

Macro Roundup Article

Headline: [Megaprojects in the Desert Sap Saudi Arabia's Cash](#)

Article Link: <https://www.wsj.com/world/middle-east/megaprojects-in-the-desert-sap-saudi-arabia-cash-45478ce5>

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Tweet: The IMF estimates that Saudi Arabia needed oil prices above \$86 last year and \$80 in 2024 to balance their budget. The Kingdom has been turning to the bond markets for financing.

Summary: At the same time that spending has ramped up, oil revenues have leveled off. The IMF estimated oil prices would need to be above \$86 a barrel in 2023 and \$80 a barrel this year to balance the government's budget. Prices have hovered around \$81 over the past year. Despite the huge spending, Saudi Arabia experienced a rare economic contraction in 2023. This year, Saudi Arabia is expected to run a budget deficit of \$21 billion, or about 2% of the country's gross domestic product. Riyadh projects it will run small annual deficits through 2026, a change from a previous forecast for surpluses. Related: The World Is Transitioning to American Oil From Saudi Crude and US Shale: The Marginal Supplier Matures and The Changing Nexus Between Commodity Prices and the Dollar: Causes and Implications

Primary Topic: Energy

Topics: Energy, Financial Markets, GDP, News article

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