

# Saudi Arabia Economic and Investment Chartbook H2 2023

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# Executive Summary (1/3)

## Overview of the Global and Saudi Economies



Most economic activities witnessed positive growth rates in H2 2023, as community, social and personal service registered the highest growth of 8.7% YoY.



Final consumption expenditure recorded a growth of 5.4% YoY in H2 2023, due to a growth in government and private final consumption expenditure by 5.5% in the same period.



Saudi Arabia is projected to achieve growth of 2.7% in 2024 and 5.5% in 2025, according to the IMF's WEO released in January 2024.



Unemployment rate for Saudi reached 7.7%, a decrease of 0.6 percentage points compared to H1 2023.



The number of investment licenses issued by MISA reached 5,078 licenses, a growth of 129.7% YoY in H2 2023.



Saudi Arabia achieved advanced ranks in several international indicators in 2023, as it ranked 1st the Government Confidence Index, and 2<sup>nd</sup> in the Consumer Confidence Index for Investment.



FDI inflows recorded an increase of 14% YoY in H2 2023 compare to H2 2022, reaching SAR 36.0 billion.

# Executive Summary (2/3)

## International Trade



Exports to China reached SAR 99.4 billion in H2 2023, making China the main destination for Saudi exports.



Imports and exports of services were mainly transportation services in H2 2023.

## Price Indicators



Consumption indicators increased by 2.5% YoY in H2 2023. Points of Sale (PoS) transactions by sector show that beverages, food, restaurants and cafes recorded the highest transactions in H2 2023.



Saudi Arabia's consumer price index declined by 1.8% YoY in H2 2023, compared to an increase of 3.0% in H2 2022.



The real estate price index (REPI) increased by 0.4% YoY by the end of H2 2023.

# Executive Summary (3/3)

## Monetary and Financial Indicators



SAMA raised interest rates of the Repo and the Reverse Repo by 25 basis points in H2 2023 compared to H1 2023, to reach 6.0% and 5.5%, respectively, for the same period.



Tadawul All Share Index (TASI) closed at 11,967 points at the end of H2 2023, an increase of 4.4% compared to H1 2023.



Average Natural Gas prices decreased by 61.8% YoY in H2 2023, reaching an average price of \$2.6.

## Energy and Commodity Markets



Average Oil prices (Brent) decreased by 9.5% YoY in H2 2023, reaching an average price of \$84.3 per barrel, due to an increase in the global supply of oil outside OPEC+.



Foreign Assets recorded a decrease of 5.3% YoY in H2 2023. Foreign Personal Transfers, likewise, recorded a decrease of 5.5% YoY in H2 2023.

# Saudi Arabia's Performance in International Indicators (1/2)

A review of Saudi Arabia's ranking in global indicators, reflecting its performance in the economic and investment environment, as follows:



# Saudi Arabia's Performance in International Indicators(2/2)

6

Global Competitiveness  
Index- Economy  
Performance

out of 64  
2023



17

Global Competitiveness  
Index- Overall

out of 64  
2023



30

Smart City Index  
(Riyadh)

out of 141  
2023



30

World Digital  
Competitiveness Index

out of 64  
2023



A/A-1

Credit Rating for KSA -  
Standard & Poor's

with stable outlook



Sep 2023

A1

Credit Rating for KSA  
- Moody's

with positive outlook



Mar 2023

A+

Credit Rating for KSA  
- Fitch

with stable outlook



Ratings

Feb 2024

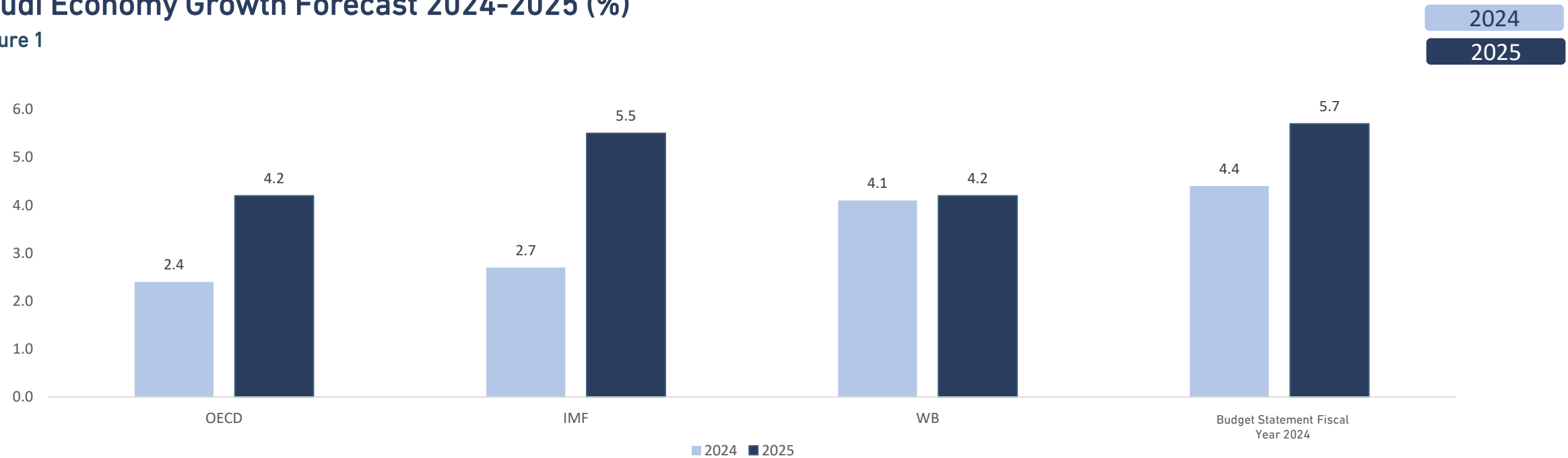
# Overview of the Global and Saudi Economies





## Saudi Economy Growth Forecast 2024-2025 (%)

Figure 1

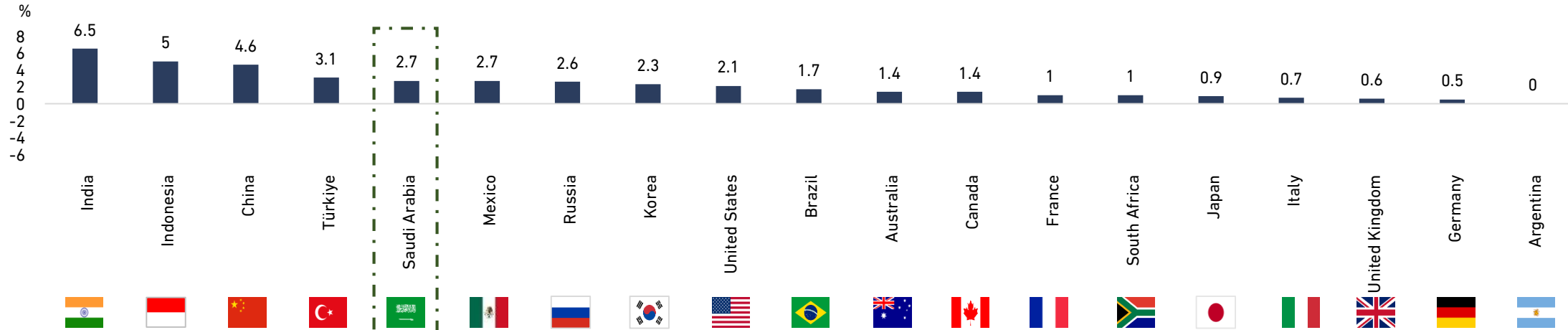


- **Budget Statement FY 2024** released by the Ministry of Finance projected Saudi economy to grow by 4.4% in 2024, and real GDP by 5.7% in 2025, higher than the forecast by International Organizations.
- International organizations projected the **Saudi economy to grow** at a higher pace in 2024 than in 2023, due to the existing economic reforms.

# Economic Outlook

## GDP Growth Rate Projections for the G20 Countries - 2024

Figure 2



Source: IMF

## GDP Growth Rate Projections - the G20 Countries

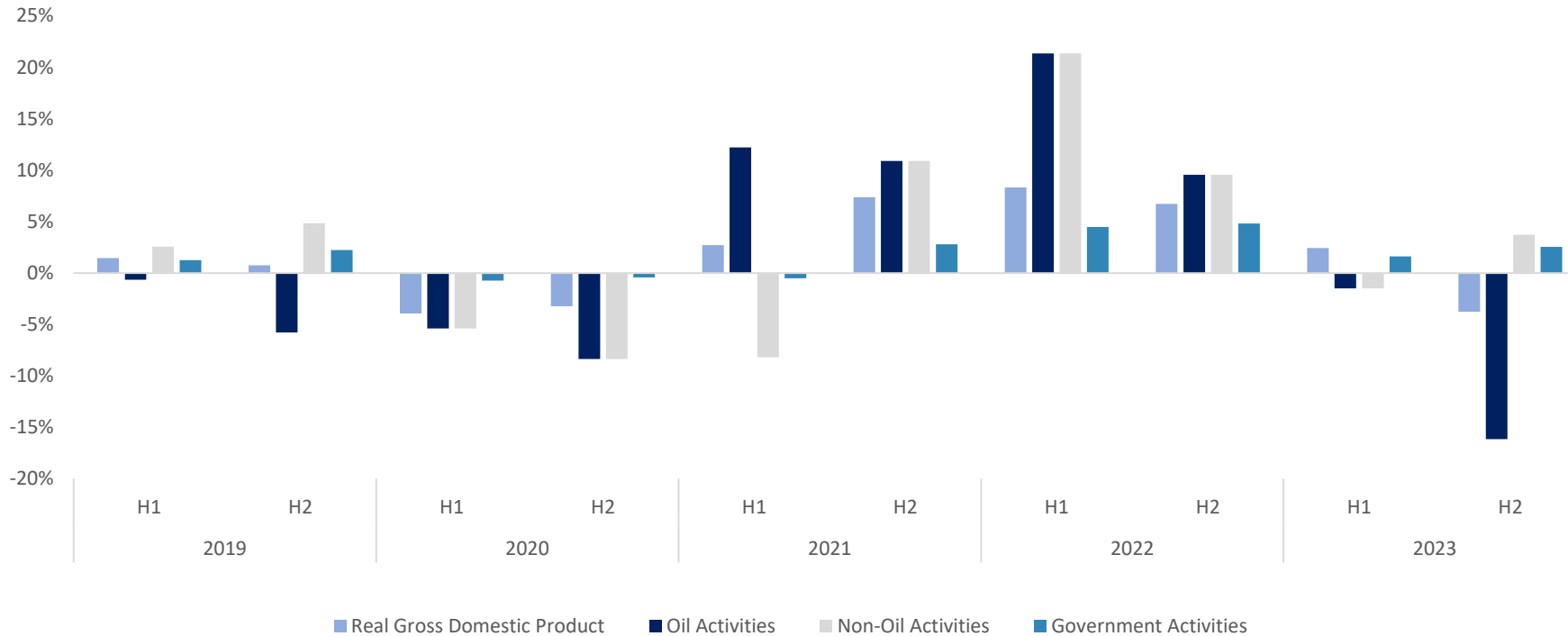
Table 1

Country	India	Indonesia	Saudi Arabia	China	Argentina	Turkey	Canada	Korea	Germany	United Kingdom	Australia	Brazil	United States	France	South Africa	Mexico	Italy	Russia	Japan
2021	9.1	3.7	5.1	8.4	10.7	11.4	5.3	4.3	3.2	8.7	2.1	5.0	5.9	6.4	4.7	5.8	8.3	5.6	2.6
2022	7.2	5.3	7.5	3.0	5.0	5.5	3.8	2.6	1.8	4.3	4.3	2.9	1.9	2.5	1.9	3.9	3.7	-2.1	1.0
2023	6.7	5.0	-0.8	5.2	-1.1	4.0	1.1	1.4	-0.3	0.5	1.8	3.1	2.5	0.8	0.6	3.4	0.7	3.0	1.9
2024*	6.5	5.0	2.7	4.6	-2.8	3.1	1.4	2.3	0.5	0.6	1.4	1.7	2.1	1.0	1.0	2.7	0.7	2.6	0.9
2025*	6.5	5.0	5.5	4.1	5.0	3.2	2.3	2.3	1.6	1.6	2.1	1.9	1.7	1.7	1.3	1.5	1.0	1.1	0.8

Source: IMF (WEO January 2024), GASTAT, World Bank  
\* Projections

## Saudi Arabia's Real GDP Growth by Main Economic Activities

Figure 3

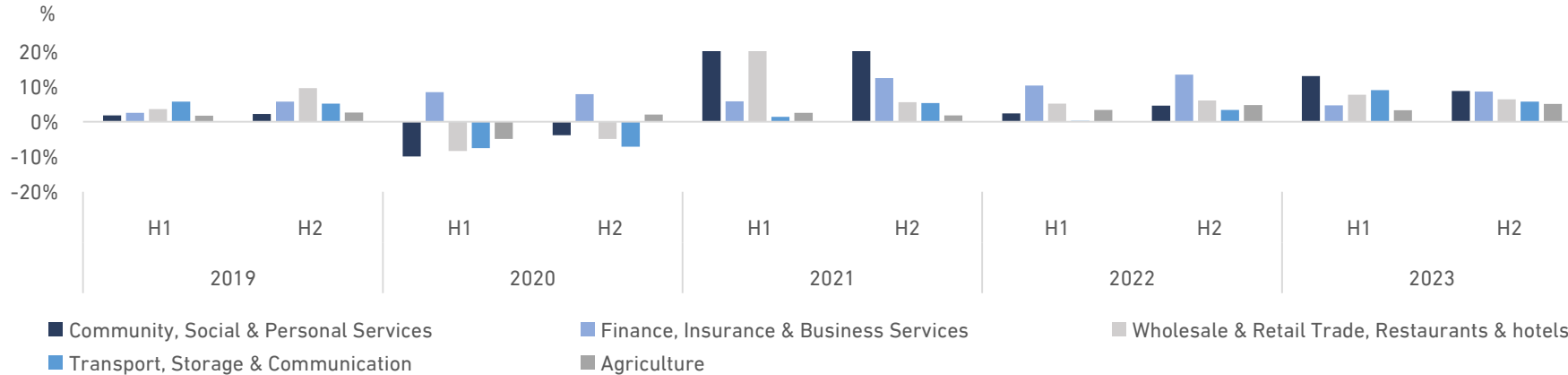


- According to the General Authority for Statistics (GASTAT) data, the real GDP was down by 3.8% YoY in H2 2023. This was due to a decline in oil activities by 16.2% for the same period. **Non-oil activities and government activities**, on the other hand, increased by 3.7% and 2.5%, respectively, for the same period.

# GDP by Economic Activities and Expenditure Components

## GDP Growth by Top 5 Economic Activities

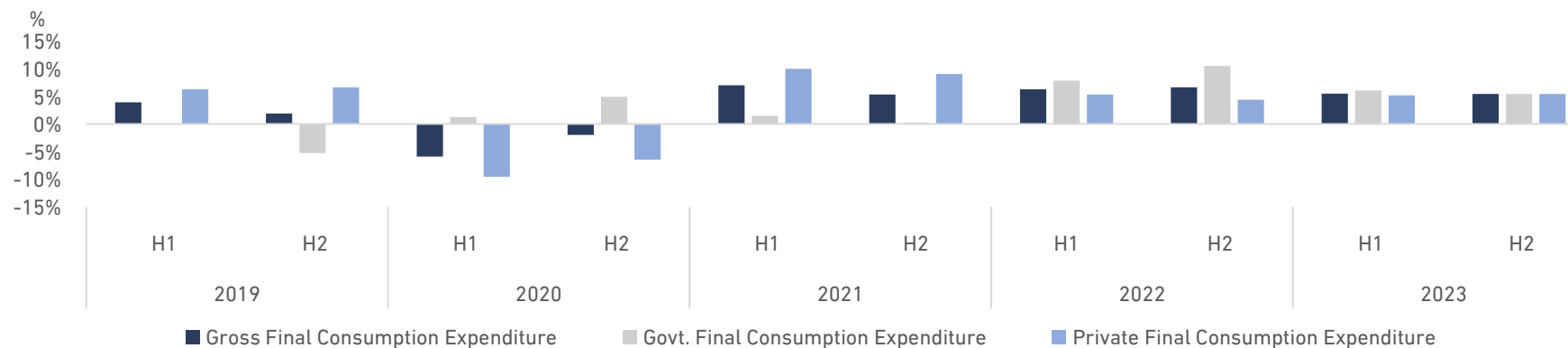
Figure 4



- Most economic activities recorded positive growth rates in H2 2023, as data show that **Community, Social & Personal Services** recorded the highest growth rate of 8.7% YoY, followed by Finance, Insurance & Business Services and Wholesale & Retail Trade, Restaurants & hotels by 8.6% and 6.4% respectively in the same period.
- Final Government expenditure grew by 5.4% YoY in H2 2023, due to a growth in government and private final consumption expenditure by 5.5% in the same period.

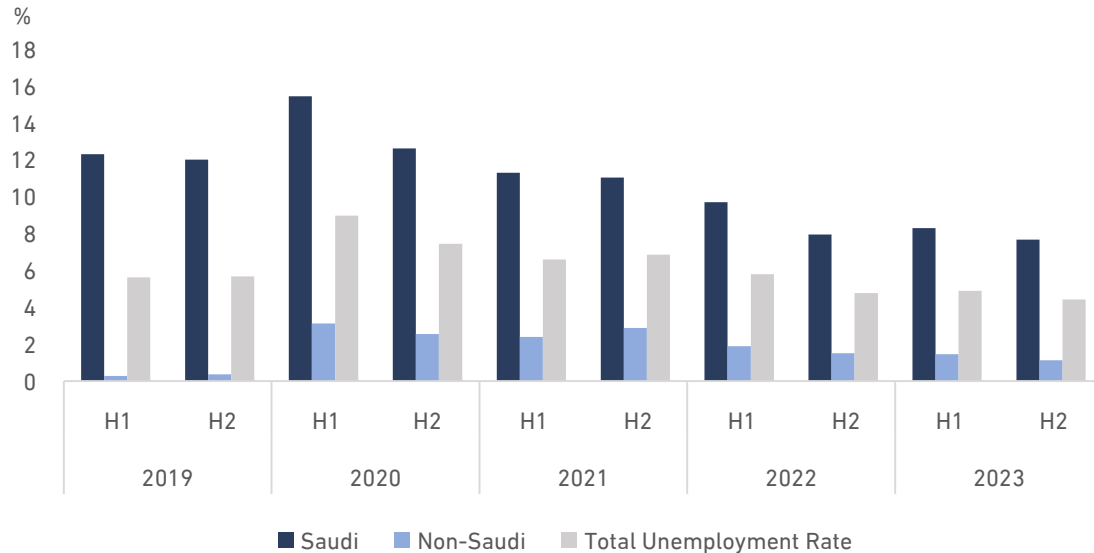
## Govt. & Private Consumption Expenditure

Figure 5



## Unemployment Rate

Figure 6



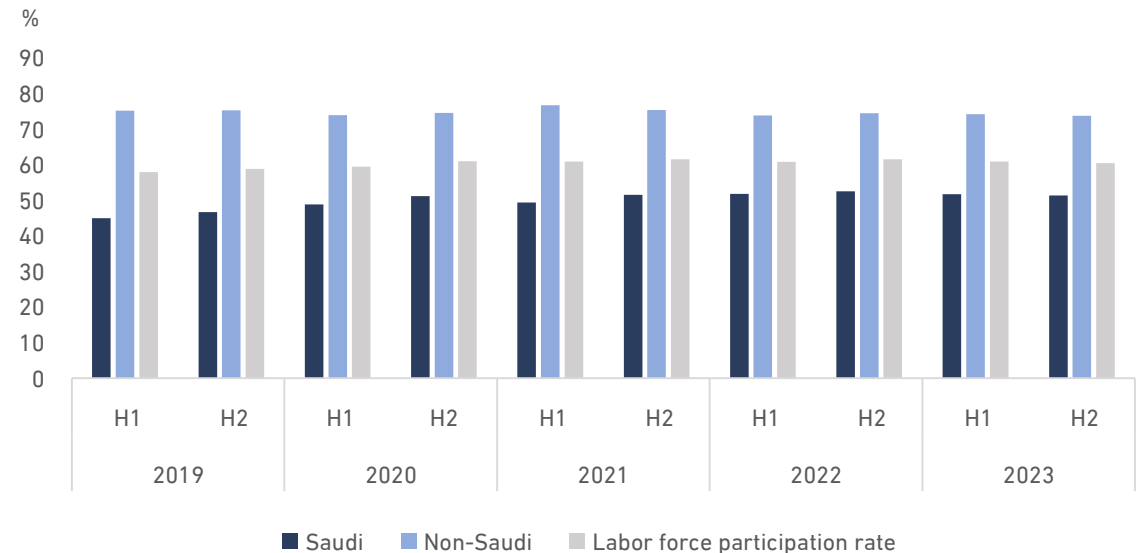
### Unemployment rate in H2 2023

- **Unemployment Rate** for the total population reached 4.4%, a decrease of 0.5 percentage points compared to H1 2023.
- **Unemployment rate for Saudi** reached 7.7%, a decrease of 0.6 percentage points compared to H1 2023. **The non-Saudi unemployment rate** reached 1.1%, a decrease of 0.4 percentage points compared to the previous half.

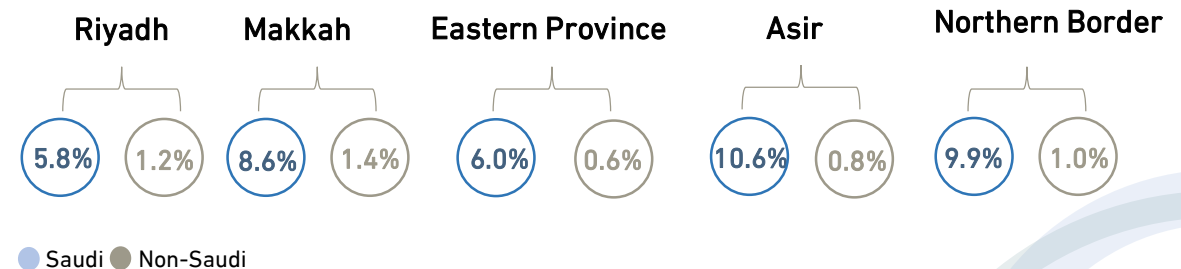
Source: GASTAT

## Labor Force Participation Rate

Figure 7

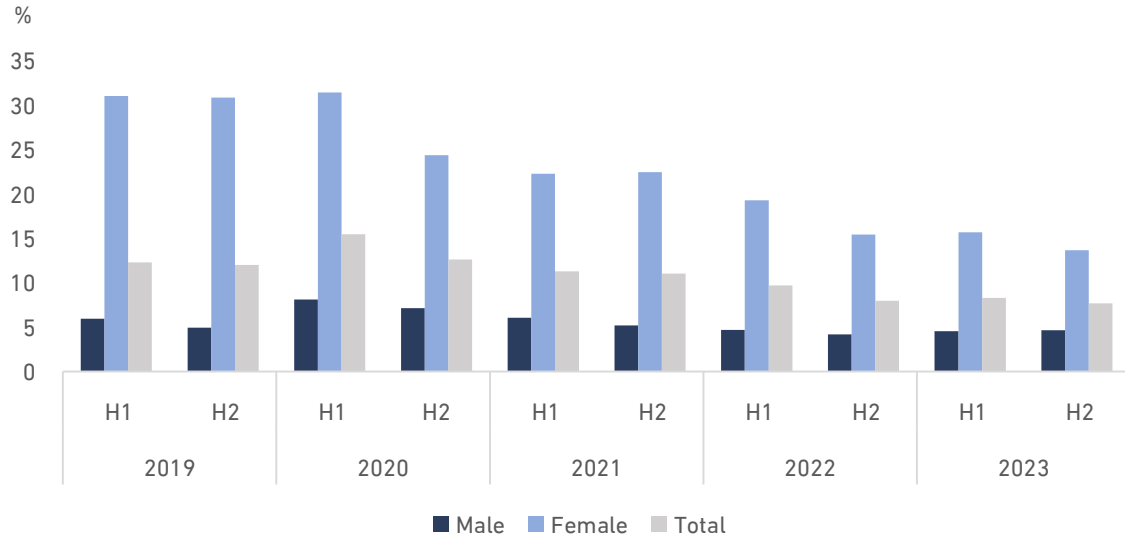


### Unemployment rate by administrative region H2 2023



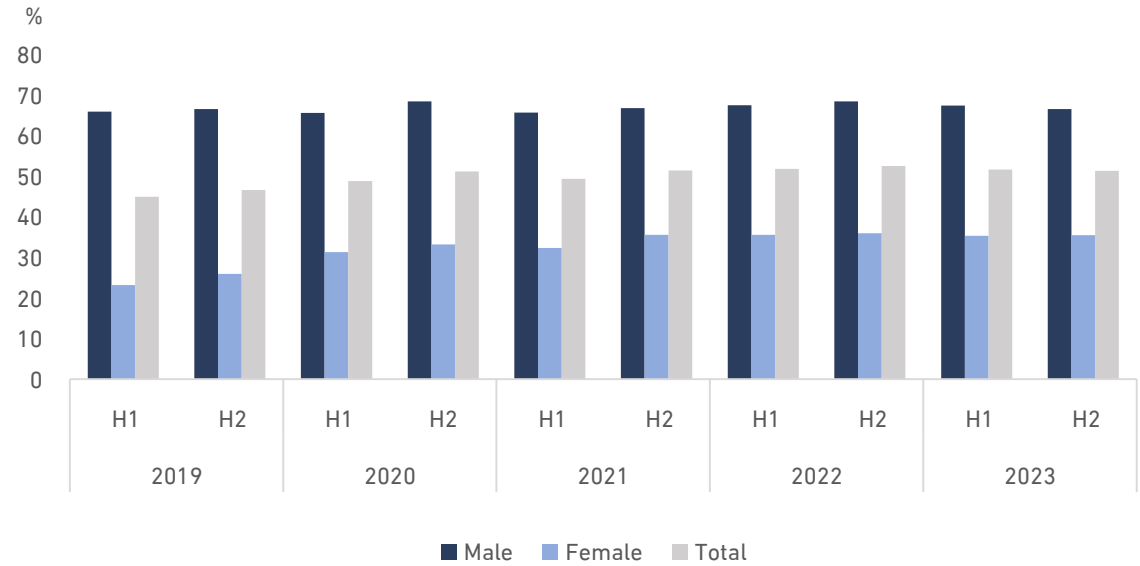
## Saudi Unemployment Rate

Figure 8



## Saudi Labor Force Participation Rate

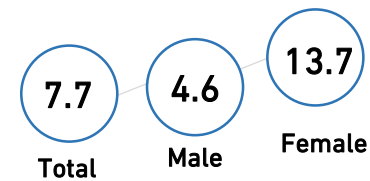
Figure 9



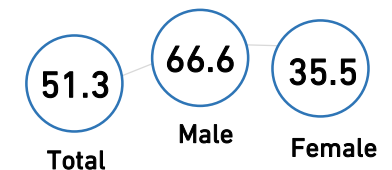
### Saudi Unemployment Rate in H2 2023

- Saudi males unemployment rate stabilized at 4.6%, compared to H1 2023.
- Females unemployment rate reached 13.7% compared to 15.7% in H1 2023, a decrease of 2.0 percentage points.

### Saudi Unemployment rate (%) H2 2023

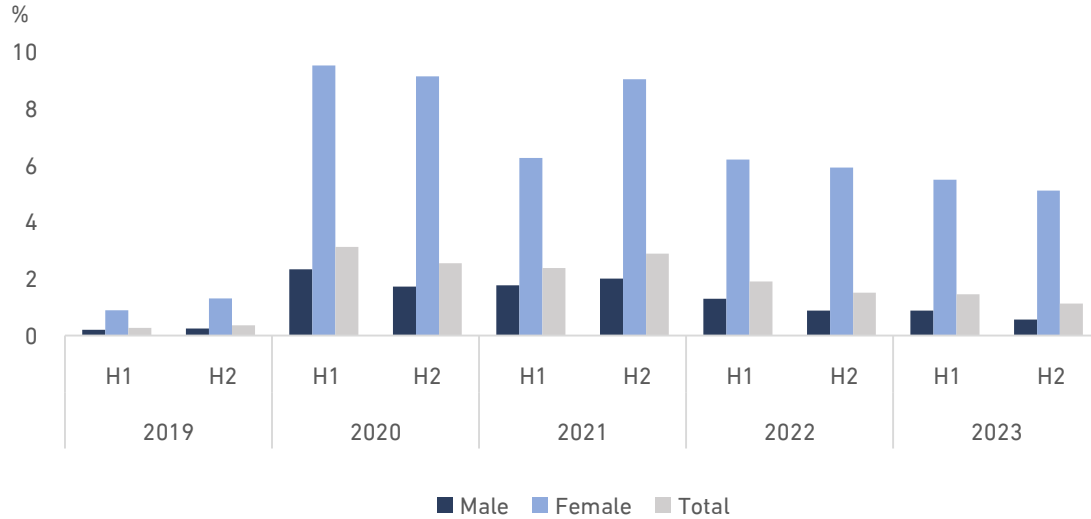


### Saudi Labor Force Participation (%) H2 2023



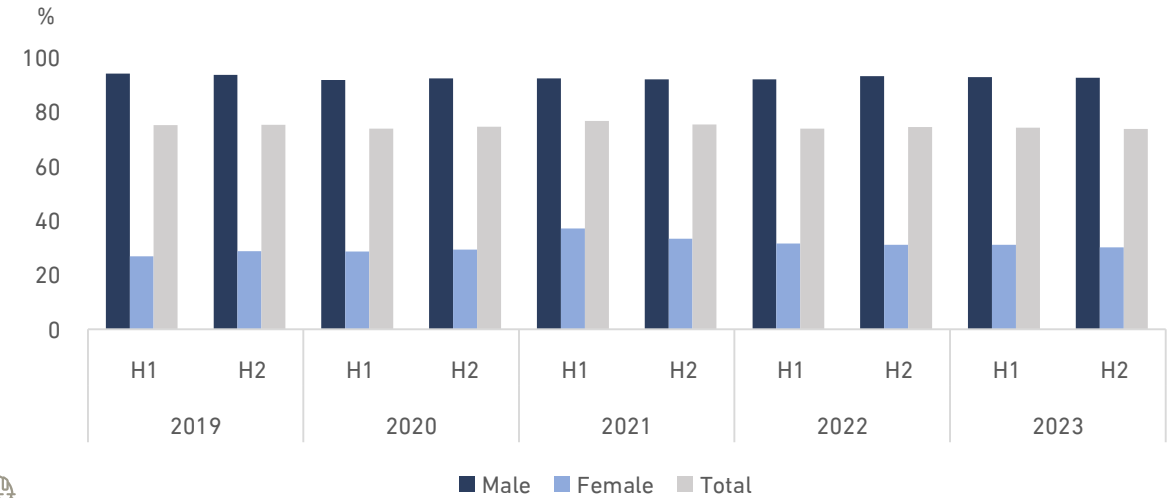
## Non-Saudi Unemployment Rate

Figure 10



## Non-Saudi Labor Force Participation Rate

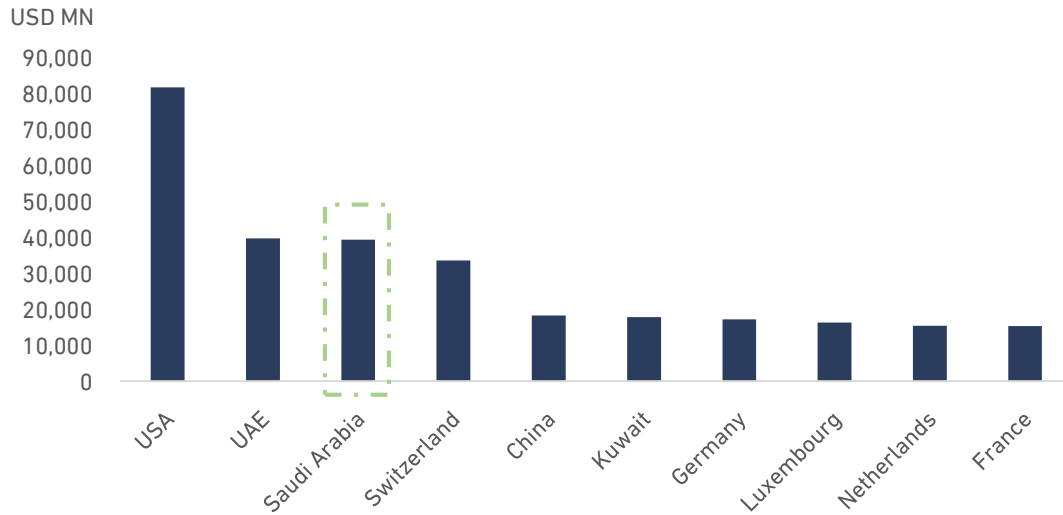
Figure 11



- Unemployment rate for non-Saudis decreased to 1.1% down by 0.4 percentage points in H2 2023 compared to H1 2023.
- Unemployment rate for non-Saudi males decreased to 0.6% in H2 2023, down by 0.3 percentage points compared to 0.9% in H1 2023. Non-Saudi females unemployment rate decreased to 5.1% in H2 2023, down by 0.4 percentage points compared to 5.5% in H1 2023.

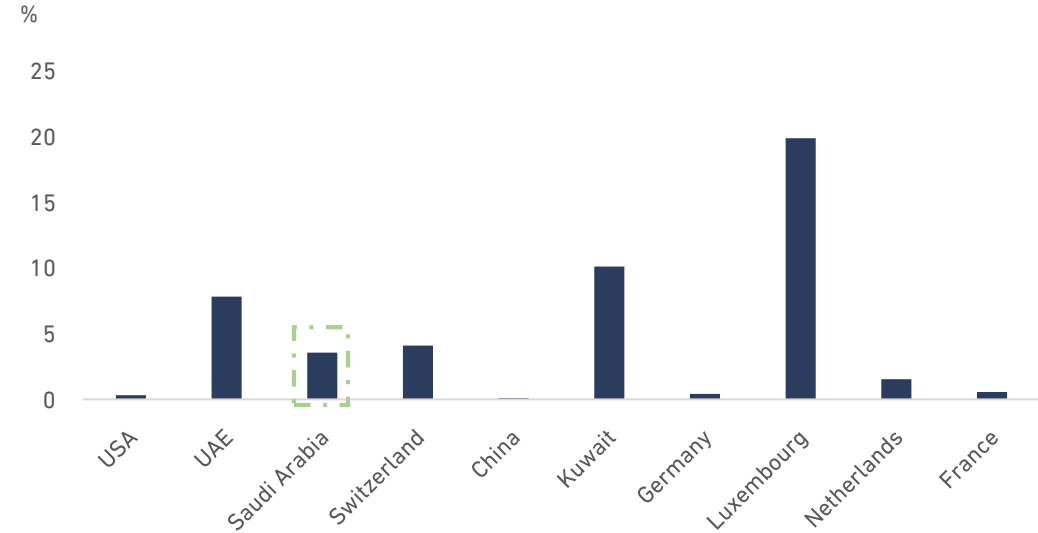
## Outward Remittance flows by Top 10 countries in 2022

Figure 12



## Outward Remittances flows as a share of GDP in 2022

Figure 13

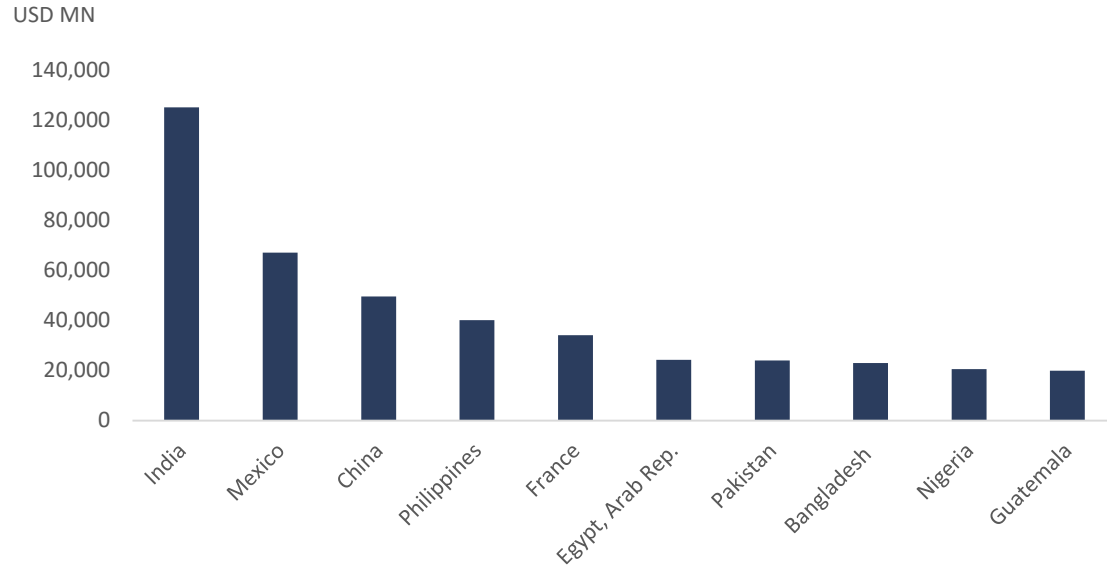


- **Outward Remittance Flows** are considered high for high-income countries such as the United States and GCC countries.
- **Outward Remittance Flows** as a share of GDP are considered high for GCC countries due to the high dependency on **Non-National Labor** in the Private Sector.



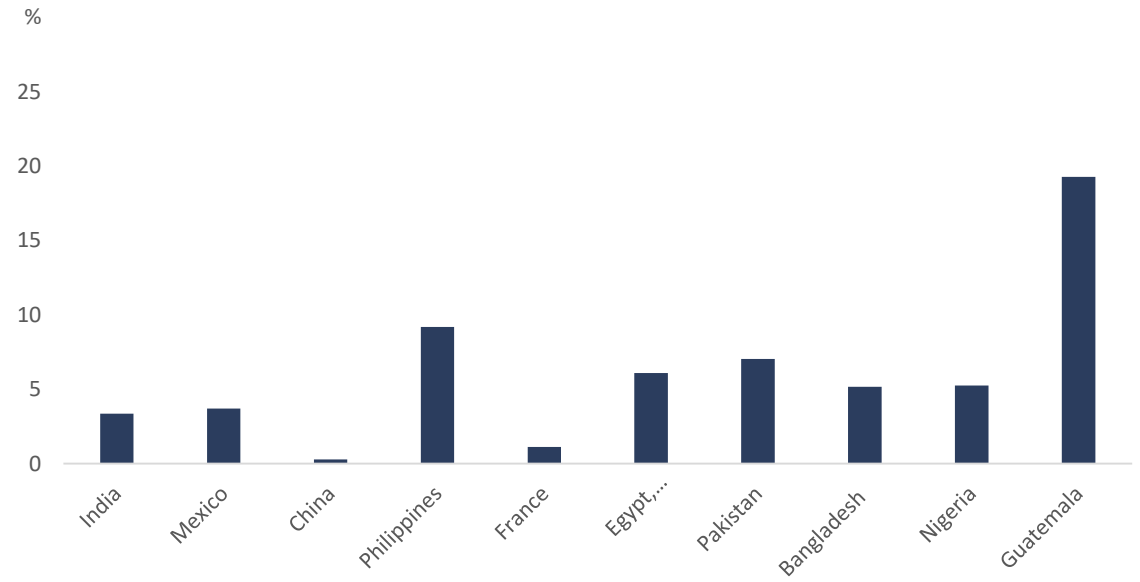
## Migrant Remittance Inflows by Top 10 Countries in 2023\*

Figure 14



## Migrant Remittance Inflows as a Share of GDP in 2023\*

Figure 15



- **Migrant remittance inflows** in 2023 are higher in low-income countries and India is the highest country in terms of migrant remittance inflows.
- **Migrant remittance inflows** as a share of GDP are considered low for GCC countries due to the lower proportion of **National Labor** migrants abroad compared to low-income countries migrants.

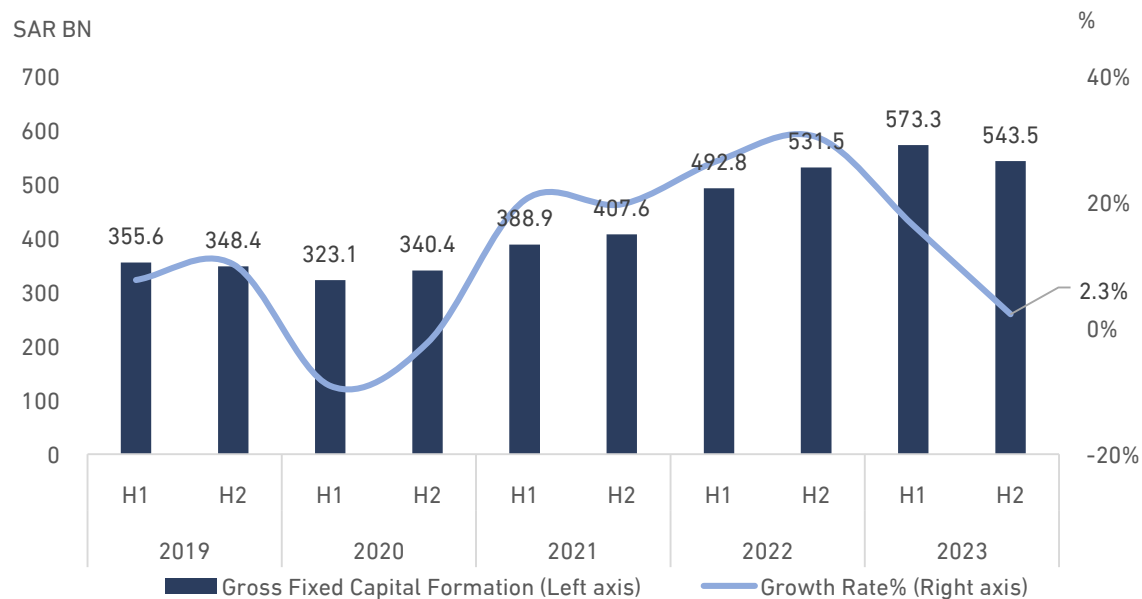


# Saudi Arabia's Investment Indicators

# Investment Indicators

## Gross Fixed Capital Formation (GFCG)

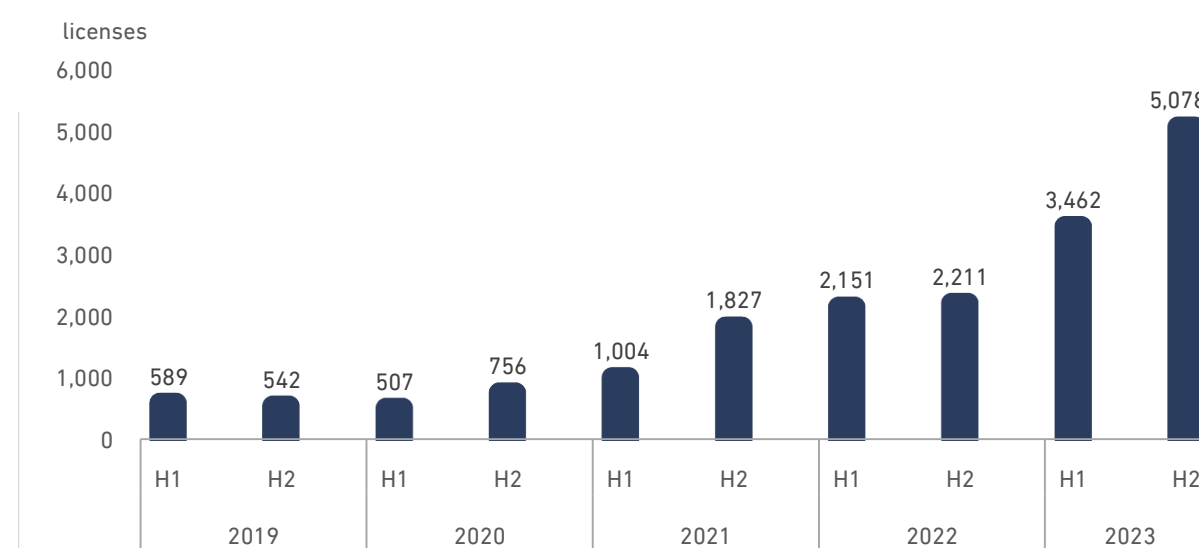
Figure 16



Source: GSTAT

## Number of Investment Licenses

Figure 17



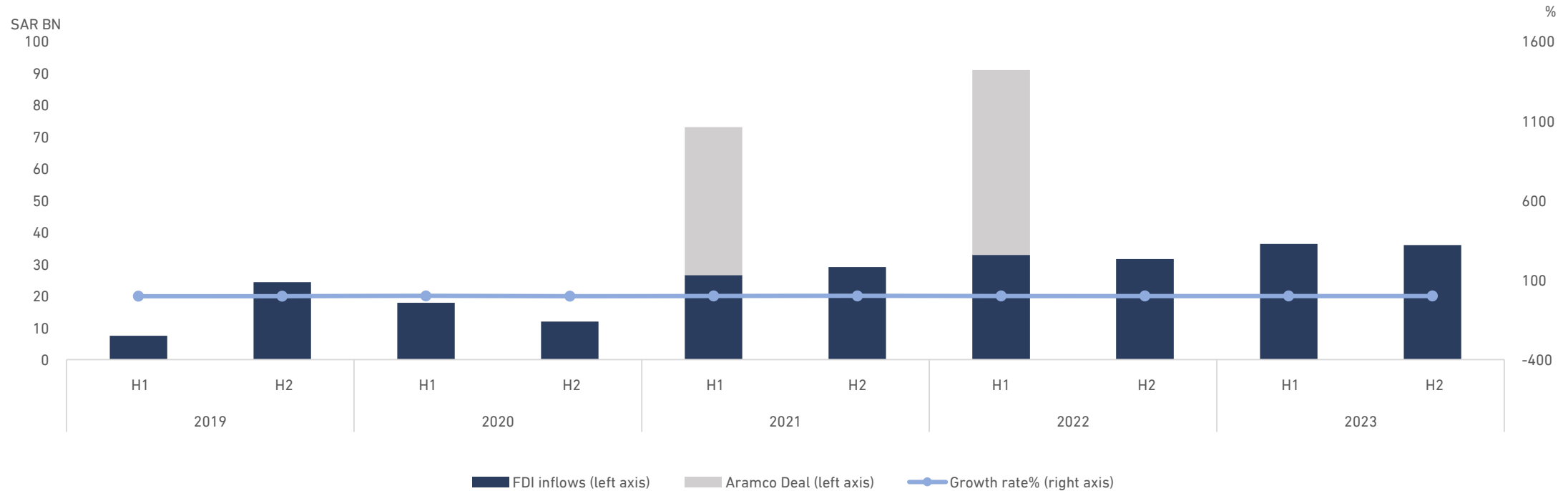
Source: MISA

\* Figures excluding investment licenses granted under the "Tasattur" anti-concealment campaign



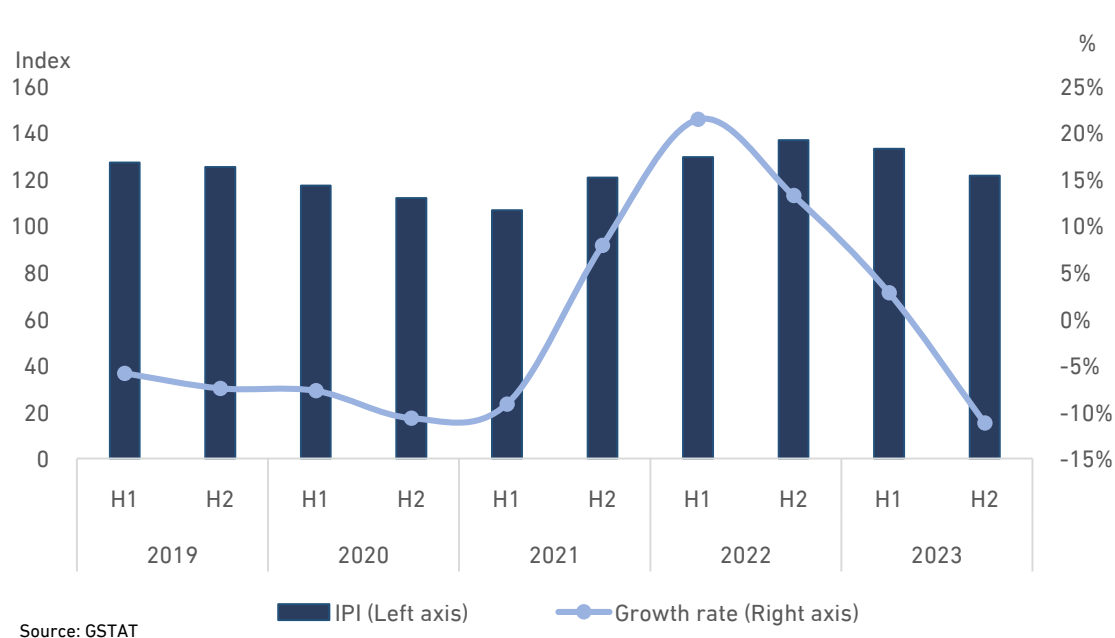
- **GFCF** grew by 2.3% YoY in H2 2023, recording SAR 543.5 billion, driven by the increase in government and non-government sectors by 0.2% and 2.7% in the same period.
- **Number of investment licenses** issued by MISA reached 5,078 licenses, an increase of 129.7% YoY in H2 2023, compared to 2,211 licenses in H2 2022, as a result of the enhancements in Saudi Arabia's investment ecosystem.

Foreign Direct Investment (FDI) Inflow  
Figure 18

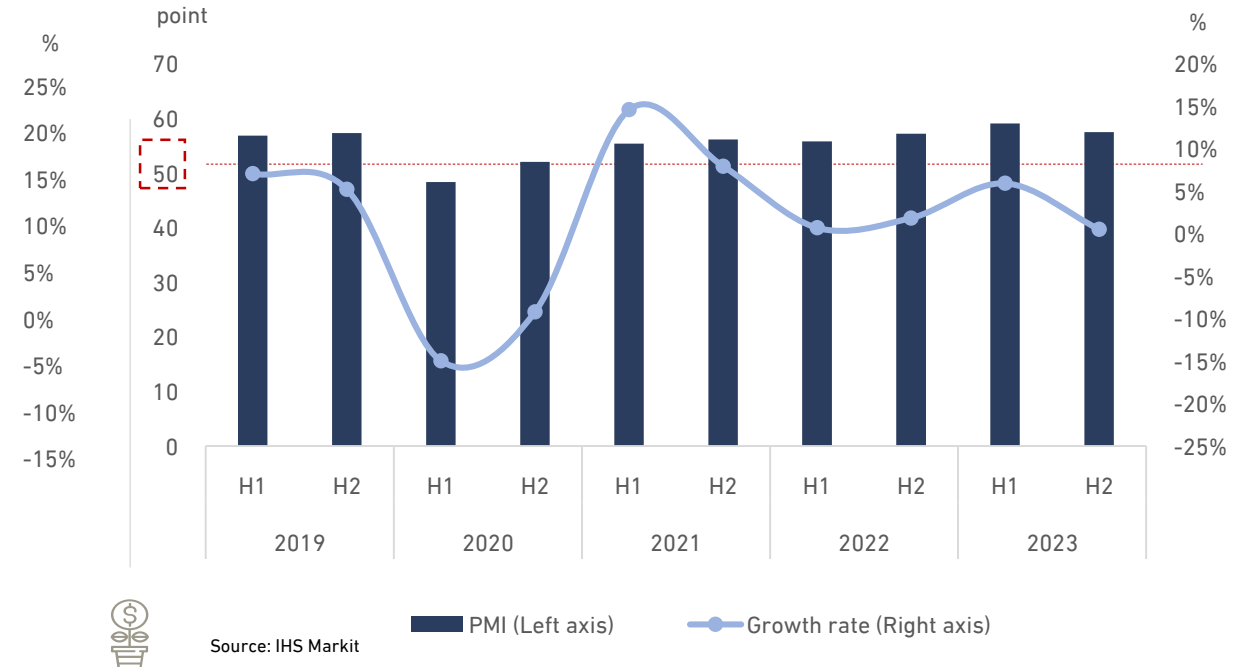


- **FDI inflows** recorded an increase of 14% YoY in H2 2023 compare to H2 2022, reaching SAR 36.0 billion.

**Industrial Production Index (IPI)**  
Figure 19



**Purchasing Managers Index (PMI)**  
Figure 20



- **IPI declined by 11.2% YoY in H2 2023**, due to a decrease in the production of mining and quarrying by 17.2% (74.5% of the total index weight). Manufacturing and electricity & gas, however, increased by 2.1% and 27.1% during the same period.
- **PMI registered a slight increase of 0.5%** reaching 57.5 points in H2 2023, compared to 57.2 points in H2 2022, due to higher sales and improving market demand.

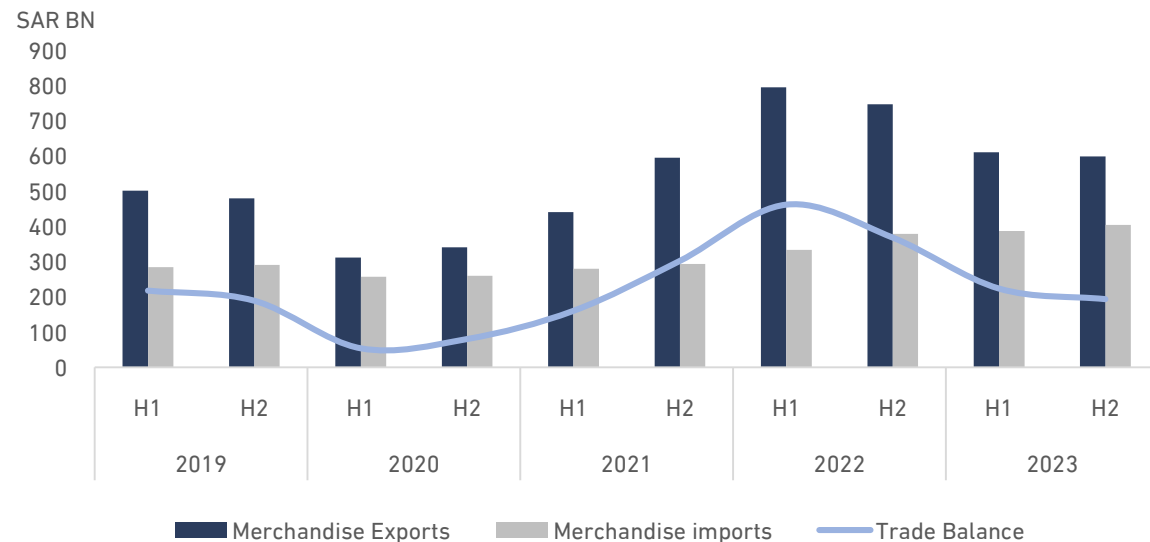


# International Trade

# Trade Indicators - Goods

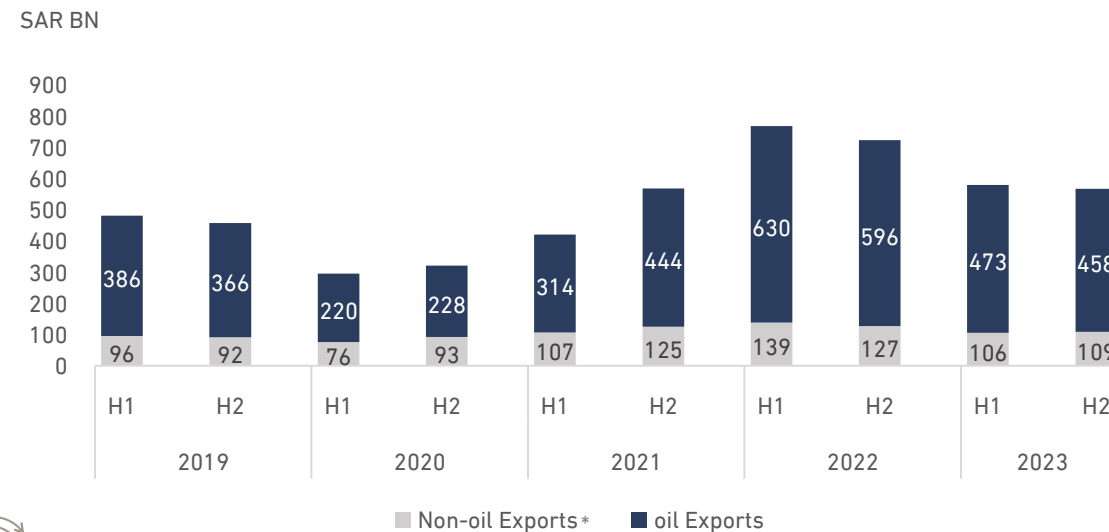
## Trade Balance

Figure 21



## Merchandise Exports

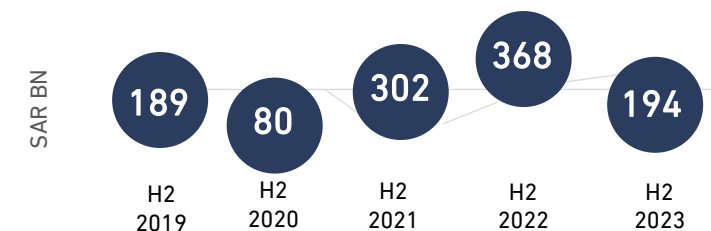
Figure 22



### Trade performance (H2 2023)

- **Merchandise Exports** decreased by 19.9% YoY in H2 2023, recording SAR 598 billion. This was due to a decline in oil exports by 23.2% in the same period, resulting from a drop in Saudi oil production. Also, non-oil exports (including re-exports) decreased by 14.1% YoY in H2 2023.
- **Merchandise Imports** increased by 6.8% YoY in H2 2023, reaching SAR 405 billion.

### Trade Balance



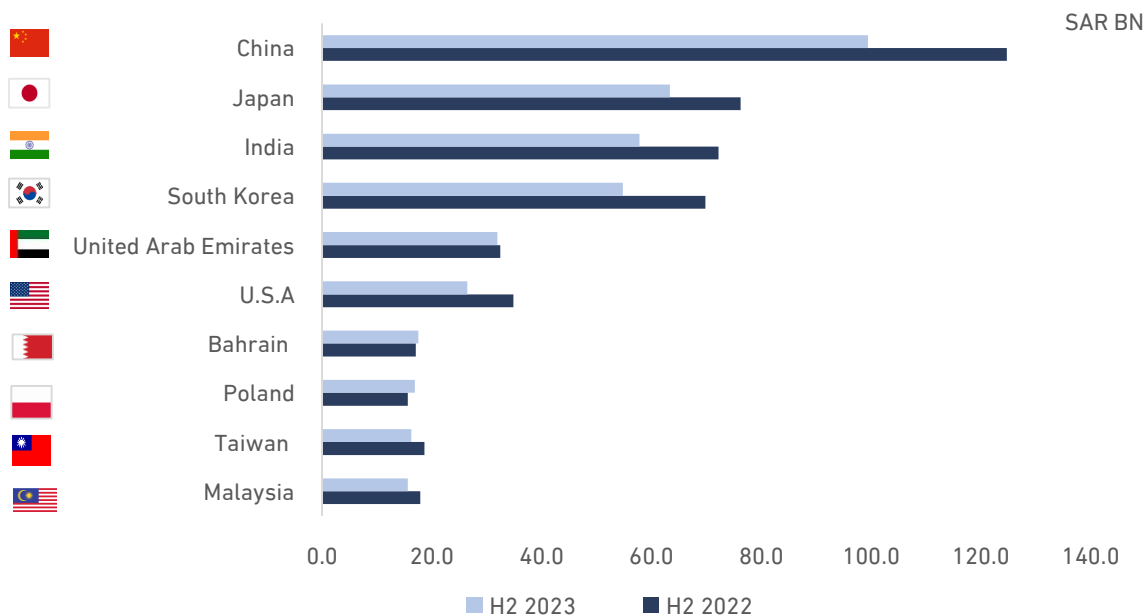
Source: GASTAT

\*Excluding re-exports

# Trade Indicators - Goods

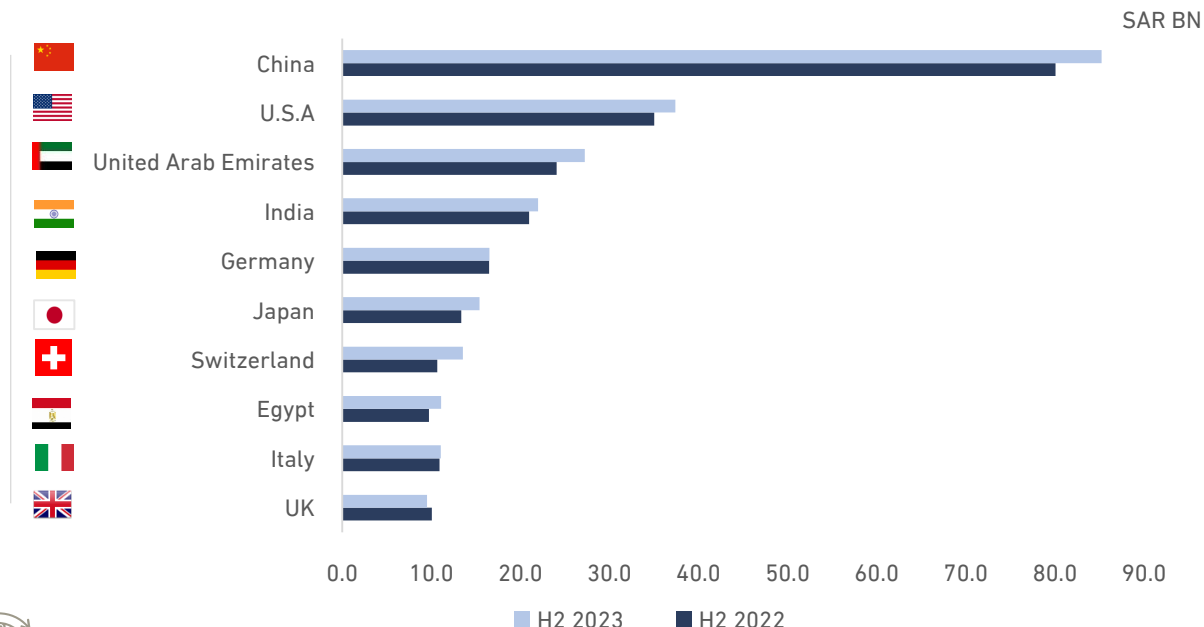
## Saudi Arabia's Exports by Top 10 Countries

Figure 23



## Saudi Arabia's Imports by Top 10 Countries

Figure 24

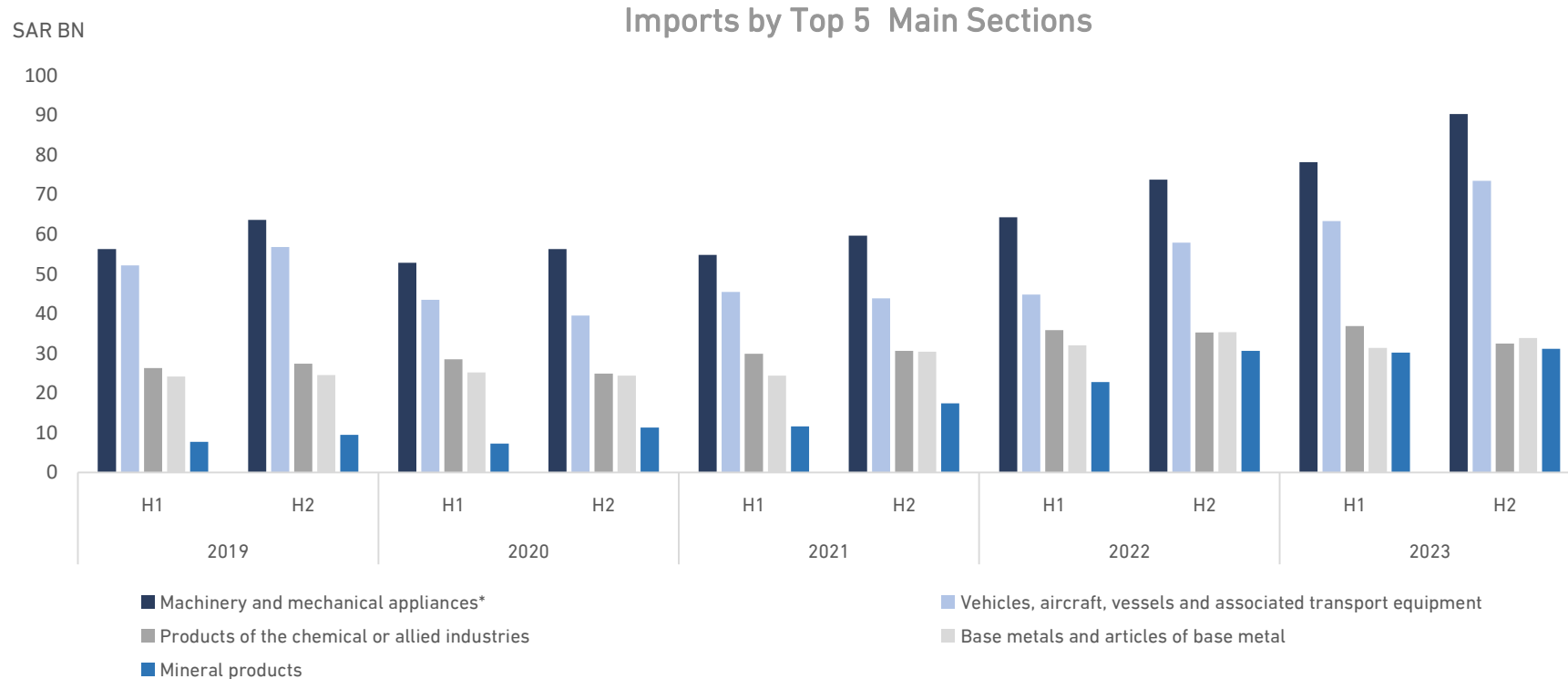


- **Exports to China** reached SAR 99.4 billion in H2 2023, making **China the main destination for Saudi Exports**, followed by Japan and India with SAR 63.3 and 57.8 billion, respectively. Despite the decline in merchandise exports to most countries, merchandise exports to the UAE and Bahrain grew by 35% and 51%, respectively, due to an increase in exports of electrical equipment and metals and their manufactures by 80% and 40%, respectively in the same period.
- **Imports from China** amounted to SAR 85.3 billion in H2 2023, making **China the main origin for Saudi imports**, followed by the USA and the UAE SAR 37.4 billion and SAR 27.2 billion, respectively.



## Imports by Main Sections

Figure 25

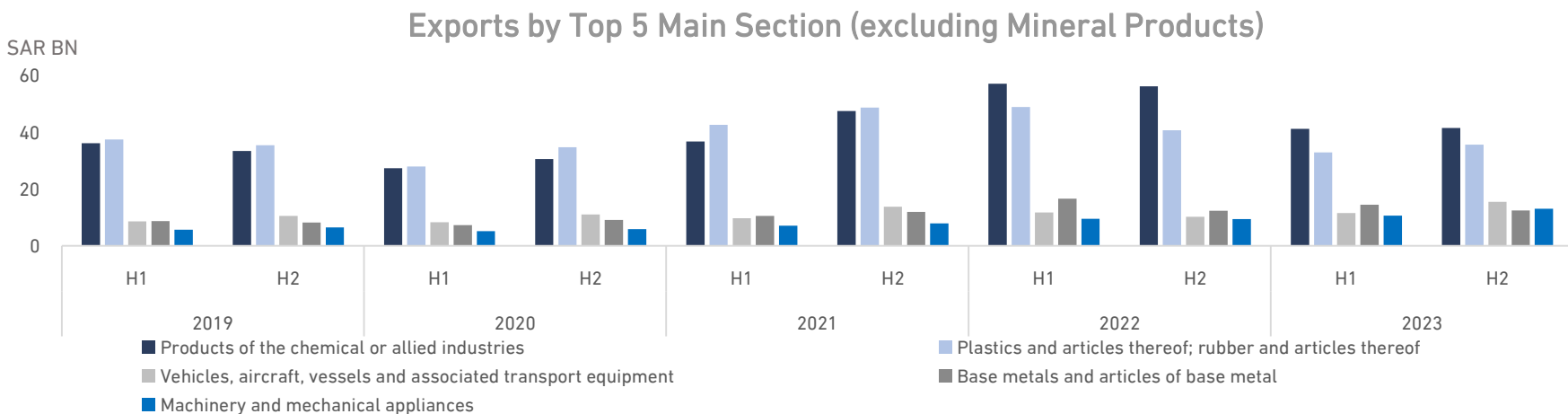


- In H2 2023, the **Main Imported merchandise goods** were Machinery and mechanical which amounted to 22.4% of total Merchandise Import, followed by Vehicles, aircraft, vessels and associated transport equipment' which amounted to 18.2% of total Merchandise Import.

# Trade Indicators - Goods

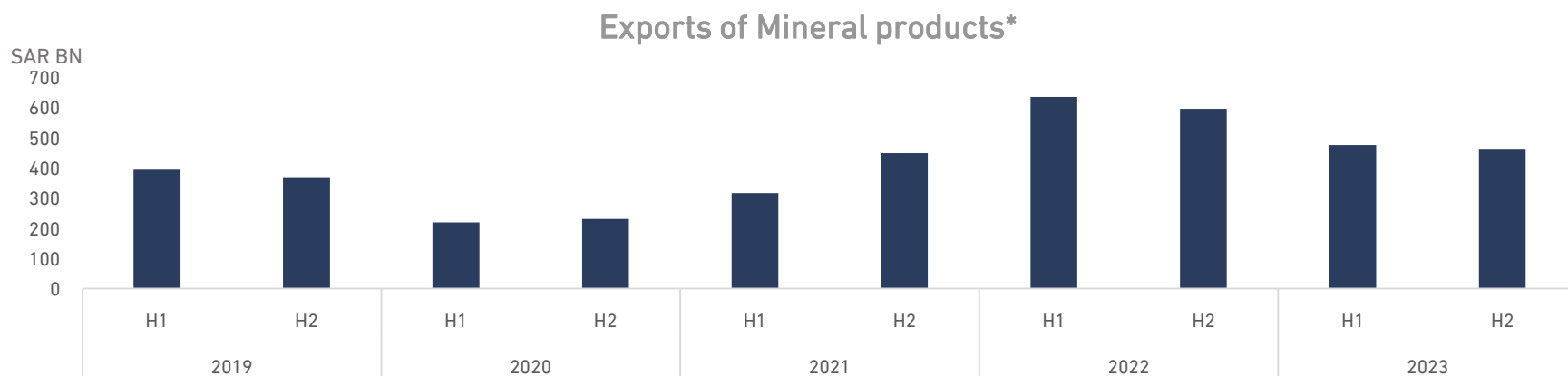
## Exports by Main Section

Figure 26



- The main merchandise exports in H2 2023 - after excluding mineral products – were products of the chemical and allied industries and plastics, rubber and thereof, representing 6.9% and 5.9% of total exports.
- Exports of mineral products registered a decrease of 23% YoY in H2 2023.

Figure 27



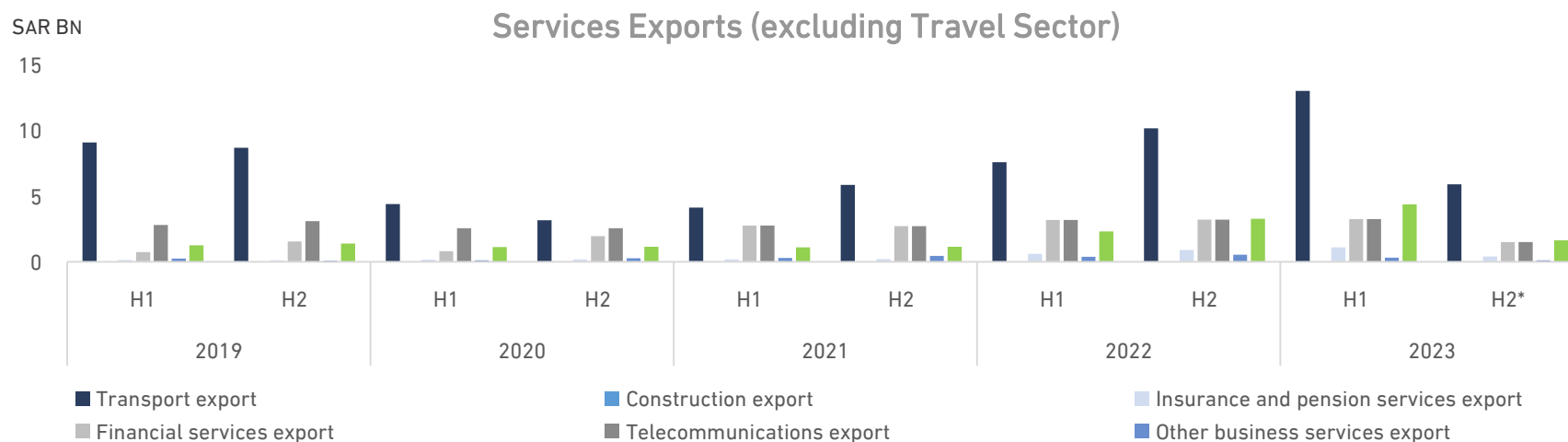
Source: GASTAT

\* Mineral products excluded from the Exports by top 5 sections, due to their high value among the export goods.

# Trade Indicators - Services

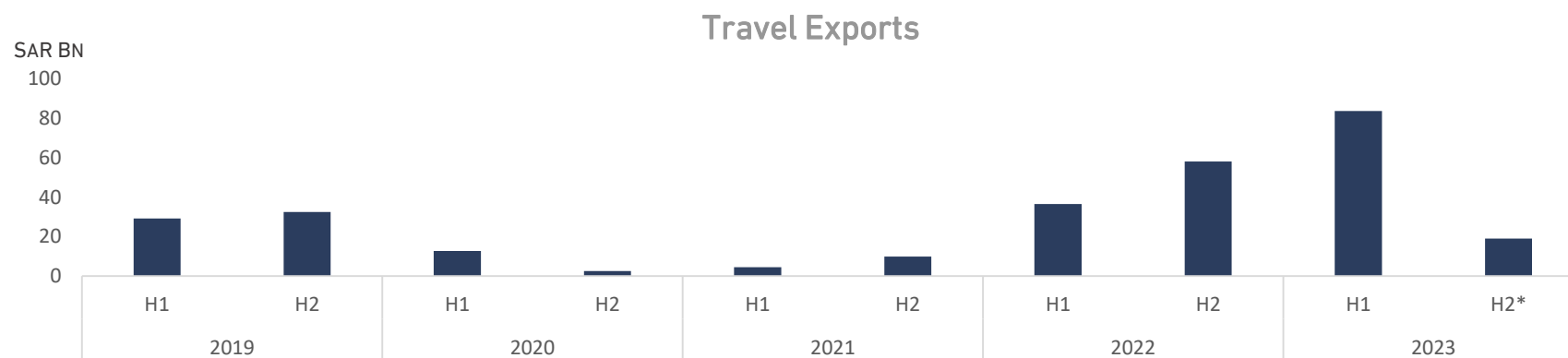
## Exports by Sectors

Figure 28



- **Export Services** were mainly concentrated in the travel and transport sectors which recorded SAR 58 billion and SAR 13 billion respectively in H2\* 2023.

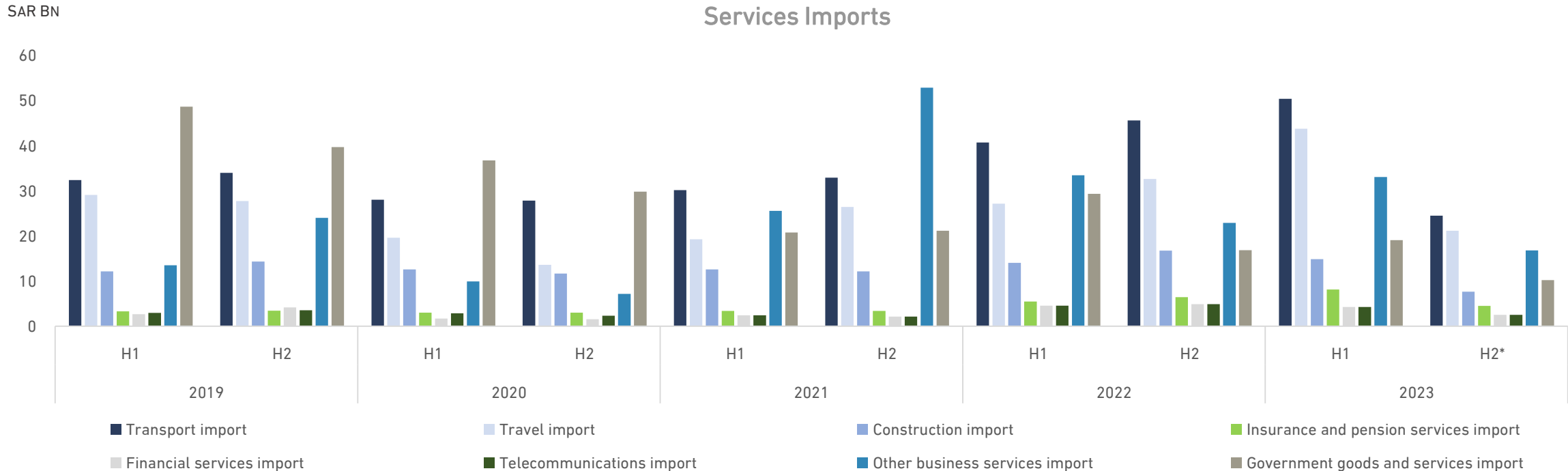
Figure 29



Source: SAMA  
\*H2 data represents the Q3 2023

## Imports Services

Figure 30



- **Import Services** in H2 2023\* were mainly transport and travel sectors, reaching SAR 24.5 billion and SAR 21.1 billion respectively.

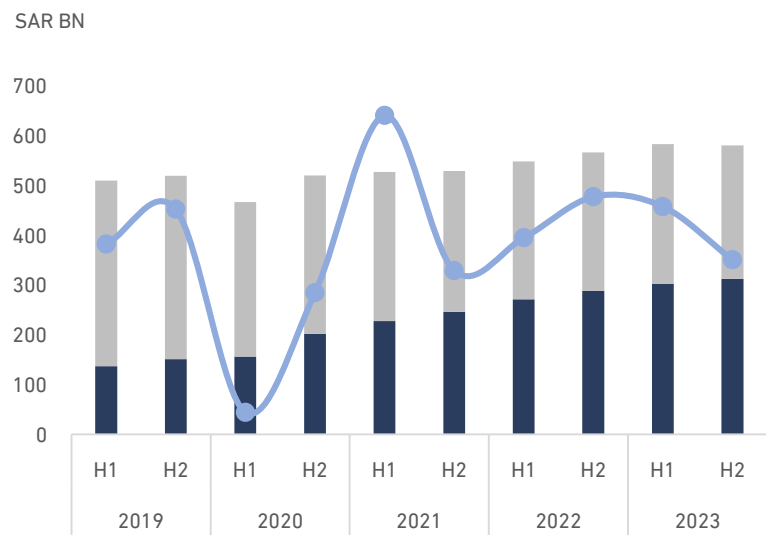


# Price Indicators

# Consumption Indicators

## Consumption Indicators

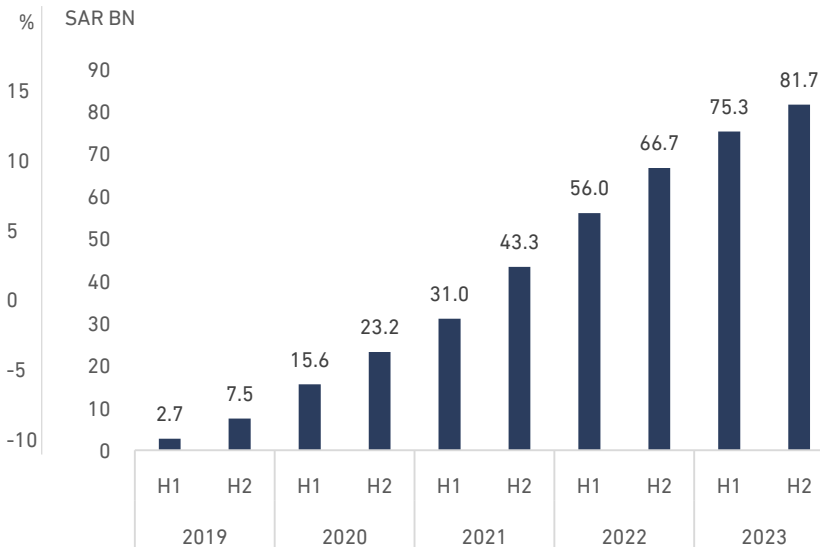
Figure 31



■ Cash Withdrawals (Left axis)  
■ PoS (Left axis)  
● Growth rate of consumption indicators (Right axis)

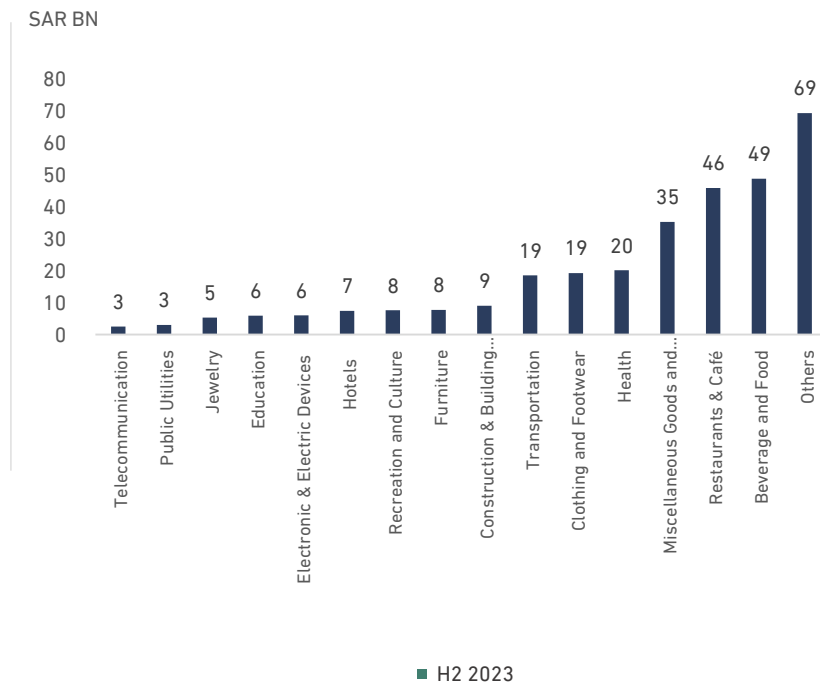
## E-Commerce Transactions

Figure 32



## Points of Sale Transactions by Sectors

Figure 33



- **Consumption indicators** increased by 2.5% YoY in H2 2023. The PoS transactions by sector show that beverage and food, and restaurants & café recorded the highest growth rates in H2 2023.
- **E-commerce transactions using MADA Cards** grew to reach SAR 81.7 billion in H2 2023.



Points of Sale

↑ 8.4%

YoY in H2 2023



Cash Withdrawals

↓ -3.6%

YoY in H2 2023

# Price Indicators

## Consumer Price Index (CPI)

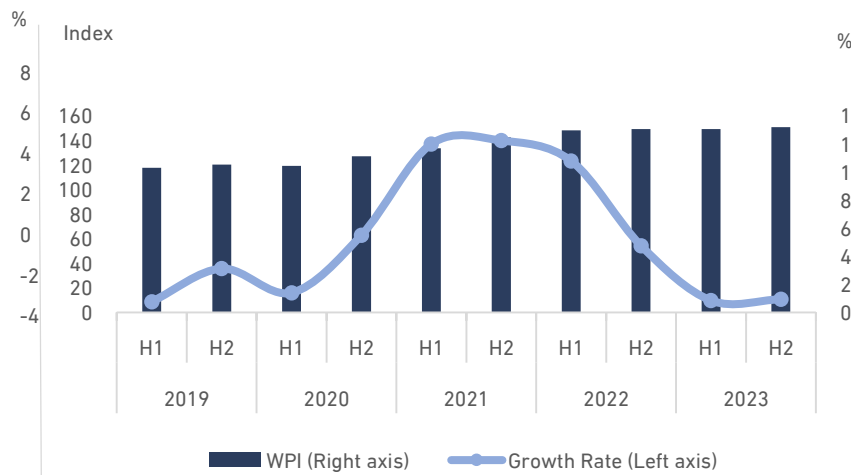
Figure 34



Source: GASTAT

## Wholesale Price Index (WPI)

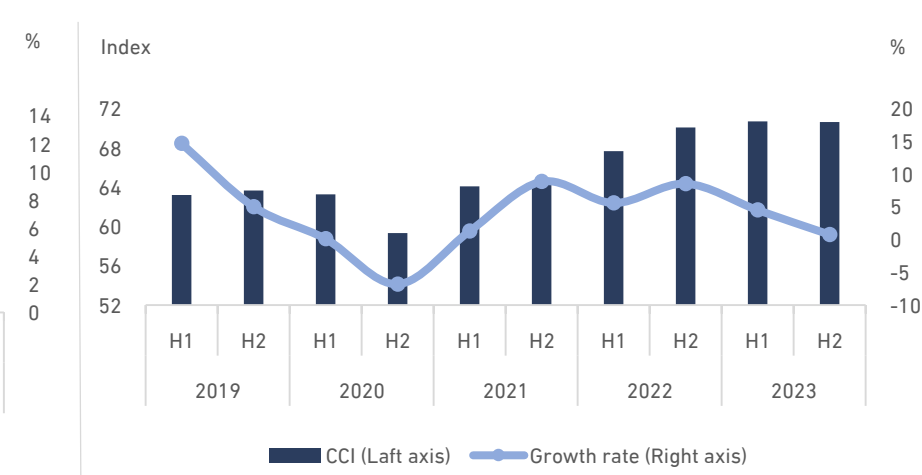
Figure 35



Source: GASTAT

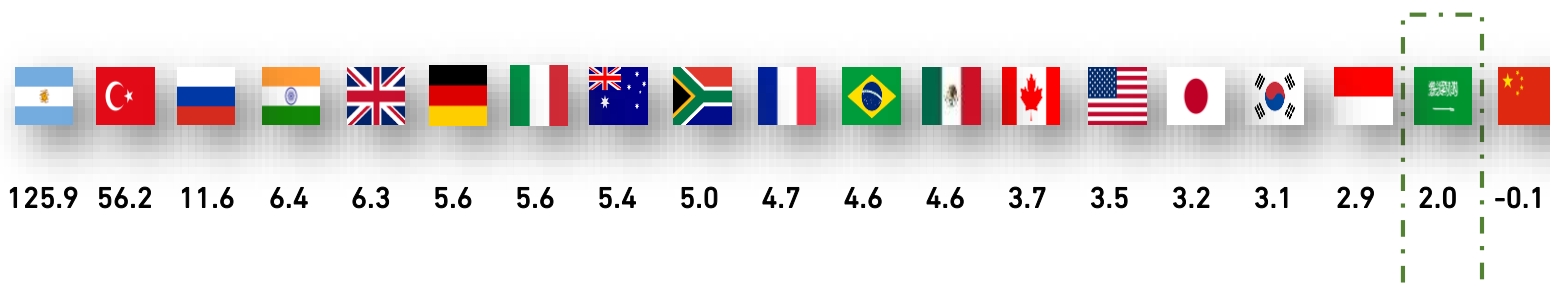
## Consumer Confidence Index (CCI)

Figure 36



Source: IPSOS

## Inflation in the G20 countries - Q3 2023



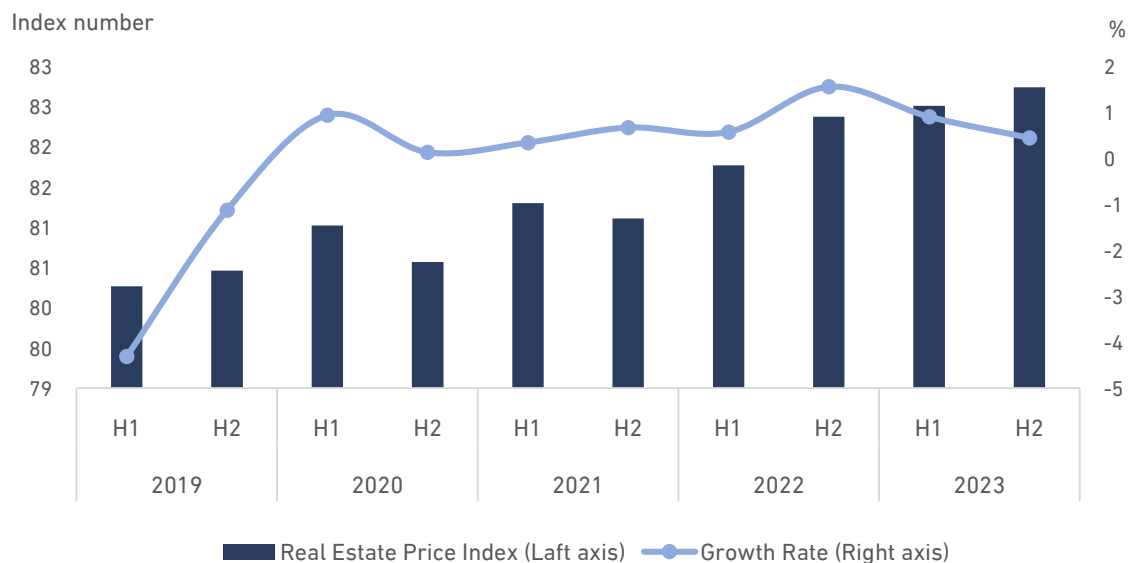
Source: OECD

- In H2 2023, the **Consumer Price Index (CPI)** decreased by 1.8% compared to 3.0% in H2 2022, driven by a decline in the prices of clothing & footwear and furnishings, household equipment & maintenance by 4.0% and 2.9%, respectively.

# Real Estate Indicators

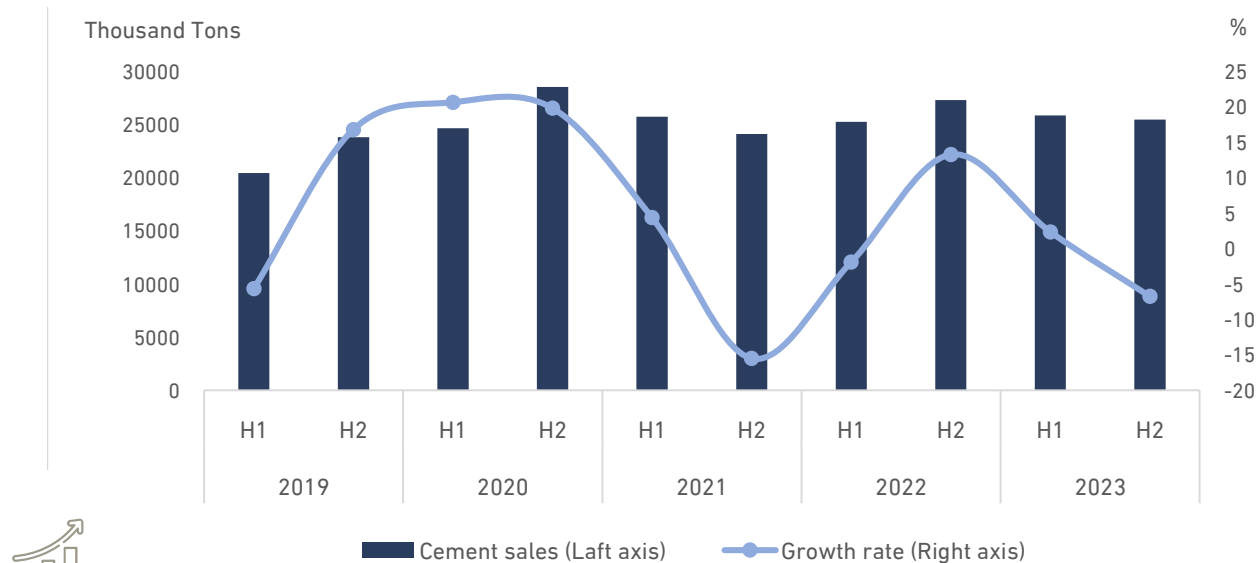
## Real Estate Price Index (REPI)

Figure 37



## Cement Sales

Figure 38



- REPI increased by **0.4% YoY** in H2 2023, due to an increase of **0.9%** in residential real estate prices.
- **Cement sales** decreased by **6.7% YoY** in H2 2023, which might be related to the use of modern technologies in construction and lower demand for cement.



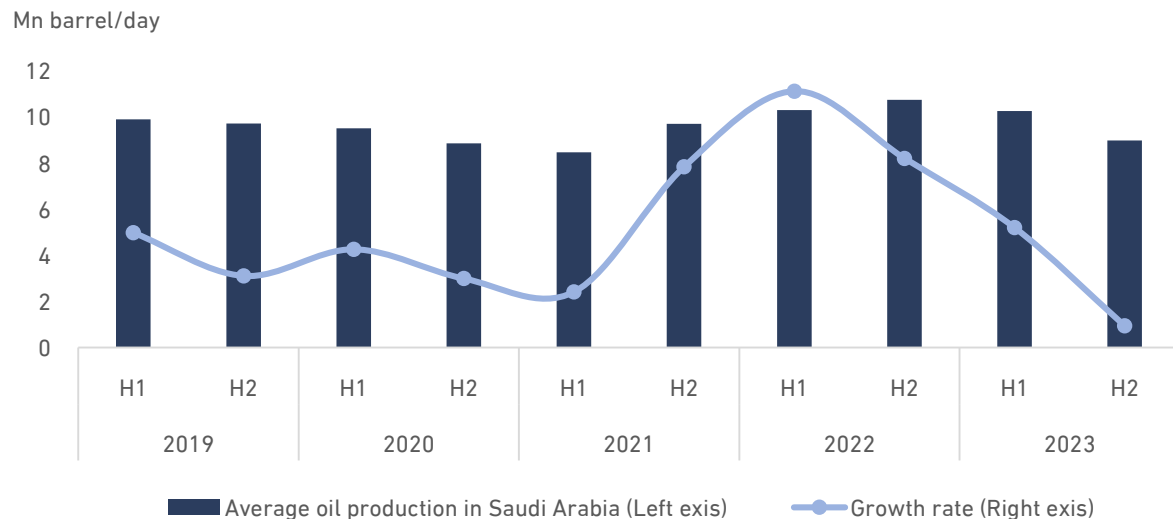


# Energy and Commodity Markets

# Energy Markets

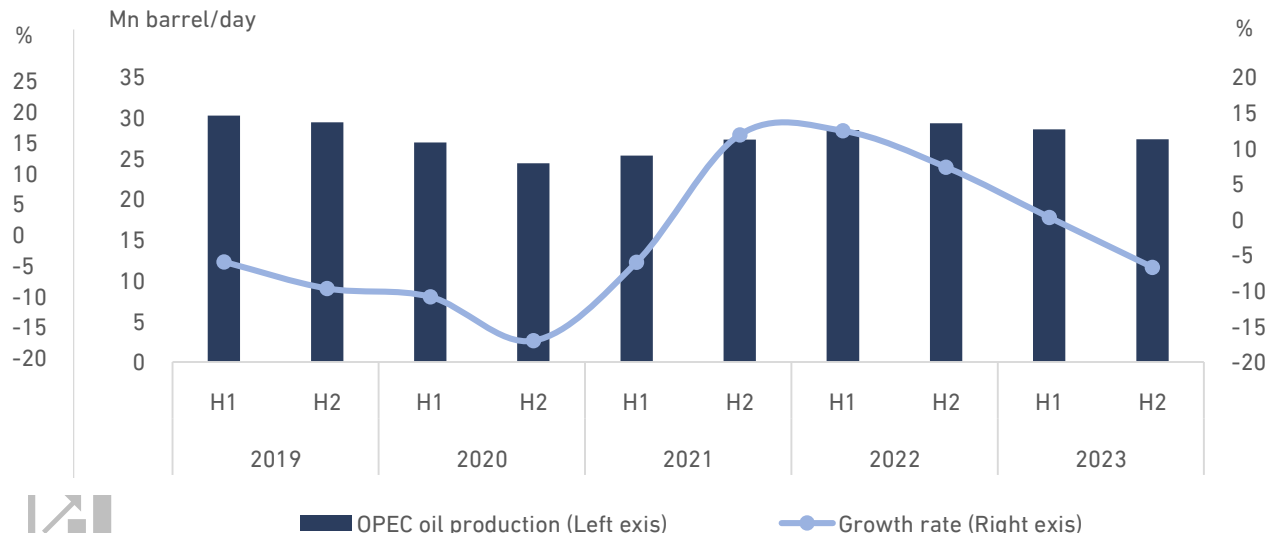
## Saudi Arabia Oil Production

Figure 39



## OPEC Oil Production

Figure 40



- **Saudi Arabia's average oil production** decreased by 16.5% YoY in H2 2023, as the average total production reached 9.0 million barrels per day due to the continued voluntary cut in the same period.
- **OPEC's average oil production** also decreased by 6.7% YoY in H2 2023, reaching an average total production of 27.3 million barrels per day, where Saudi Arabia's production represents 32.9% of total OPEC production.

Oil production  
(Saudi Arabia)

↓ -16.5%  
YoY in H2 2023

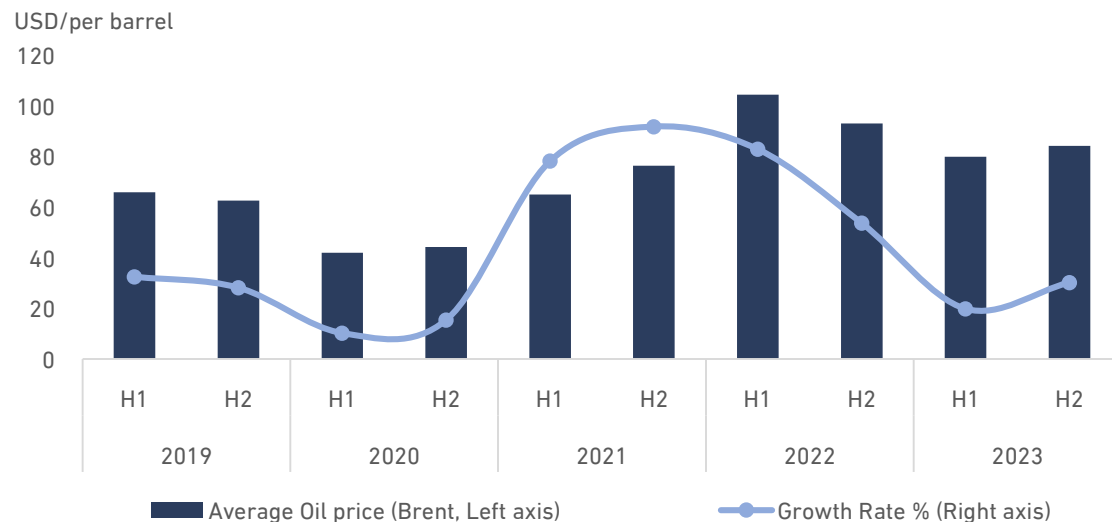
Oil production  
(OPEC)

↓ -6.7%  
YoY in H2 2023

# Energy Markets

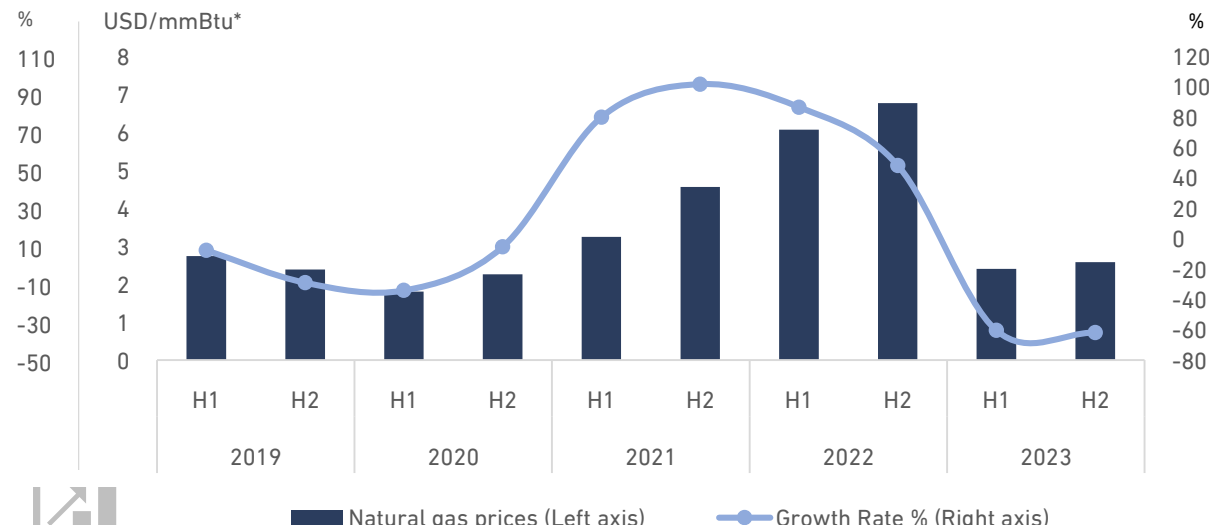
## Average Oil Prices (Brent)

Figure 41



## Natural Gas Prices

Figure 42



- **Average Oil prices (Brent)** decreased by 9.5% YoY in H2 2023, reaching an average price of \$84.3 per barrel, due to an increased global supply of oil in non-OPEC+ countries.
- **Natural Gas prices** also decreased by 61.8% YoY in H2 2023, reaching an average price of \$2.6, which might be due to prices returning to normal levels and the relative stability of markets following the global geopolitical tensions, which led to an unprecedented increase in the prices of some commodities.

### Oil Prices

↓ -9.5%

YoY in H2 2023

### Natural Gas Prices

↓ -61.8%

YoY in H2 2023

# Commodity Prices

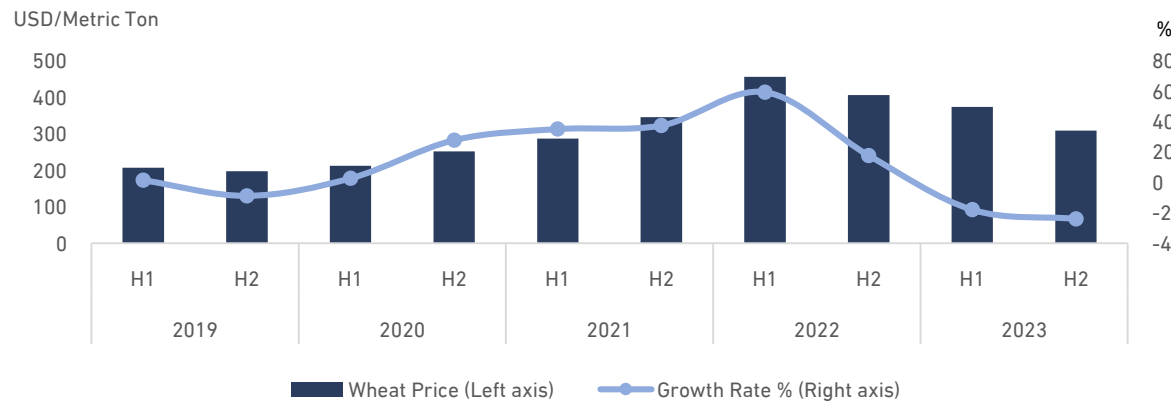
**Gold Price**  
Figure 43



**Iron Ore Price**  
Figure 44



**Wheat Price**  
Figure 45



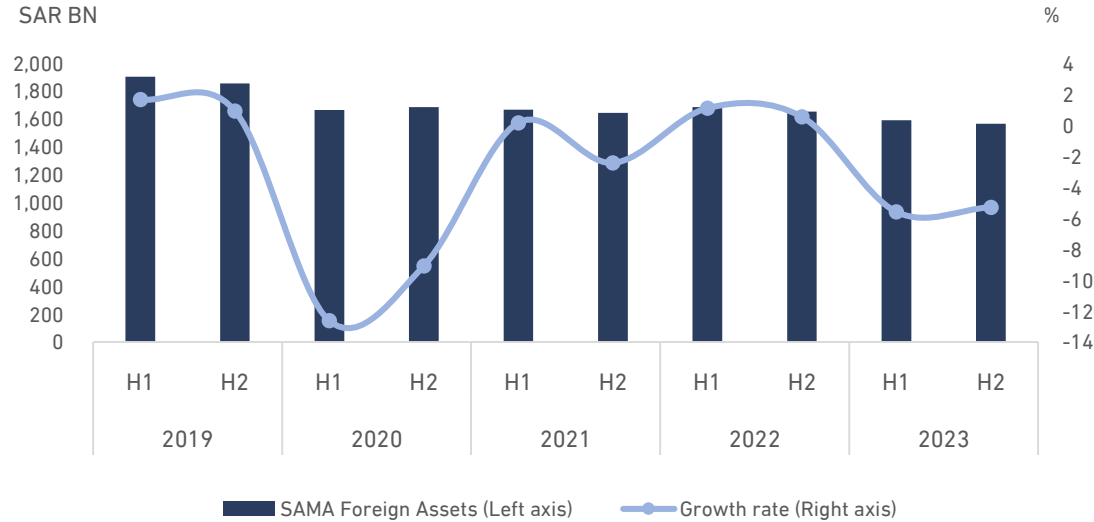
**Rice Price**  
Figure 46



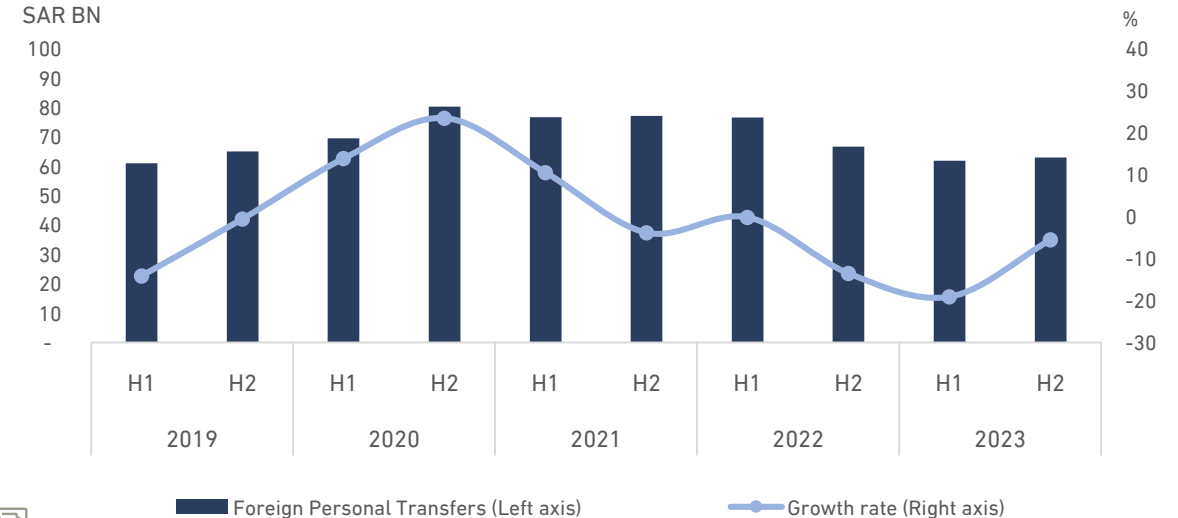
Source: IndexMundi, YCharts  
\*H2 2023 data until November 2023

# Monetary and Financial Indicators

**SAMA Foreign Assets**  
Figure 47



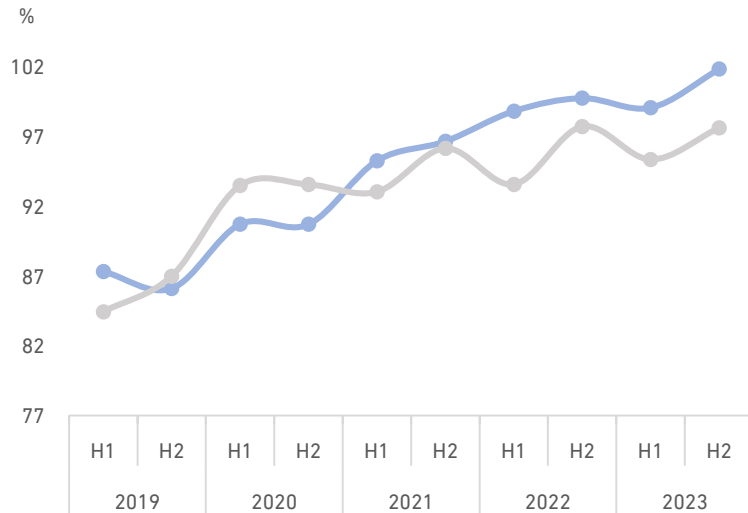
**Foreign Personal Transfers**  
Figure 48



- **Foreign Assets** recorded a decrease of 5.3% YoY in H2 2023, which might be due to the financing of investments and giga projects.
- **Foreign Personal Transfers** decreased by 5.5% YoY in H2 2023, due to a corrective period for anti-concealment law, and the strong infrastructure of the Saudi Central Bank to monitor and report suspicious transactions, in addition to the Saudization of several professions in several sectors.

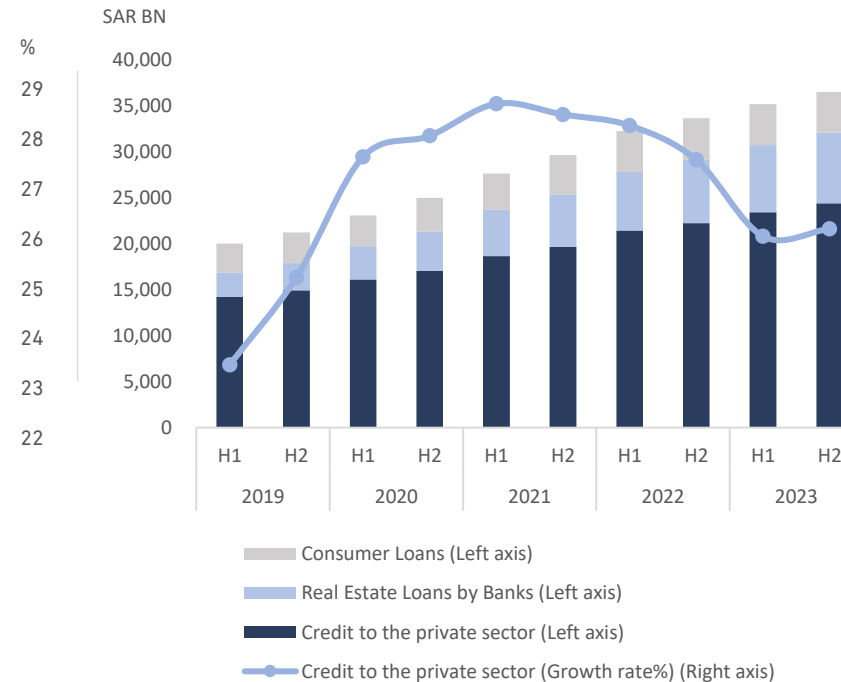
## Loan-to-Deposit Ratio

Figure 49



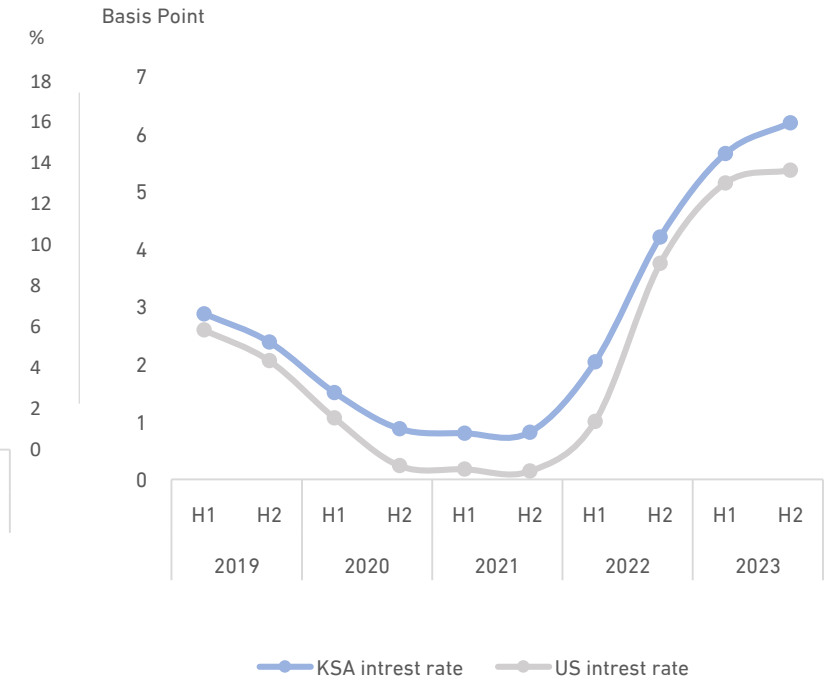
## Private Credit

Figure 50



## Interest Rate 3-Month SIBOR

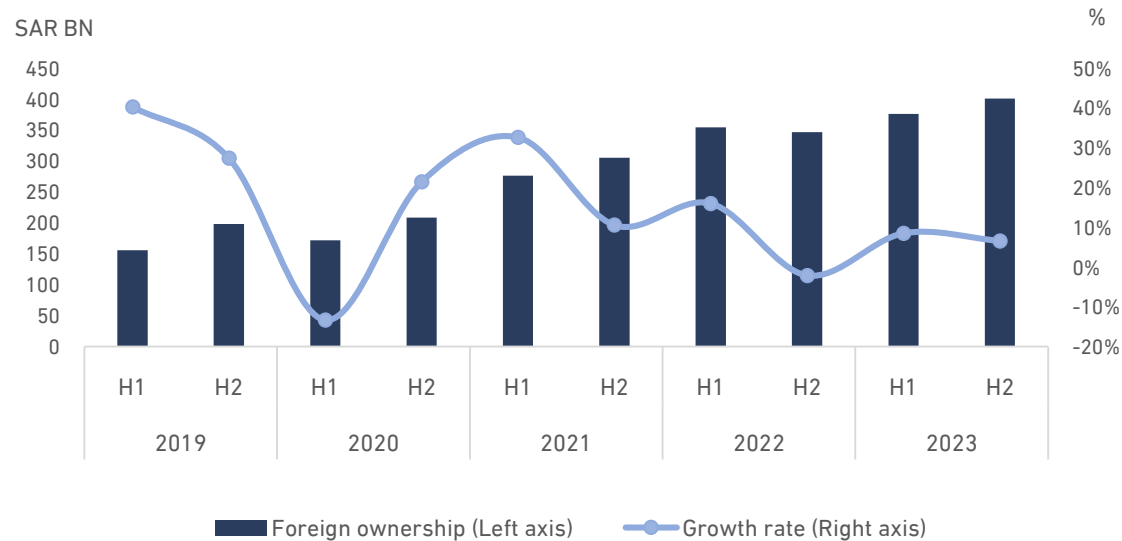
Figure 51



- SAMA raised interest rates** for the Repo and the Reverse Repo by 25 basis points in H2 2023 compared to the previous half, recording 6.0% and 5.5%, respectively, in the same period in response to global developments and following the US Federal Reserve decisions to counter inflation and maintain monetary stability. Despite the rapid rise in interest rates, the volume of bank credit granted to the private sector grew by 9.7% YoY in H2 2023 and by 4.1% compared to the previous half, giving the robustness of the Saudi economy and its continuous recovery against global challenges.

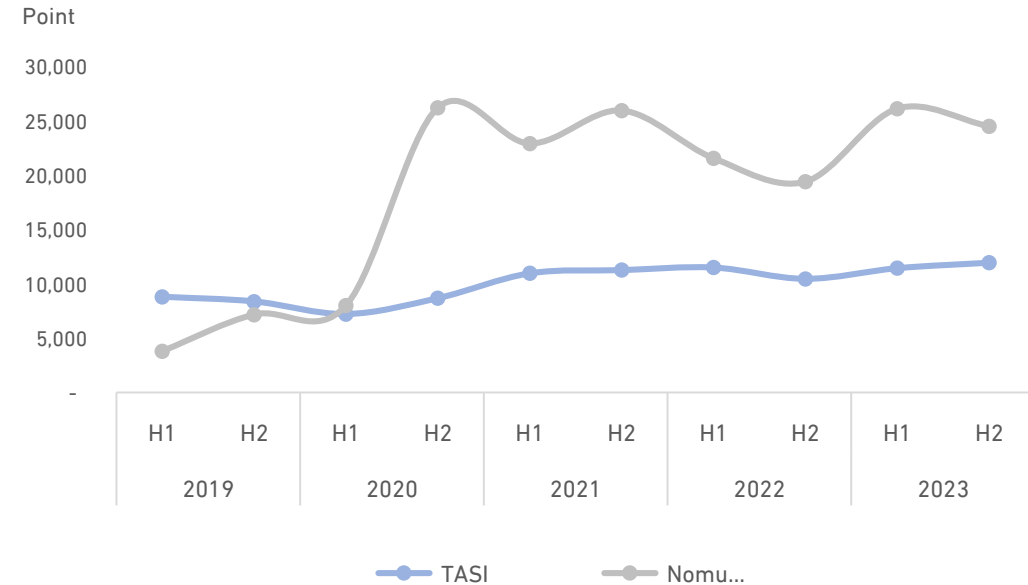
## Ownership of Foreign Investors in the Stock Market

Figure 52



## TASI & NOMU Indices

Figure 53



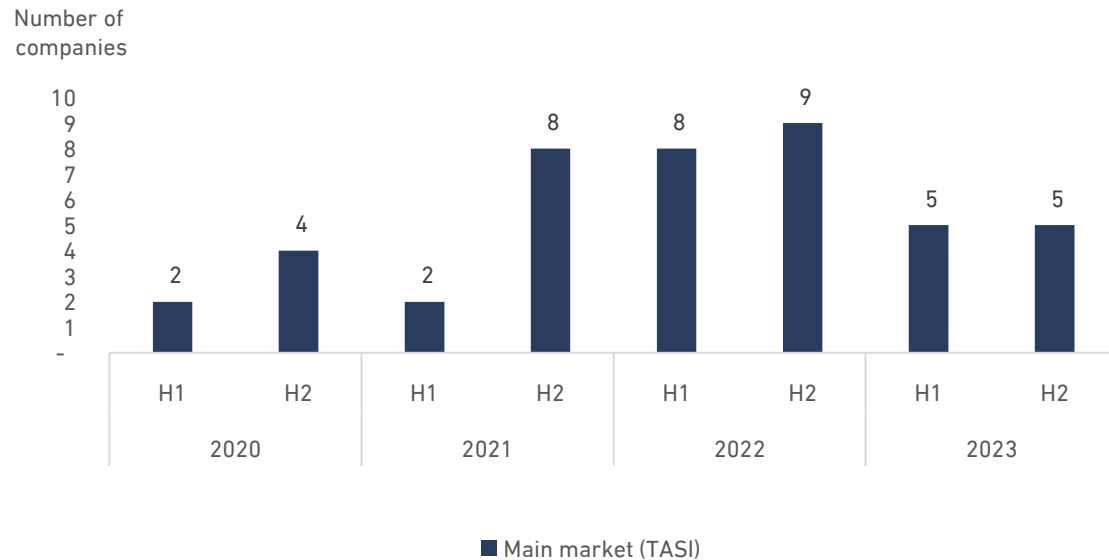
### Capital Market Performance during H2 2023:

- **Foreign Investors' Ownership in the Capital Market** recorded an increase of 6.6% compared to H1 2023.
- **Tadawul All Share Index (TASI)** closed at 11,967 points, an increase of 4.4% compared to H1 2023.
- **Parallel Market Index (NOMU)** closed at 24,529 points, a decrease of 6.2% compared to H1 2023.



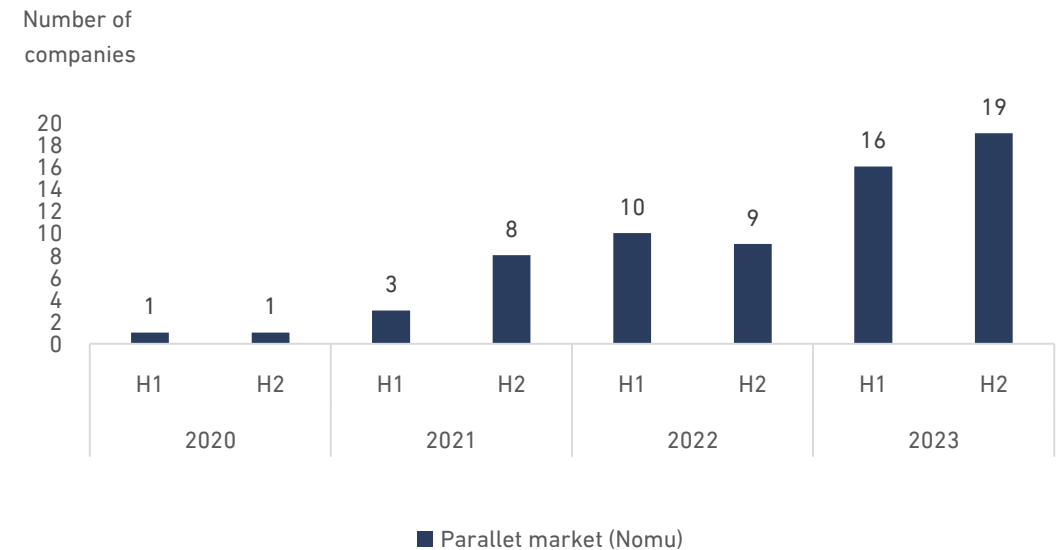
## Number of Newly Listed Companies in Saudi Capital Market (Tadawul)

Figure 54



## Number of Newly Listed Companies (NOMU)\*

Figure 55



### Growth Rate of Newly Listed Companies (NOMU)\*

↑ 18.7%

YoY in H2 2023



\*Number of newly listed companies in NOMU includes new companies listed (direct listing)  
Source: Saudi Exchange (Tadawul)

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