**Impacts of Oil Prices on Income in Saudi Arabia**

**Introduction**

Saudi Arabia has very strong economy which is based on oil. It is ranked as number one exporter of petroleum and it plays an important role in OPEC. [1].

The relationship between oil prices and the economy in Saudi Arabia is very strong. Let us simple it, when a price of oil is high, we have to spend more money on a gasoline. As a result, we should to spend less money on other items. [2]. Because of the prices of oil are falling down, Saudi Arabia has to spend less money on other sectors (such as education, health, agriculture, etc.).

Some people asked many times to diversify the sources of income. They think that one day Saudi Arabia will not has oil anymore. For that reason, they think that we should invite many foreign companies to invest in Saudi Arabia and make their factories there.

**Research Questions and Hypotheses**

This research strives to answer the following questions:

• How do Saudi economists view the economy of Saudi Arabia?

• What do they think that Saudi government should do to improve their economy?

• Do they believe that Saudi Arabia can make change in its sources of income soon and when is the appropriate time for making that change?

**Research Methodology**

This study will use two different research approaches. The primary research method will be the use of surveys to be distributed to Saudi economists who working in different institutions. The survey will be intended to provide insights into this issue and how do they think about it and if they trust it or not. Many of the items will be the statements that participants will have to respond to by indicating whether they agree or disagree and to what degree. Other questions will be about the impacts of economy on other sectors like transport, industry and education sectors.

[1] <http://www.forbes.com/places/saudi-arabia/>

[2]<http://www.frbsf.org/education/publications/doctor-econ/2007/november/oil-prices-impact-economy/>