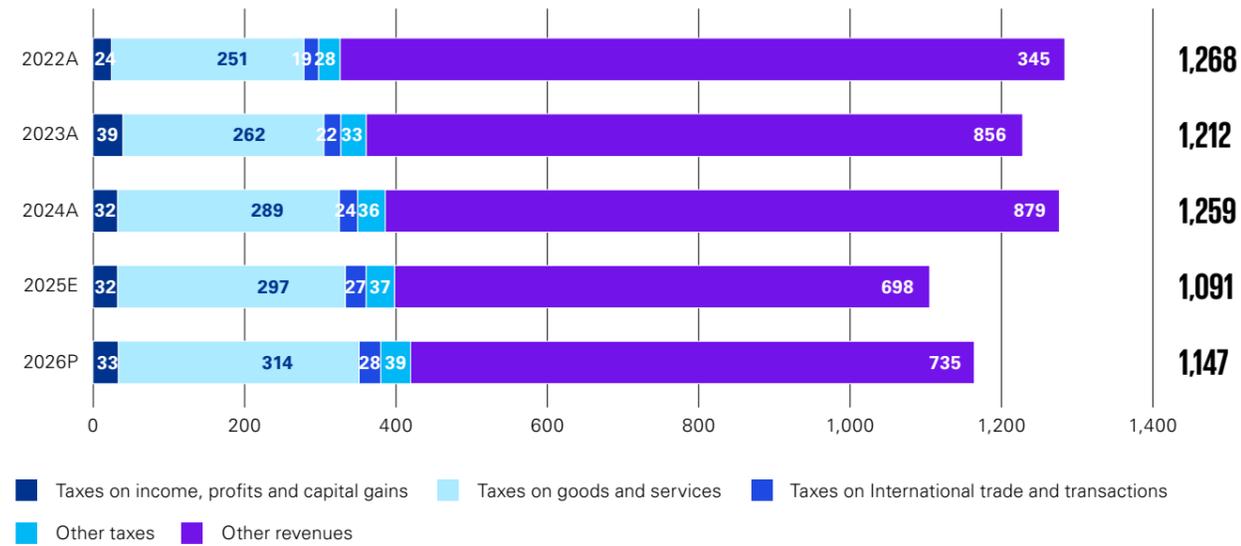


Tax revenue data before 2024 is derived from Non-oil revenue | Non-tax revenue data before 2024 is derived from Oil revenue

■ Tax revenue ■ Non-tax revenue

Source: MoF, Budget Statement 2026

Figure 4: Revenue components (SAR billion)

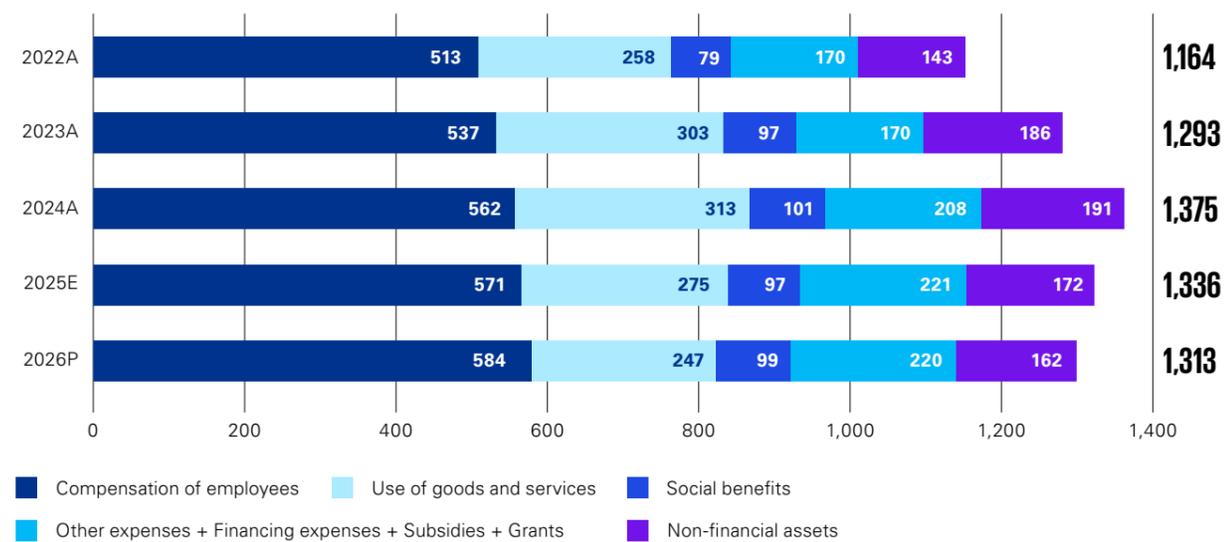


Source: MoF, Budget Statement 2026

year growth rate of 5.1 percent. Non-oil real GDP growth is forecast to remain robust and broad-based. This will in turn support private consumption and thus Taxes on goods and services. Healthy real GDP growth more broadly is supporting corporate profitability that may provide a fillip to corporate tax inflows in 2026 and the medium-term.

As already mentioned, Saudi Arabia will enjoy a YoY increase in oil production in 2026 as the voluntary OPEC+ agreement cuts started to be phased out in 2025. However, international oil prices are projected to come under further downward pressure in 2026 as oil supply projections currently suggest a build-up in inventories next year. Yet we also note that geopolitical events could provide a fillip to international oil prices –

Figure 5: Expenditure components (SAR billion)



Source: MoF, Budget Statement 2026

although not our primary scenario. Saudi Arabia's role as a major global oil exporter makes it an oil-price maker and thus the ongoing increase in domestic oil production could precipitate the projected decline in international oil prices next year. Oil revenue projections may come with a lower level of confidence as a result of these uncertainties.

Expenditures

Actual government spending in fiscal year 2025 is estimated at SAR1,336 billion compared with originally budgeted spending of SAR1,285 billion (see figures 5 and 6). This greater-than-planned spending level was marginal (4 percent higher than originally envisaged in the 2025 budget). Indeed, we note that the final actual spending out-turn in 2025 is lower than that recorded in 2024.

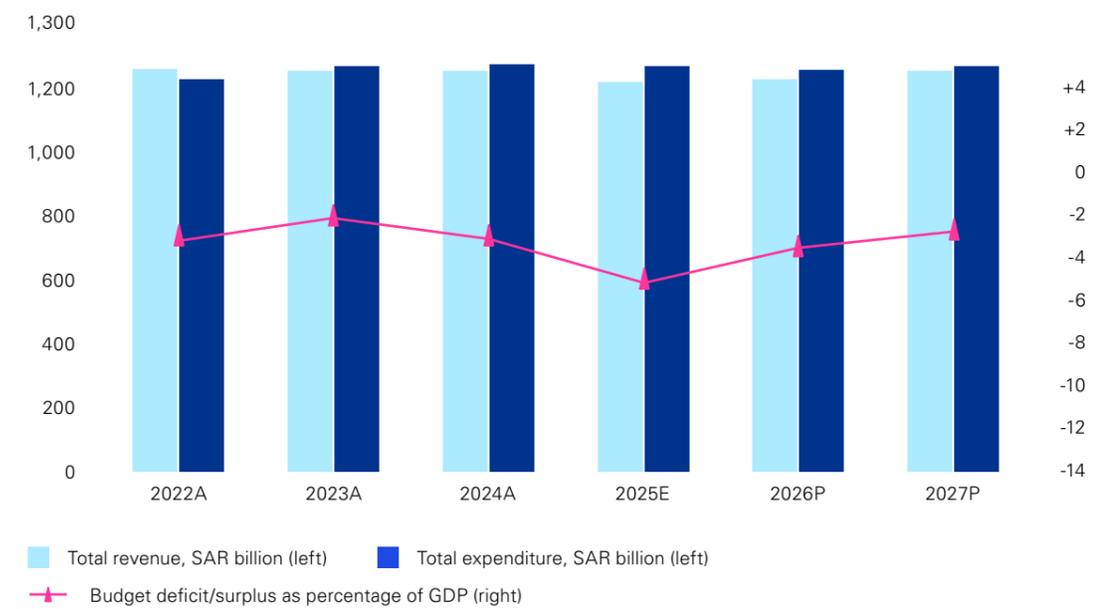
The 2026 budget statement highlights that only two major spending categories are estimated to have seen a YoY rise in 2025. First, there has been higher-than-planned spending on Other expenditures that reflect factors, notably including higher investment in the streamlining of existing services. Indeed, the highest deviation (in nominal terms) from the planned budget on an operating expenditure (OPEX) basis came from Other expenditures – SAR129 billion against a planned SAR86 billion. Second, there has been increased spending in the category of Compensation of employees, which is the largest component of public spending. We note, however, that actual spending in this component, at SAR571 billion, was only marginally

higher than the planned spending envisaged in the 2025 budget and also relative to the actual spending recorded in this category in 2024.

Actual spending on the Expenditure on goods and services component, the second highest spending category, stands at an estimated SAR275 billion in 2025 versus the SAR265 billion that was planned in the original 2025 budget. Capital expenditure (CAPEX) is estimated at SAR172 billion in 2025 versus a budgeted SAR184 billion in December 2024. Actual CAPEX spending is therefore estimated to have remained relatively stable versus planned CAPEX spending. This stability reflects the government's commitment to advancing domestic development strategies aimed at strengthening economic capacity, alongside sustained investment in major development projects. The 10 percent YoY fall in CAPEX reflects in part the fact that spending needs eased as previous projects were completed, as well as increased efficiencies in the investment process.

Defense, Health and social development, Education and Infrastructure and transportation are leading spending categories on a sectoral basis. Spending in the Health and social development component, which is the largest sector in 2025, is estimated to have fallen by a marginal 1.4 percent YoY, to SAR269 billion, as the authorities maintain policies calculated to provide targeted social assistance alongside a long-running policy of upgrading the quality and efficiency of healthcare services.

Figure 6: Fiscal position



Source: MoF, Budget Statement 2026

Total public expenditure is projected to decline from an estimated SAR1,336 billion in 2025 to SAR1,313 billion in 2026. The 2026 budget seeks to restrain or reduce spending across all sectoral categories, with expenditures expected to decrease YoY on both an OPEX and a CAPEX basis. A key reason for the planned declines reflects the government's policy of driving efficiencies across the public sector in order to contain costs while at the same time improving the quality of public services and investment.

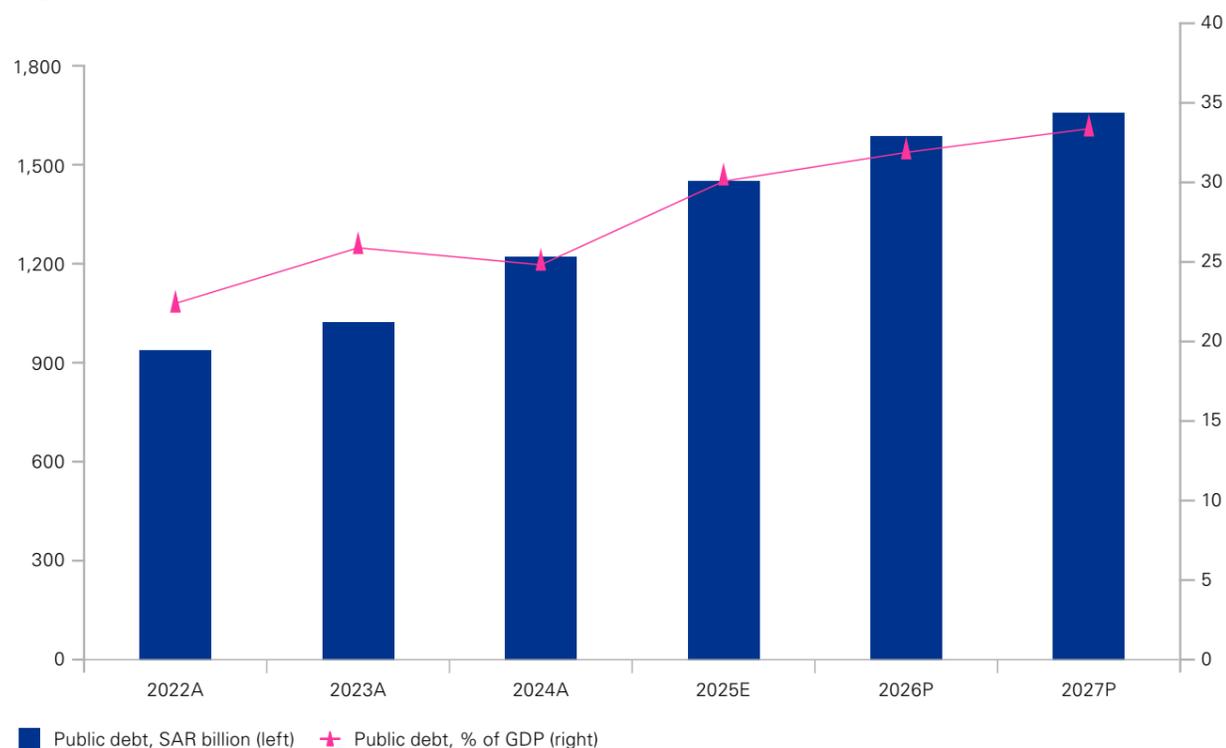
The 2026 budget takes into account that the third phase of Vision 2030 is starting in the same year. The government is therefore focusing its broader policy efforts on intensifying its implementation efforts, accelerating the pace of policy achievements and further expanding economic growth opportunities. In this context, the authorities restated their commitment to spending on strategic projects that support its VRPs. Spending directed toward enabling transformation to support economic diversification and sustainable growth will remain a core pillar in delivering these VRPs. Funding will continue to be channelled into areas such as infrastructure for mega- and giga-projects, alongside policies that strengthen private-sector expansion. Overall, the government will aim to balance fiscal sustainability with its broader economic and social objectives.

Budget deficit and public debt

The 2025 fiscal year budget is estimated to worsen significantly in both nominal terms and as a percentage of GDP, as an estimated 13.3 percent YoY fall in total revenues outweighs a 2.8 percent YoY decrease in total expenditures. The budget position has deteriorated from a deficit of SAR116 billion (2.5 percent of GDP) in 2024 to an estimated deficit of SAR245 billion (5.3 percent of GDP) in 2025. The final budget outcome is a significant deviation from the 2025 statement that had projected a deficit of SAR101 billion, equivalent to 2.3 percent of GDP. This seems however in part a deliberate decision to prioritize long-term plans over OPEX.

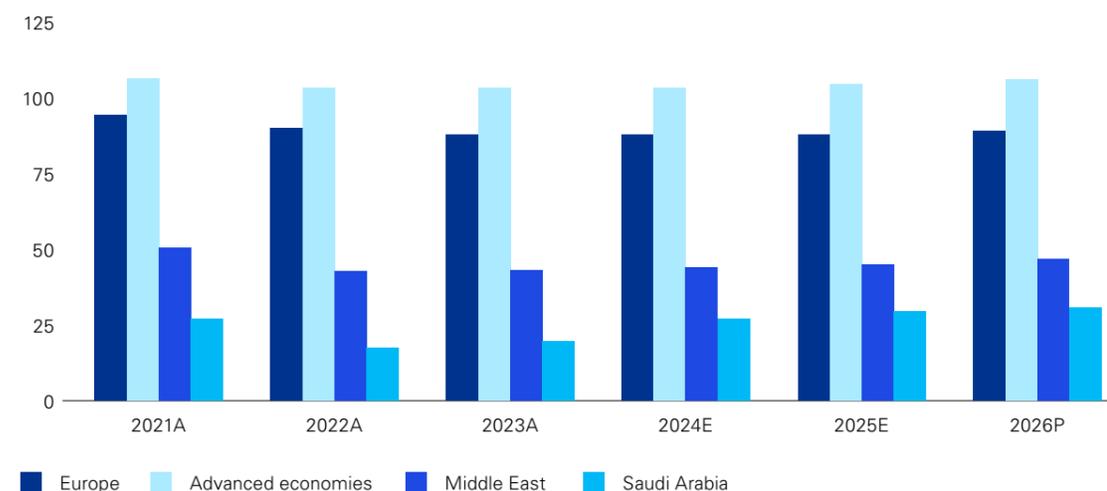
A number of factors will enable a sharp improvement in the 2026 fiscal year budget out-turn. In nominal terms, the 2026 budget sees total spending falling relative to the 2025 fiscal year estimate, as the government seeks to contain both OPEX and CAPEX. On the revenue side, continued healthy private consumption growth in 2026 will be the main driver of further increases in non-oil income; consumer spending will sustain momentum in revenues from the Taxes on goods and services component.

Figure 7: Public debt



Source: MoF, Budget Statement 2026

Figure 8: Public debt as percentage of GDP



Source: IMF

Progress in expanding non-oil income, an increasingly stable and rising source of government revenue since 2016, will be partly offset by expectations that oil-related revenues will remain weaker than their recent peaks. We note, however, that the Other revenues component overall is expected to grow by 5.3 percent YoY next year. An increase in public revenues alongside government efforts to contain nominal spending will result in the 2026 budget deficit narrowing to SAR165 billion (3.3 percent of GDP) in fiscal year 2026.

A sustained period of budget deficits – these are central to the rise in public debt in nominal terms – and weak nominal GDP (the latter in part reflecting episodes of low oil prices) are the main drivers behind the steady rise in the gross government debt stock to GDP ratio witnessed in recent years; from 21.3 percent in 2022 the ratio has risen to an estimated 31.7 percent in 2025 (see figures 7 and 8). The estimate for 2025 is greater than the 29.9 percent government debt to GDP ratio projected in the original budget statement for the year (reflecting a combination of the rise in the budget deficit and a contraction in nominal GDP). The authorities have retained a policy of maintaining cautionary balances that would provide liquidity in the event of a rapid rise in financing costs or a deterioration in market access; government reserves have remained substantial and steady for several years, standing at SAR390 billion.

In 2026, the projected budget deficit and a related rise in nominal debt issuance – growth in nominal debt will

again outpace that of nominal GDP – will be the main driver behind a further increase in the public debt to GDP ratio, to 32.7 percent. The authorities will continue to target both domestic and international investors for government bond issuance, as they seek to broaden demand for Saudi Arabia's public debt at reasonable cost. This has grown in importance as the higher debt stock, combined with a relatively high global interest rate environment, is raising Saudi Arabia's financing costs. Financing expenses, although still low, rose from SAR45 billion in 2024 to an estimated SAR 53 billion in 2025.

Public debt management will balance fiscal sustainability with supporting Vision 2030 initiatives such as deepening the domestic debt market to support broader domestic financial market development. We note that the 2026 fiscal budget plans for fiscal reserves to remain at SAR390 billion in the coming year, maintaining a significant liquidity buffer (amounting to around 10 percent of nominal GDP); the large stock of fiscal reserves combined with a still low level of public debt provides the authorities with significant fiscal space.

Saudi Arabia's public debt-to-GDP ratio has consistently remained significantly lower than that of Advanced economies and the broader Middle East average. The moderate rise in public debt anticipated over the medium term – both in nominal terms and as a share of nominal GDP – combined with the authorities' continued focus on fiscal sustainability, indicates that the Kingdom's debt indicators will remain strong relative to comparable countries.

Expenditure by sector

Health and social development, Defense, Education and Infrastructure and transportation continue to constitute key public expenditure categories, driven by societal priorities and their importance in supporting multiple Vision 2030 initiatives; an underlying and related trend that is evident across spending priorities involves improvements in the quality and quantity of government services through the adoption of technology.



Healthcare and social development

Spending on the Healthcare and social development component is estimated at SAR269 billion in 2025, down by 1.4 percent YoY but higher than the planned spending of SAR260 billion announced in the 2025 budget statement. The relative stability on a YoY basis and against the planned level reflects largely ongoing success in implementing Vision 2030 initiatives through healthcare transformation and social support systems. The focus of spending in 2025 includes developing virtual hospital facilities (involving linking multiple hospitals across the country to the government's Seha Virtual Hospital), expanding primary healthcare and increasing hospital bed capacity. Social and welfare support has remained a pivotal policy as the government recognises the importance of supporting the population's welfare even as it seeks to improve the targeting of its support programs. The 2026 budget for Healthcare and social development, at SAR259 billion, indicates a modest fall. The government will continue to prioritise improving healthcare access and service quality, supported by investment in health-sector infrastructure, including the construction of new medical facilities and the expansion of digital health services.



Defense

Defense spending is estimated to remain broadly unchanged in 2025, at SAR239 billion compared with SAR237 billion in 2024. Defense spending priorities have remained consistent with the government's long-term plans to modernise and strengthen Saudi Arabia's military capabilities. These priorities also include the acquisition of new platforms and systems to address evolving operational requirements and technological shifts, alongside rising investment in areas such as cybersecurity infrastructure and training. These factors will continue to underpin defense outlays in 2026, although planned Defense spending of SAR240 billion represents only a modest 0.3 percent YoY increase. In addition to core modernisation objectives, including the procurement of advanced defense systems, the government will sustain its nationalization and localization agenda. This agenda has seen a deepening of partnerships between domestic public and private entities, and a gradual streamlining of regulations that could otherwise constrain the development of the local defense-industrial base.



Education

Spending on Education is estimated to fall by 2.3 percent YoY in 2025, standing at SAR199 billion compared with SAR204 billion in 2024. We note that the 2025 estimate for spending in this category is similar to the SAR201 billion announced in the 2025 budget statement. The government's focus in 2025 has included improving administrative procedures through the development of a digital platform. The year has also seen a continued expansion in technical and vocational education opportunities. Spending in this category is set to remain relatively stable in 2026, at SAR202 billion. Education spending will continue to align with Vision 2030 goals. Investment in the digitisation of the education sector will continue. For example, the 2026 budget statement includes an intention to provide integrated infrastructure and advanced technical services that will further expand and improve standards in government educational entities.



Infrastructure and transportation

Infrastructure and transportation spending is estimated to have fallen by 7.6 percent YoY in 2025, at SAR41 billion compared with SAR44 billion in 2024. There has remained a strong focus on investment in digital infrastructure, including an ongoing expansion in e-government services, and airport development. Spending will contract by 14.9 percent YoY in 2026, to SAR35 billion. The government will continue to drive initiatives that support its Vision 2030 agenda. These initiatives will include further integration towards a digital economy, as well as continuing an expansion across a spectrum that spans data centres and artificial intelligence to logistic hubs, which will boost Saudi Arabia's international competitiveness, to a broader modernisation of facilities catering to Hajj pilgrims.

Risks and challenges



Geopolitical tensions have remained elevated regionally and globally since 2022 and could intensify further in 2026. The ongoing Russia-Ukraine conflict, alongside the risk of a broader kinetic escalation in the Middle East, have amplified uncertainty across global commodity and capital markets – even as market participants are becoming increasingly concerned that several asset classes are over-valued. Many Western sovereigns have experienced marked fiscal deteriorations since the 2007–08 global financial crisis and have pledged substantial increases in defence spending. These factors suggest that their capacity to rebuild financial buffers against future economic or financial shocks is limited. In several major economies, credible stimulus responses may be increasingly difficult to finance; prolonged weak economic growth that suppresses global oil demand would, in turn, weigh on Saudi Arabia's fiscal and external positions. While the Kingdom continues to hold sizeable fiscal and external buffers that would cushion the country against near-term external shocks, a sustained period of depressed oil demand and prices would ultimately constrain the country's ability to advance its Vision 2030 agenda.



Major central banks have begun loosening monetary policy following the interest rate peaks reached between late-2023 and mid-2024. However, even as aggregate global economic growth remains relatively subdued, concerns about a possible resurgence in inflation have slowed the pace of further cuts. Much of this caution reflects heightened geopolitical risks; as noted above, the likelihood of tensions escalating across multiple geographical regions remains elevated. Any resulting commodity-price shock would revive import-led inflation pressures in both advanced and emerging economies. In parallel, the protectionist measures introduced by the US since early 2025 raise the prospect of retaliatory actions by trading partners, potentially adding to inflationary strains if supply chains are disrupted. A renewed bout of inflation globally could compel central banks to ease more slowly, increasing the risk of policy-driven downturns in key oil-importing economies. Weaker global oil demand would directly depress Saudi fiscal and external revenues, while higher interest rates would elevate financing costs more broadly.

Economic indicators

	2021A	2022A	2023A	2024A	2025E	2026P
Economic output						
Nominal GDP (SAR billion)	3,685	4,647	4,570	4,703	4,600	4,965
Nominal GDP (% change YoY)	28.0	26.1	-1.7	2.9	-2.2	7.9
Real GDP (% change YoY)	6.5	12.1	0.7	2.7	4.4	4.6
Budget						
SAR billion						
Total revenue	965	1,268	1,212	1,259	1,091	1,147
Non-tax revenue	562	857	755	879	698	735
Tax revenue	403	411	458	381	393	412
Expenditure	1,039	1,164	1,293	1,375	1,336	1,313
Surplus / (Deficit)	-74	104	-81	-116	-245	-166
Gross public debt	938	990	1,050	1,216	1,457	1,622
% of GDP						
Total revenue	26.2	27.3	26.5	26.8	23.7	23.1
Non-tax revenue	15.3	18.4	16.5	18.7	15.2	14.8
Tax revenue	10.9	8.8	10.0	8.1	8.5	8.3
Expenditure	28.2	25.1	28.3	29.2	29.0	26.4
Surplus/Deficit	-2.0	2.2	-1.8	-2.5	-5.3	-3.3
Gross public debt	25.5	21.3	23.0	25.9	31.7	32.7

Tax revenue data before 2024 is derived from Non-oil revenue | Non-tax revenue data before 2024 is derived from Oil revenue

A | Actual E | Estimated P | Projected

Source: MoF, Budget Statement 2026; IMF; GaSTAT

Disclaimer: Figures are rounded up to the nearest billion throughout the report. Some figures may not add up to 100 percent due to rounding.

About KPMG Middle East

KPMG Middle East is a part of the KPMG global organization of independent member firms that operate in 143 countries and territories and are affiliated with KPMG International Limited. We provide audit, tax and advisory services to public and private sector clients across Saudi Arabia, United Arab Emirates, Jordan, Lebanon, Oman, and Iraq, contracting through separate legal entities. We have a strong legacy in the region, where we have been established for over 50 years. KPMG Middle East is well-connected with its global member network and combines its local knowledge with international expertise.

KPMG serves the diverse needs of businesses, governments, public-sector agencies, not-for-profit organizations, and the capital markets.

Our commitment to quality and service excellence underpins everything we do. We strive to deliver to the highest standards for our stakeholders, building trust through our actions and behaviors, both professionally and personally.

Our values guide our day-to-day behavior, informing how we act, the decisions we make, and how we work with each other, our clients, and all our stakeholders. Integrity: We do what is right. Excellence: We never stop learning and improving. Courage: We think and act boldly. Together: We respect each other and draw strength from our differences. For Better: We do what matters.

Our purpose is to inspire confidence and empower change. By inspiring confidence in our people, clients and

society, we help empower the change needed to solve the toughest challenges and lead the way forward.

KPMG's Impact Plan guides our commitments to serving our clients, people and communities across four categories: Planet, People, Prosperity, and Governance. These four priority areas assist us in defining and managing our environmental, social, economic and governance impacts to create a more sustainable future. We aim to deliver growth with purpose. We unite the best of KPMG to help our clients fulfil their purpose and deliver against the United Nations Sustainable Development Goals, so all our communities can thrive and prosper.

We are dedicated to delivering growth with purpose, helping our clients achieve their goals, and advancing sustainable progress to ensure that all our communities thrive. Empowered by our values, and committed to our purpose, our people are our greatest strength. Together, we are building a values-led organization of the future. For better.



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