

# Key Economic Developments

Fourth Quarter 2024



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# Executive Summary

The IMF's World Economic Outlook (January 2025) reflects stability in global economic growth projections, despite ongoing uncertainty regarding monetary policies, in addition to the impact of geopolitics and trade disruptions on the global economy. Meanwhile, global inflation is expected to continue declining to 4.2% in 2025 and 3.5% in 2026.

Domestically, Saudi Arabia's efforts towards economic development have contributed to the expansion of non-oil activities by 4.7% YoY in real terms, in addition to the growth in oil activities by 3.4% YoY, according to the preliminary Q4 2024 data. Furthermore, the average consumer price index (CPI) recorded a YoY increase of 1.9% in Q4 2024, driven by an increase in the housing, water, electricity, gas and other fuels segment. As for the labor market, the unemployment rate for Saudis reached 7.8% during Q3 2024.

In Q4 2024, total actual budget revenues recorded a YoY decrease of 15.4%, whereas total actual budget expenditures decreased by 8.7% YoY.

On external trade, exports decreased by 7.7% YoY to around ₩ 276.5 billion in Q3 2024 due to a decline of nearly 14.9% in oil exports and a rise of nearly 7.6% in non-oil exports. On the other hand, imports increased by 11.4% YoY to around ₩ 217.3 billion.

As for monetary and banking developments, money supply (M3), consisting of cash in circulation outside banks and total deposits in banks, continued its positive growth in Q4 2024, growing by 8.8% YoY to ₩ 2,921.5 billion. Moreover, bank credit increased by 14.4% YoY to ₩ 2,955.6 billion.

Tadawul All Share Index (TASI) increased by around 0.6 percent YoY to 12,036.5 points at the end of Q4 2024. The finance sector witnessed positive growth due to a rise of 13.6% in the total credit offered by finance companies in Q4 2024.

As part of SAMA's efforts in developing the financial sector, providing the best financial products and services, and improving the banking experience, Q4 2024 witnessed several developments, including licensing a number of companies and issuing the "Compliance Principles" and "Internal Audit Principles" for Finance Companies and Real Estate Refinance Companies.

# Key Economic Indicators:

## Economic Projections

2025	GDP Growth Projections (World Economic Outlook)	2026	2025	GDP Growth Projections (Saudi Economic Outlook)	2026
↑ 3.3%	3.3% ↑	↑ 3.3%	4.1% ↑		

Source: International Monetary Fund (IMF), January 2025.

## Real Sector

QoQ Growth (Seasonal Adjustments)	Real GDP	YoY Growth	QoQ Growth (Seasonal Adjustments)	Non-Oil Activities	YoY Growth
↑ 0.5%	4.5% ↑	↑ 1.6%	4.7% ↑		
Source: General Authority for Statistics (GASTAT), Q4 2024.			Source: General Authority for Statistics (GASTAT), Q4 2024.		
QoQ Change	Consumer Price Index (CPI)	YoY Change	Q4 2023 (Percentage point)	Purchasing Managers' Index (PMI)	Q4 2024 (Percentage point)
↑ 0.6%	1.9% ↑	57.8	57.8	58.1	58.1
Source: General Authority for Statistics (GASTAT), Q4 2024.			Source: Riyad Bank, Q4 2024.		
QoQ Growth	Industrial Production Index	YoY Growth	QoQ Change (Percentage point)	Saudi Unemployment Rate	YoY Change (Percentage point)
↓ 1.3%	2.9% ↑	↑ 0.7	↑ 0.7	7.8%	1.0 ↓
Source: General Authority for Statistics (GASTAT), Q4 2024.			Source: General Authority for Statistics (GASTAT), Q3 2024.		

## Public Sector

Revenues (YoY Growth)	Public Finance	Expenditure (YoY Growth)	Domestic Debt (YoY Growth)	Public Debt	External Debt (YoY Growth)
↓ 15.4%	8.7% ↓	↑ 14.6%	17.7% ↑		

Source: Ministry of Finance (MoF), Q4 2024.

Source: Ministry of Finance (MoF), Q4 2024.

## Monetary and Banking Sector

QoQ Growth	Money Supply (M3)	YoY Growth	QoQ Growth	Bank Deposits	YoY Growth
↓ 0.8%	8.8% ↑	↓ 1.0%	8.9% ↑		

Source: Saudi Central Bank (SAMA), Q4 2024.

Source: Saudi Central Bank (SAMA), Q4 2024.

## Financial Sector

QoQ Growth	The Tadawul All Share Index (TASI)	YoY Growth	QoQ Growth	Credit Offered by Finance Companies	YoY Growth
↓ 1.6%	0.6% ↑	↑ 3.5%	13.6% ↑		

Source: Tadawul, Q4 2024.

Source: Saudi Central Bank (SAMA), Q4 2024.

# Section 1: Key Economic Developments

## 1-1 Global Economic Developments and Outlook

According to its World Economic Outlook Report (WEO), January 2025, the IMF projects that global economic growth will remain stable despite performance variation across countries amid ongoing uncertainty regarding monetary policies, in addition to the impact of geopolitics and trade disruptions on the global economy. The forecast for 2025 is broadly unchanged from that in the October 2024 report, as projections indicate that the global economy will grow by 3.3% in 2025, slightly higher by 0.1 percentage point compared to the October 2024 report projections. The global economy is also projected to grow by around 3.3% in 2026, unchanged from that in the previous report. This is due to upward revisions for the United States, offsetting downward revisions for other major economies (Chart 1).

The projections indicate that advanced economies will grow by 1.9% in 2025, higher by 0.1 percentage point compared to the October 2024 report projections, and by 1.8% in 2026, unchanged from the previous report. Global growth in 2025 will be led by the US economy, which is expected to grow at 2.7%. In contrast, emerging market and developing economies (EMDEs) are projected to grow by 4.2% in 2025, unchanged from the previous report, and by 4.3% in 2026, higher by 0.1 percentage point than that in the previous report (Chart 2).



## 1-2 Global Inflation

The IMF's projections (WEO - January 2025) indicate slower growth in global headline inflation during 2025 and 2026 than in 2024. Global headline inflation is expected to record about 4.2% in 2025 and about 3.5% in 2026 after recording 5.7% in 2024. Although commodity price inflation has slowed, service price inflation remains above its pre-COVID-19 average in many economies, particularly the United States and the euro area. However, inflation is expected to converge to targets in advanced economies sooner than in EMDEs (Table 1).

**Table 1: Inflation Rate for Economies**

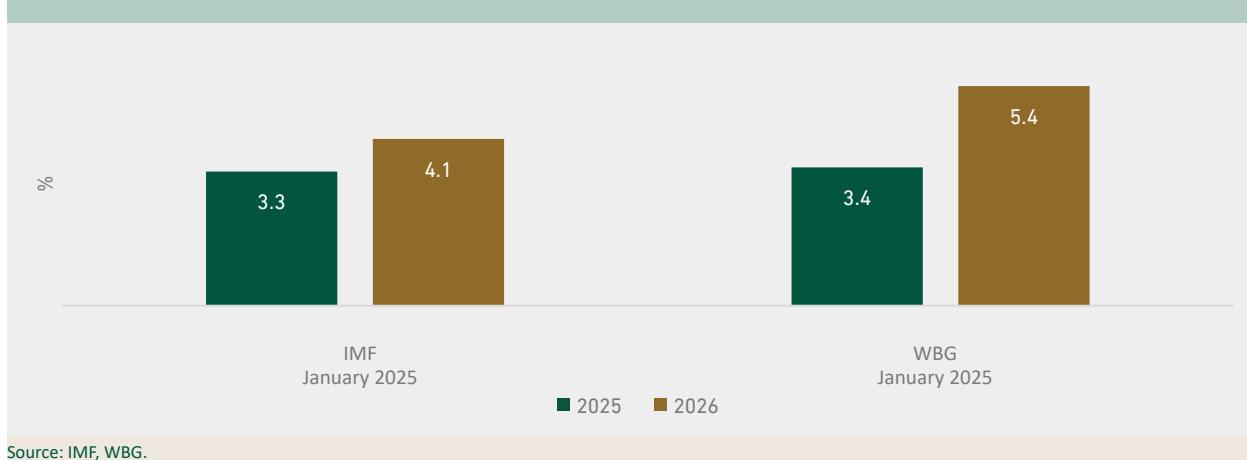
Inflation rate %	2024	2025*	2026*
Global Economy	5.7	4.2	3.5
Advanced economies	2.6	2.1	2.0
Emerging markets and developing economies (EMDEs)	7.8	5.6	4.5

\*Projections.

Source: International Monetary Fund (IMF), January 2025.

### 1-3 Saudi Economic Outlook

According to the IMF's projections, the Saudi economy will grow by nearly 3.3% in 2025, down by 1.3 percentage points compared to the October 2024 report, as a result of the voluntary reduction in oil production. The year 2026 is projected to grow by 4.1%, down by 0.3 percentage points compared to the previous report projections. Moreover, the World Bank projects the Saudi economy to grow by 3.4% in 2025 and by around 5.4% in 2026 (Chart 3).

**Chart 3: Growth Projections for Saudi Economy**

## Section 2: Saudi Economic Performance

### 2-1 Real Sector and Indices

#### Real GDP

Preliminary data issued by GASTAT for Q4 2024 indicate that **real GDP** recorded a YoY increase of 4.5%. This growth was attributed to an increase of 3.4% in oil activities. Meanwhile, non-oil activities increased by 4.7% and government services activities by 2.2% on a YoY basis (Chart 4).

Looking at GDP data by main economic activities for Q4 2024, **oil activities** recorded an increase of 3.4% YoY, while declining by 1.5% QoQ on a seasonally adjusted basis. This is attributed to the voluntary cut in crude oil production based on the agreement with OPEC+ member countries, which came into effect in July 2023.

Regarding **oil developments**, Saudi Arabia's average crude oil production in Q4 2024 recorded a QoQ decrease of 0.4%, bringing the average production to around 8.9 million bpd, while it recorded a YoY increase of 0.4%. Arab Light's average price in Q4 2024 fell by 14.3% YoY and by 6.9% QoQ, bringing the average price to USD 75.0 per barrel (Chart 5).

In contrast, **non-oil activities** continued to expand and grow in Q4 2024, increasing by 4.7% YoY and by 1.6% (seasonal adjustments) QoQ. This growth is attributed to the ongoing implementation of Vision 2030 Realization Programs, regional and sectoral strategies, and mega projects.

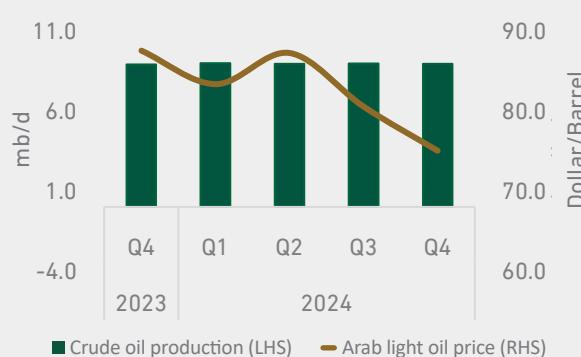
**Government activities** increased by 2.2% YoY and by 0.6% (seasonal adjustments) QoQ in Q4 2024.

**Chart 4: Real GDP Growth by Main Economic Activities (YoY)**



Source: General Authority for Statistics (GaStat).

**Chart 5: Saudi Arabia's Production of Crude Oil and Price of Arab Light Oil**



Source: OPEC.

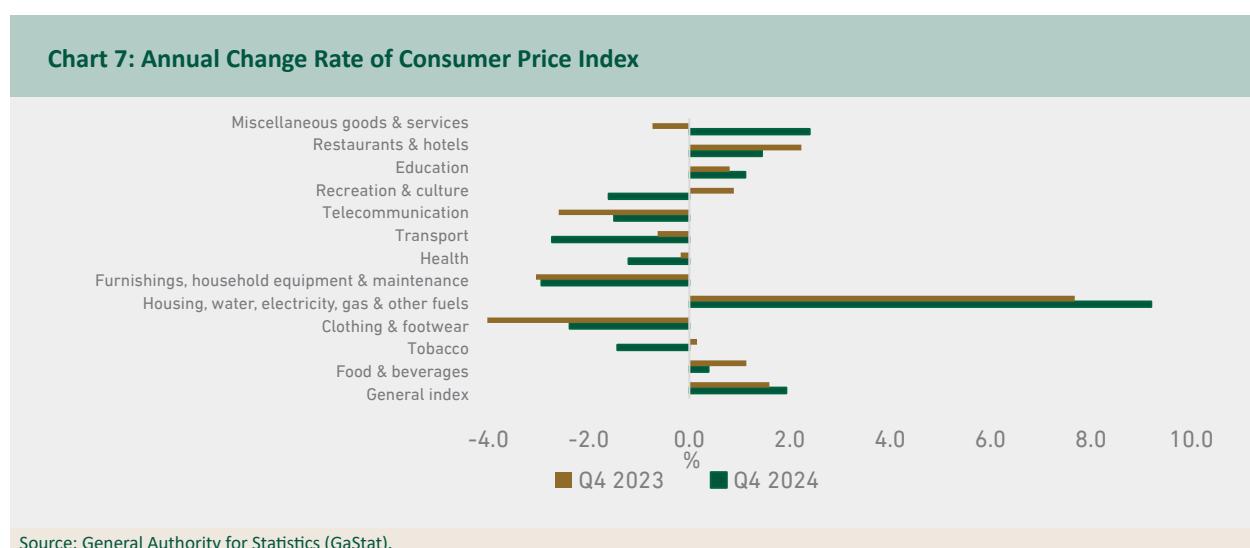
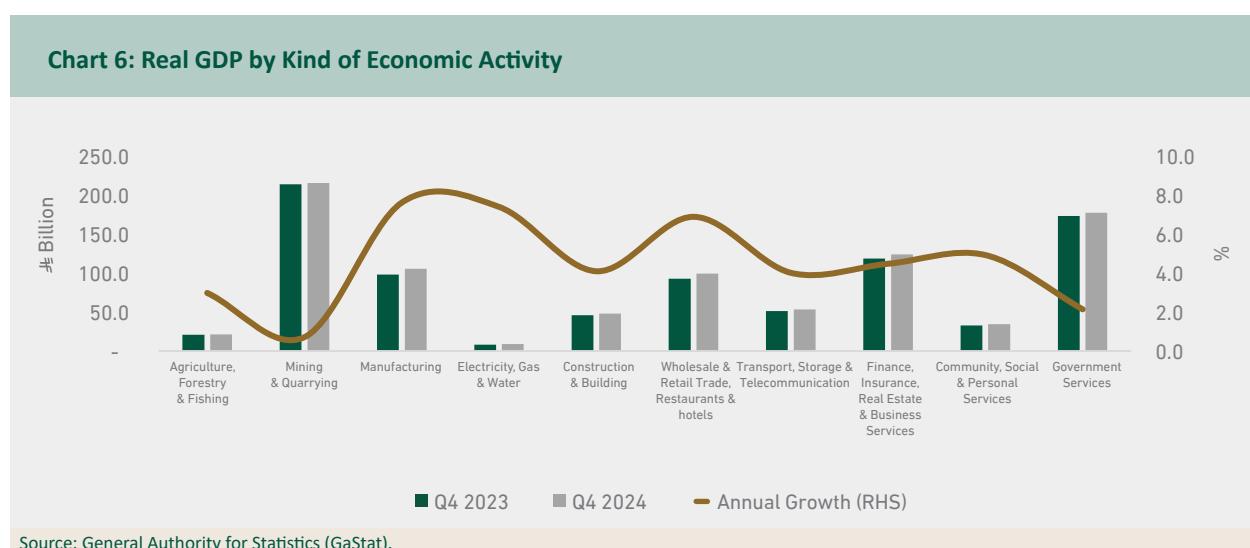
## Gross Domestic Product by Economic Sector

All the main economic activities recorded a YoY growth in Q4 2024, driven by a YoY increase of 7.6% in manufacturing. Also, electricity, gas and water increased by 7.4% YoY, wholesale and retail trade, restaurants and hotels increased by 6.9% YoY (Chart 6).

## Consumer Price Index

The Consumer Price Index (CPI) witnessed a YoY increase of 1.9% and a QoQ increase of 0.6% in Q4 2024. Housing, water, electricity, gas and other fuels registered the highest YoY growth among the main segments, rising by 9.2%; followed by miscellaneous goods and services segment with 2.4%; restaurants and hotels with 1.4%; education with 1.1%; and food and beverages with 0.4%.

In contrast, furnishings, household equipment and maintenance registered the highest YoY decrease of 2.9% in Q4 2024; followed by transport with 2.7%; clothing and footwear with 2.4%; recreation and culture with 1.6%; communications with 1.5%; tobacco with 1.4%; and health with 1.2% (Chart 7).



## Private Consumption Index

Data of the private consumption index consisting of point-of-sale (POS) transactions, cash withdrawals, and e-commerce transactions using mada cards indicate that consumption increased by around 3.1% QoQ and 8.6% YoY in Q4 2024. E-commerce transactions using mada cards and POS transactions recorded YoY increases of 36.1% and 8.6%, respectively. Cash withdrawals also increased by 0.4% YoY (Chart 8).

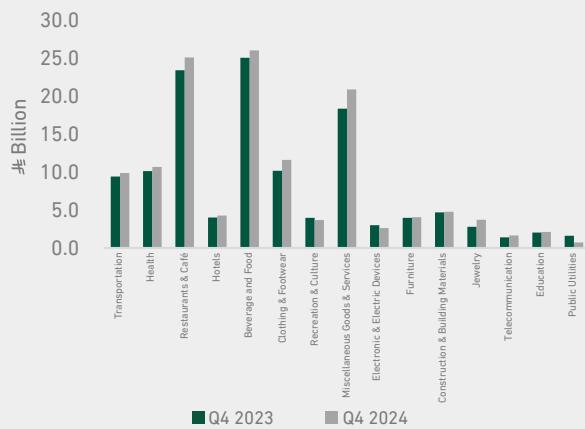
Data of POS transactions by sector in Q4 2024 indicate growth in a number of sectors. Jewelry; communications; and clothing and footwear recorded the highest growth rates of about 34.6%, 18.6% and 14.3% YoY, respectively. In contrast, public utilities; electronics and electrical appliances; and recreation and culture registered YoY decreases of 55.4%, 12.3% and 6.8%, respectively (Chart 9).

**Chart 8: Private Consumption Index**



Source: Saudi Central Bank (SAMA).

**Chart 9: Points of Sale Transactions by Sectors**



Source: Saudi Central Bank (SAMA).

## Purchasing Managers' Index

The average Purchasing Managers' Index (PMI) recorded about 58.1 points in Q4 2024. The economic activity of the non-oil private sector continued expanding by the end of Q4 2024. This is attributable to improved operating conditions and a rapid increase in new orders, especially during December 2024, thus improving business activity and inventory levels, together with the role of foreign market in enhancing sales momentum (chart 10).

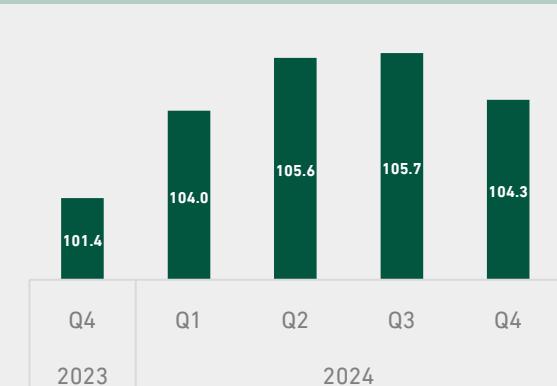
## Industrial Production Index

The Industrial Production Index (IPI) rose by 2.9% YoY in Q4 2024, driven by an increase of 2.9% YoY in oil activities, which account for 75.0% of the IPI. The rise in oil activities was due to an increase in the production of coke and refined oil products by 15.9% YoY. Non-oil activities, which represent 25% of the IPI, recorded an increase by 2.8% YoY. As for non-oil sub-segment, water, sewerage and waste management and remediation recorded a rise of 6.5% YoY; manufacturing recorded a rise of 2.9% YoY; and electricity, gas, steam and air-conditioning supplies by 1.2% YoY (Chart 11).

**Chart 10: Purchasing Managers` Index\***

\*Above 50.0 indicates an expansion.

Source: Riyadh Bank.

**Chart 11: Industrial Production Index\***

\*Preliminary Data.

Source: General Authority for Statistics (GaStat).

## Labor Market

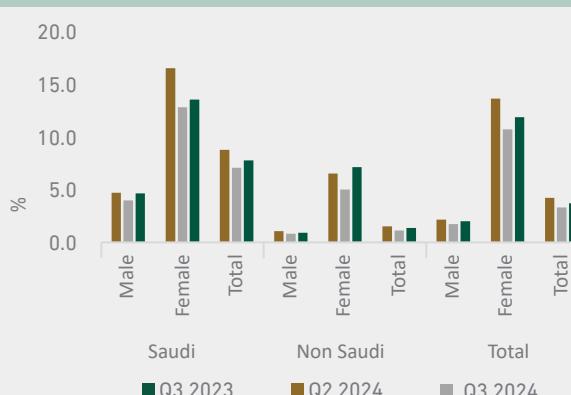
Total unemployment rate in Q3 2024 stood at 3.7%, declining by 0.5 percentage point compared to Q3 2023. The unemployment rate among Saudis reached 7.8%, marking a YoY decrease of 1.0 percentage point, due to a decline of 3.0 percentage points YoY in the female unemployment rate to 13.6%. The male unemployment rate also decreased by 0.1 percentage point YoY to 4.7% (Chart 12).

## 2-2 Public Sector

### Public Finance

Total actual budget revenues decreased by 15.4% YoY to ₩ 302.9 billion in Q4 2024, with oil revenues accounting for 56.4% (₩ 170.8 billion) of total revenues. On the other hand, non-oil revenues stood at ₩ 132.0 billion, with taxes on goods and services constituting the largest share of 56.7% of total non-oil revenues.

Total actual budget expenditures decreased by 8.7% YoY to ₩ 360.5 billion in Q4 2024. Current expenses accounted for 88.1% (₩ 317.5 billion) of total expenditures, and employee compensation constituted the largest share of 46.1% of current expenses. In contrast, capital expenditure amounted to ₩ 43.1 billion, constituting 11.9% of total expenditures. As such, the state budget posted a deficit of ₩ 57.7 billion in Q4 2024 (Chart 13).

**Chart 12: Unemployment Rates**

Source: General Authority for Statistics (GaStat).

**Chart 13: Total Revenues and Expenses**

Source: Ministry of Finance (MoF).

## Public Debt

Public debt increased by 15.8% YoY to ₩ 1,215.9 billion in Q4 2024, with domestic debt rising by 14.6% YoY to ₩ 738.3 billion (accounting for 60.7% of total public debt). On the other hand, external debt increased by 17.7% YoY to ₩ 477.7 billion (39.3% of total public debt) (Chart 14).

## 2-3 External Sector

### External Trade

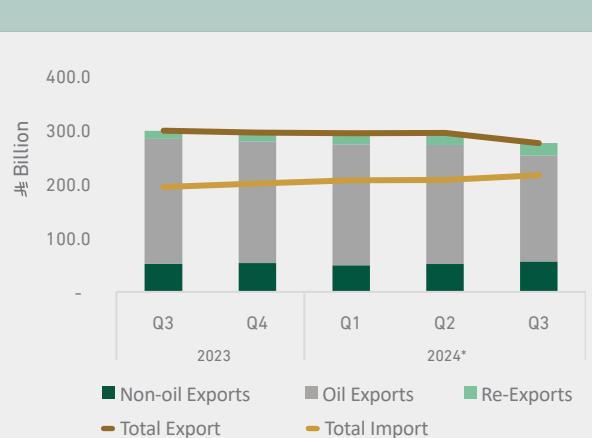
Exports fell by 7.7% YoY to around ₩ 276.5 billion in Q3 2024 due to a decline of nearly 14.9% in oil exports to ₩ 197.0 billion. However, non-oil exports (not including re-exports) increased by about 7.6% to ₩ 56.8 billion. Oil exports constituted 71.3% of total exports, while non-oil exports (not including re-exports) constituted 20.5% of total exports. Moreover, imports increased by 11.4% YoY to around ₩ 217.3 billion in Q3 2024. Similarly, re-exports increased by 48.4% YoY, reaching ₩ 22.7 billion (Chart 15).

**Chart 14: Total Outstanding Public Debt**



Source: Ministry of Finance (MoF).

**Chart 15: External Trade**



\*Preliminary Data.

Source: General Authority for Statistics (GaStat).

## Balance of Payments

### Current Account

Estimated data indicate a deficit of ₩ 33.0 billion in the current account balance in Q3 2024 compared to a surplus of ₩ 18.6 billion in Q3 2023. This is attributed to a decline in the balance of goods and services to ₩ 13.0 billion compared to a surplus of ₩ 55.9 billion in Q3 2023. The surplus in the balance of goods decreased to ₩ 73.0 billion compared to ₩ 118.6 billion in Q3 2023. This decline was due to a decline in commodity exports by 7.5% to ₩ 277.3 billion compared to about ₩ 299.8 billion in Q3 2023 and a rise in commodity imports (FOB) by 12.7% to ₩ 204.3 billion compared to about ₩ 181.2 billion in Q3 2023. Moreover, the surplus of primary income balance fell to ₩ 4.3 billion in Q3 2024 compared to a surplus of ₩ 6.7 billion in Q3 2023. The deficit in the secondary income close increased by 14.0% to ₩ 50.2 billion compared to ₩ 44.0 billion in Q3 2023.

In contrast, the services balance deficit narrowed from ₩ 62.7 billion in Q3 2023 to ₩ 60.0 billion in Q3 2024.

## Capital Account

Capital account registered outflows of ₩3.4 billion in Q3 2024 compared to outflows of around ₩6.4 billion in Q3 2023.

## Financial Account

Net direct investments registered an outflow of ₩1.8 billion in Q3 2024 due to an increase of ₩17.8 billion in net acquisition of financial assets compared to a lower increase in net incurrence of liabilities by around ₩16.0 billion. Net portfolio investments also recorded an outflow of ₩43.7 billion compared to ₩10.8 billion in Q3 2023. Moreover, other net investments recorded an inflow of ₩66.3 billion compared to a net outflow of about ₩1.6 billion in Q3 2023. Net reserve assets dropped by ₩40.5 billion in Q3 2024 compared to a decline of ₩13.9 billion in Q3 2023, as other reserve assets fell by ₩42.4 billion (due to a decrease in currency and deposits by ₩49.4 billion and an increase in investment in securities by ₩7.0 billion) compared to a decline of ₩11.7 billion in Q3 2023.

## 2-4 Monetary and Banking Sector

### Money Supply

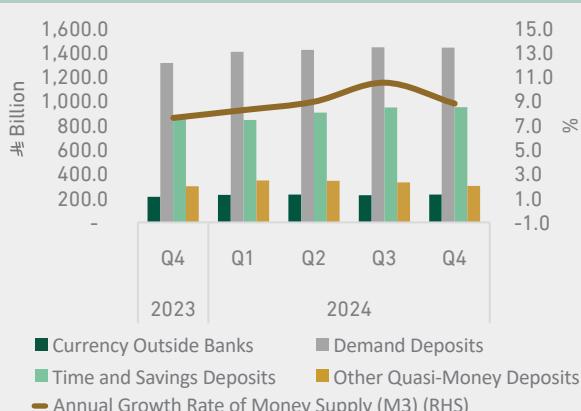
Broad money supply (M3) increased by around 8.8% YoY and decreased by 0.8% QoQ to ₩2,921.5 billion.

A breakdown of M3 components in Q4 2024 indicates that narrow money supply (M1) increased by 9.5% YoY and by 0.1% QoQ to about ₩1,669.7 billion and constituting 57.2% of M3. Money supply (M2) also increased by 9.7% YoY and by 0.2% QoQ, reaching ₩2,619.4 billion and comprising 89.7% of M3 (Chart 16).

### Monetary Base

The monetary base increased by 7.7% YoY and 1.7% QoQ, reaching ₩405.8 billion in Q4 2024. A breakdown of monetary base components indicates that deposits with SAMA increased by 9.3% YoY and 1.7% QoQ, reaching ₩155.4 billion in Q4 2024. Moreover, currency in circulation increased by 8.1% YoY and 1.9% QoQ, reaching around ₩229.1 billion. However, cash in vault decreased by about 6.7% YoY and 1.3% QoQ, reaching ₩21.3 billion (Chart 17).

**Chart 16: Broad Money Supply (M3) Components**



Source: Saudi Central Bank (SAMA).

**Chart 17: Monetary Base**



Source: Saudi Central Bank (SAMA).

## Bank Deposits

Total bank deposits increased by 8.9% YoY but decreased by 1.0% QoQ to reach about ₩ 2,692.4 billion at the end of Q4 2024.

A breakdown of bank deposits during Q4 2024 shows that time and saving deposits increased by about 9.9% YoY and 0.3% QoQ, reaching ₩ 949.7 billion. At the same time, demand deposits increased by about 9.8% YoY but decreased by 0.1% QoQ, reaching ₩ 1,440.6 billion. Likewise, other quasi-monetary deposits increased by about 1.7% YoY but decreased by about 8.3% QoQ, reaching ₩ 302.0 billion (Chart 18).

## Bank Credit

Bank credit extended to the private and public sectors in Q4 2024 increased by 14.4% YoY and by 3.6% QoQ to ₩ 2,955.6 billion.

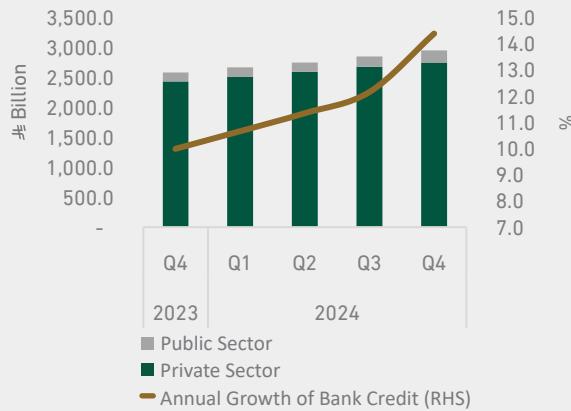
Bank credit extended to the private sector increased by about 12.9% YoY and 2.7% QoQ to ₩ 2,752.5 billion. Bank credit extended to the public sector also increased by about 38.4% YoY and by about 17.1% QoQ to ₩ 203.1 billion (Chart 19).

**Chart 18: Bank Deposits by Type**



Source: Saudi Central Bank (SAMA).

**Chart 19: Bank Credit by Sector**



Source: Saudi Central Bank (SAMA).

## Real Estate and Consumer Loans

Real estate loans increased by 15.1% YoY and 4.3% QoQ to ₩ 883.3 billion at the end of Q4 2024, constituting 29.9% of total bank credit. In contrast, total consumer loans grew by 6.6% YoY and 1.9% QoQ in Q4 2024 to about ₩ 471.0 billion, constituting 15.9% of total bank credit. Meanwhile, credit card loans increased by 15.9% YoY and 3.6% QoQ in Q4 2024 (Chart 20).

## 2-5 Financial Sector

### Capital Market

At the end of Q4 2024, Tadawul All Share Index (TASI) increased by 0.6% YoY and decreased by 1.6 QoQ to 12,036.5 points. The number of traded shares also recorded an increase of 177.1% YoY and 79.7% QoQ to about 40.0 billion. Additionally, the total value of traded shares increased by 9.6% YoY and decreased by 11.8% QoQ, reaching about ₩ 393.2 billion (Chart 21).

In contrast, the Sukuk/Bonds Market Index recorded yearly and quarterly decreases of 29.6% and 64.5%, respectively, with a total traded volume of ₩ 3.3 billion to close at 902.1 points at the end of Q4 2024.

**Chart 20: Real Estate and Consumer Loans**



Source: Saudi Central Bank (SAMA).

**Chart 21: The Tadawul All Share Index (TASI)**

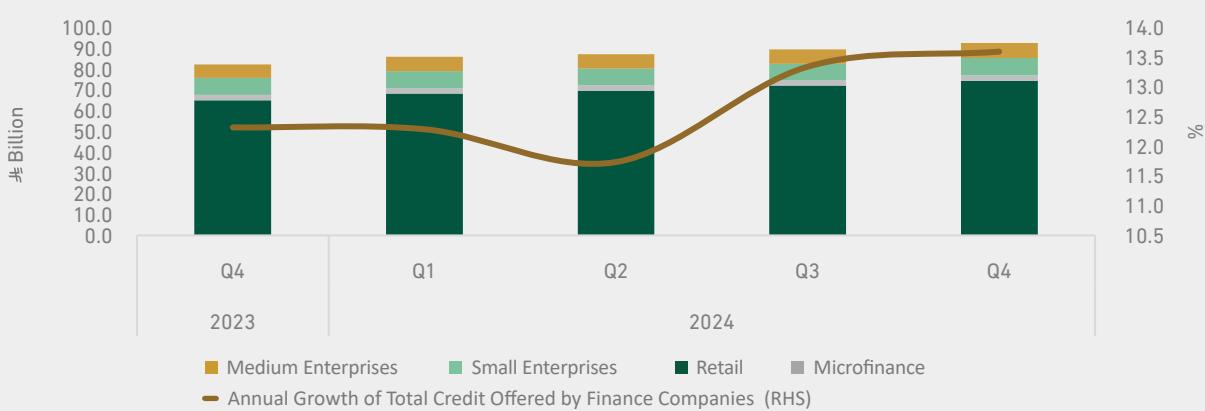


Source: Saudi Stock Exchange (Tadawul).

### Finance Companies

The total credit offered by finance companies recorded an increase of 13.6% YoY and 3.5% QoQ to ₩ 96.3 billion in Q4 2024, with retail finance (representing 77.3% of total credit offered by finance companies), recording an increase of 14.4% YoY and increasing by 3.1% QoQ (Chart 22).

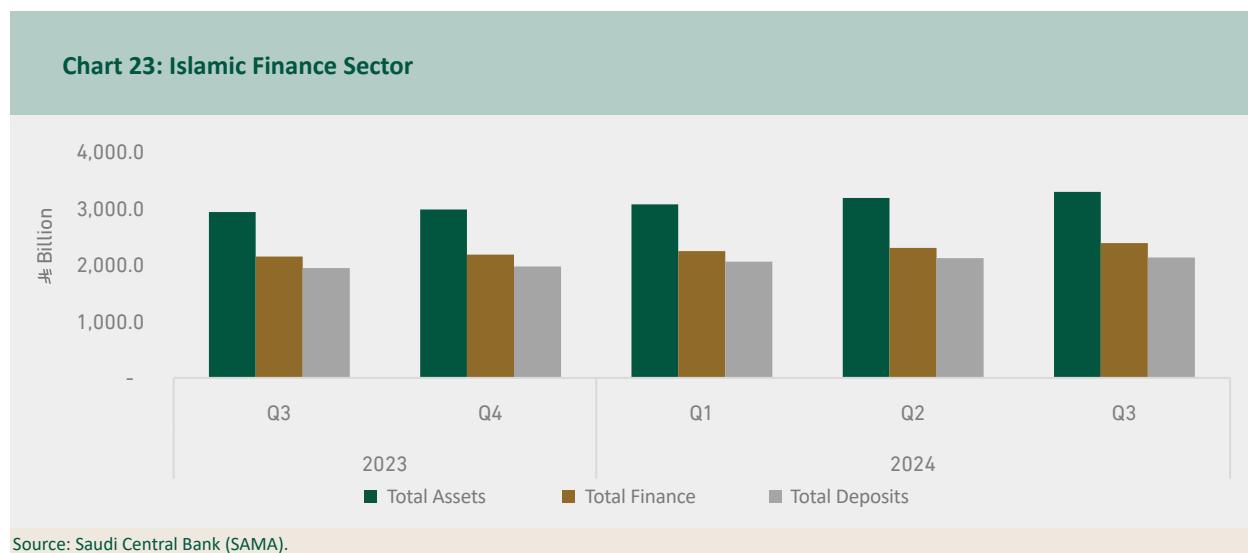
**Chart 22: Credit Offered by Finance Companies by Sector**



Source: Saudi Central Bank (SAMA).

## Islamic Finance

Shariah-compliant banking finance provided by Islamic banks and windows recorded growth of 11.3% YoY to about ₩ 2,387.7 billion in Q3 2024. Total assets also grew by 12.3% YoY and total deposits by 9.4% in Q3 2024 (Chart 23).



## Banking Technology

### SARIE System

The total value of the Saudi Arabian Riyal Interbank Express (SARIE) system transactions went up by 3.4% YoY to ₩ 14,660.8 billion in Q4 2024. Total customer payments reached about ₩ 4,147.8 billion, recording a YoY increase of 19.7%. The value of single payment transactions totaled ₩ 2,169.4 billion and the total value of bulk payment transactions amounted to around ₩ 1,978.3 billion. The total value of interbank payments stood at ₩ 9,678.6 billion, decreasing by 6.9% YoY.

### Mada

The total number of ATM transactions in Q4 2024 reached approximately 372.0 million, with cash withdrawals totaling ₩ 137.4 billion, including transactions through banks' network and mada. Total POS terminal transactions reached about 2,760.3 million, with sales totaling ₩ 171.3 billion. Moreover, the number of ATMs totaled approximately 15.1 thousand, while the number of ATM cards issued by domestic banks reached about 50.2 million, and the number of POS terminals reached around 2.0 million.

### Clearing

In Q4 2024, the number of (outgoing and incoming) bank checks cleared at the clearinghouses totaled around 266.6 thousand, with a total value of ₩ 102.6 billion. The number of individual and corporate checks totaled nearly 198.7 thousand, with a total value of ₩ 34.4 billion, and the number of interbank checks totaled about 67.9 thousand, with a total value of ₩ 68.3 billion.

## 2-6 Key Fintech Sector Developments in Q4 2024

In Q4 2024, SAMA granted licenses to six companies that operate in various fields, including consumer microfinance, aggregation activity for finance companies, purchase and sale of foreign currencies, e-wallets, and debt-based crowdfunding. Moreover, SAMA issued the “Compliance Principles” and the “Internal Audit Principles” for Finance Companies and Real Estate Refinance Companies in Q4 2024. SAMA also launched a new service relating to electronic payment and announced the commencement of digital bank operations in Saudi Arabia.

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