



وزارة الاقتصاد والتخطيط  
MINISTRY OF ECONOMY & PLANNING

2023

# QUARTERLY ECONOMIC REPORT

SECOND QUARTER

KINGDOM OF SAUDI ARABIA

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# Executive Summary

## Global Economic Outlook

The global economy showed some resilience in the first half of 2023, supported by consumer spending in the services sector as well as increased government spending, especially towards social security programs, which helped mitigate the prospects of a recession in major economies. However, the global economy is likely to slow in the last two quarters of this year due to tightening monetary policy.

Global inflation has begun to gradually slow as a result of slower growth, the return of labor market demand to normal levels, easing supply chain challenges, and lower energy and food prices. Headline and core inflation are expected to remain above the pre-pandemic level until the first half of 2024. However, core inflation remains high and above target, which may cause further interest rate hikes by central banks.

The increasing geopolitical tensions and the tendency of major economies to focus on their domestic economies will also have a major impact on global trade, especially on food and oil prices.

## Real GDP

The real GDP recorded growth of 1.2% in the second quarter of 2023 on an annual basis. This growth reflects the significant increase achieved by non-oil activities at 6.1% in the second quarter of 2023 on an annual basis. The strong performance of the non-oil private sector was reflected in the continued optimism in the future.

## Fiscal and monetary policies

The country's public revenues decreased by 15% on an annual basis to about SAR 179.74 billion in the second quarter of 2023, and the country's public expenditures increased in the second quarter of 2023 by 9% compared to the same period of the previous year, in light of achieving targets and continuing financial reforms. Therefore, the state budget posted a deficit of SAR 5.27 billion, and this deficit does not create concerns in light of the strength of the Saudi economy and financial policies that enhance financial sustainability.

Total money supply (M3) increased by 9.1% on an annual basis in the second quarter of 2023, supported by the growth of all components except demand deposits. Bank credit posted annual growth of 10.2% in the second quarter of the same year, supported by the growth of all economic activities and loans to individuals, except for agriculture, fishing, other activities, manufacturing activities, and education. The Saudi Central Bank (SAMA) continued to raise interest rates during the second quarter of 2023 in conjunction with the US Federal Reserve Bank, which resorted to raising interest rates to control the rise in inflation. The three-month average interest rate among Saudi banks (SIBOR) also increased to 5.83% in the second quarter of 2023.

## Industrial Production

The average industrial production index in the second quarter of 2023 saw an annual increase of 0.1%, while manufacturing activity continued its positive performance as local industries benefited from the rise in local demand and the continued expansion of government projects, as well as local industrial investment.

## Trade and Investment

The trade balance recorded a surplus of SAR 112.7 billion in the second quarter of 2023, compared to a surplus of SAR 252.4 billion for the same period of the previous year, a decline of 55.4%. The reason for this is a decline in exports by 31.8% on an annual basis, to SAR 291.6 billion, and an increase in imports by 2% on an annual basis, to SAR 178.9 billion during the same period.

Inflows of foreign direct investment increased in the first quarter of 2023 by 10.2% on an annual basis to SAR 8.1 billion, an increase of SAR 700 million (0.8% of GDP) over the same quarter of 2022, which reached SAR 7.4 billion. This was the highest since the second quarter of 2021, which included Saudi Aramco investment flows.

## Labor Market

The labor market continued its positive performance in terms of employment and economic participation, as the unemployment rate for Saudis in the second quarter of 2023 reached 8.3%, down from 9.7% in the same quarter of the previous year. The continued improvement in the labor market is attributed to the positive effects of Saudization and women empowerment policies, and the continued implementation of major projects. As a result, the overall rate of economic participation reached 51.7% in the second quarter of 2023.

## Markets and Business

Market conditions improved and new local construction and investments increased, in addition to an expansion in travel and tourism services in the second quarter of 2023, coinciding with the Hajj season for the Islamic year 1444 AH. The business environment improved as non-oil private sector companies witnessed a continuous improvement in performance. New orders rose at the beginning of Q2, and high market demand resulted in a strong increase in economic activity, which led to higher production and employment.

# Chapter One

## Global Economy

The global economy showed some resilience in the first half of 2023, supported by consumer spending in the services sector, which helped mitigate the prospect of a recession. However, this resilience will fade due to monetary policy tightening, which will lead to a significant slowdown for the balance of the year.

Global inflation has also declined despite stable core inflation, which may lead to further interest rate hikes by major central banks.

In addition, increasing geopolitical tensions and the tendency of major economies to focus on supporting their domestic economies will have a significant impact on the growth of global trade.

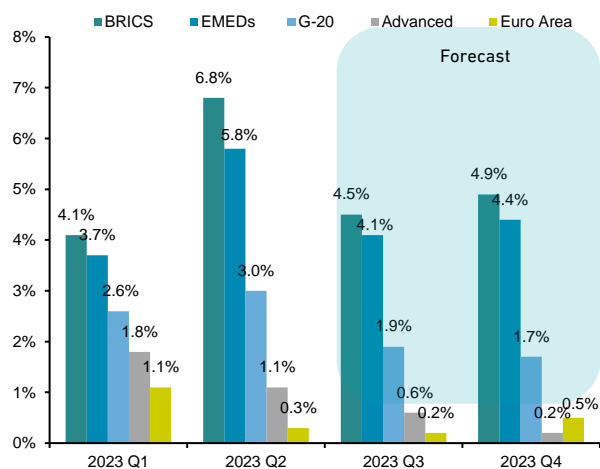


# Global Economic Growth

Global economic activity showed significant resilience during the second quarter of 2023. The global growth rate increased from 2.8% to 3.0% in 2023 and is expected to remain stable in 2024. This growth was mainly due to strong consumer spending, which was driven by monetary support and lower interest rates to facilitate household savings accumulated during the global COVID-19 pandemic. The faster than expected cancellation of precautionary measures in China led to a recovery in economic activity and an increase in global demand that continued during the second quarter of 2023.

Figure 1: Quarterly global economic growth

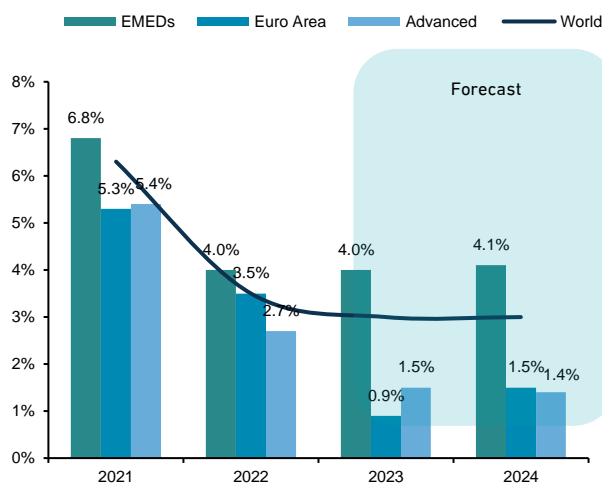
(Percentage, Annual basis)



Source: Bloomberg

Figure 2: Annual global economic growth

(Percentage)



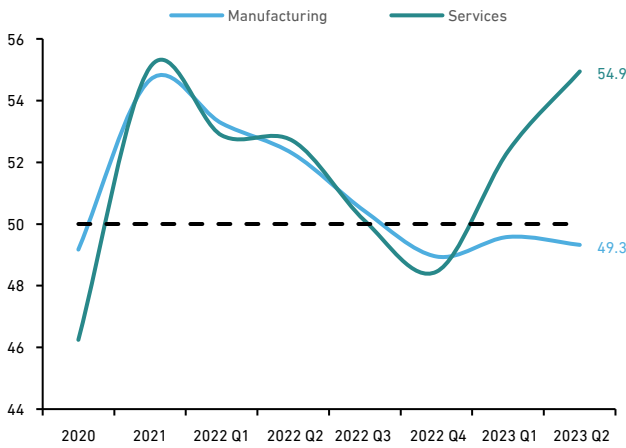
Source: Bloomberg

This is in addition to the increase in government spending, especially towards social security programs, which has led to an increase in cash liquidity, reflected in increased domestic demand. Economic growth was clearly concentrated in the services sector and was more noticeable in emerging markets than in advanced economies. The global manufacturing sector has also remained weak since the fourth quarter of 2022, due to the sudden and sharp decline in consumption of goods following the pandemic until the beginning of this transformation in the first quarter of 2021. The significant decline in employment rates also led to a restricted labor market and higher wages contributing to the rise in consumer spending, which continued during the second quarter of this year.

Moreover, uncertainty of the geopolitical landscape caused by the Russian-Ukrainian crisis and recent difficult financial conditions due to monetary policy tightening and interest rate hikes by most central banks have had an unprecedented impact on the rate of fixed capital formation, resulting in this more severe shift towards service consumption spending at the expense of commodity consumption in the second quarter of 2023. This is in addition to the decline in global trade growth, especially in food and oil prices, as a result of the tendency of major countries to support their domestic economies and implement protectionist policies to reduce the prices of basic commodities.

Figure 3: Global PMI

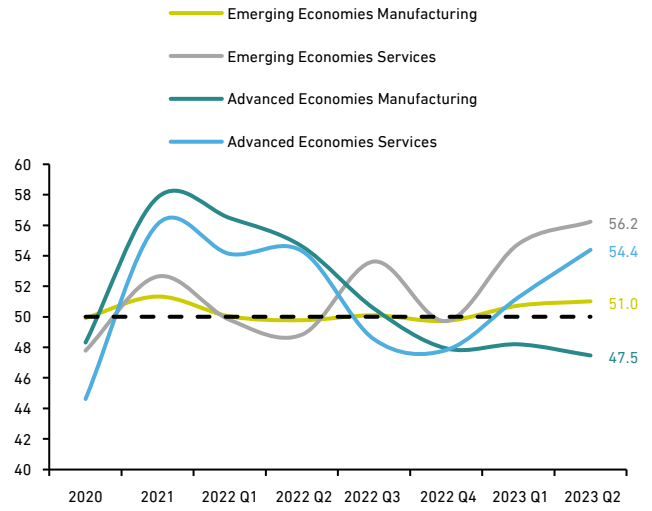
(Point)



Source: S&P

Figure 4: PMI in emerging and advanced economies

(Point)



Source: S&P

The resilience of the global economy has started to gradually decrease due to persistent risks. This was clearly evident in the weak domestic consumption growth, especially after the impact of raising interest rates by central banks gradually began to appear. Accordingly, global growth rates are expected to slow in both the third and fourth quarters of 2023. Since global growth was mainly driven by consumer spending, especially service consumption, it is expected that the extent of economic slowdown will be determined by how quickly consumer spending returns to its pre-pandemic rates.

Service consumer spending in advanced economies was higher than in emerging markets, while the industrial sector in advanced economies was suffering from a significant decline in light of the decrease in global demand during the previous two quarters and the rise in interest rates. Therefore, growth rates in advanced economies are expected to decline further this year. On the other hand, the slowdown in growth rates in emerging markets will be more resilient as a result of greater than expected export growth during the beginning of this year. However, some low-income emerging markets are expected to face significant challenges in financing government spending and maintaining financial stability as a result of high external debt.

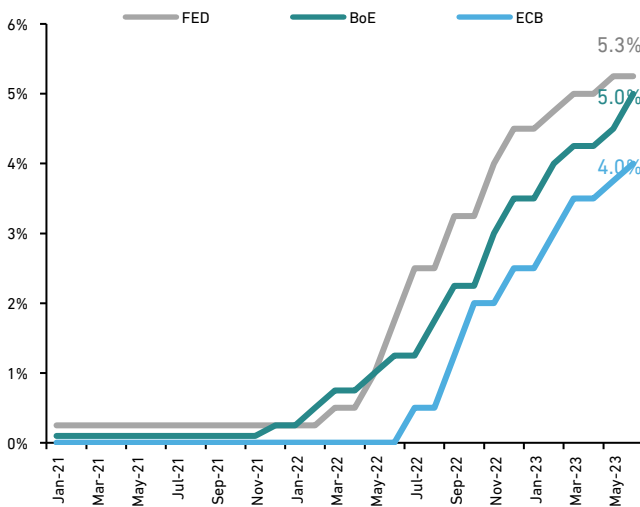
Although most major countries have taken similar measures to confront the current economic challenges, the response of their economies has been varied based on the structure of the economy and patterns of consumer behavior. For example, in the United States, there was a significant increase in consumer and investment spending rates, which supported economic growth in the second quarter of 2023, and spending indicators show that growth will slow significantly in the second half of this year. As for the European Union, consumers responded to monetary tightening and raising interest rates more forcefully than in the United States, causing a sharp decline in the industrial sector and thus increased weakness in economic growth, which is expected to continue until early 2024. In China, the early lifting of precautionary COVID-19 measures led to a temporary recovery in economic activity driven by domestic demand, as the Chinese economy rebounded in the first and second quarters of 2023.

However, weak global growth weighs more heavily on Chinese exports than the resulting rise in domestic demand, which will lead to lower growth rates in the second half of this year. The Chinese government has implemented several policies to stimulate domestic private investment and attract foreign direct investment, which led to a slight increase in economic growth rate from 4.5% in 2022 to 5.3% in 2023, according to the latest IMF data. However, these efforts are not sufficient to maintain current growth rates in the face of this year's surrounding economic challenges, especially with higher corporate debt in China. Thus, economic activity in China is expected to weaken faster than expected in the coming months until the end of 2024.

## Global Inflation

Figure 5: Key policy rates

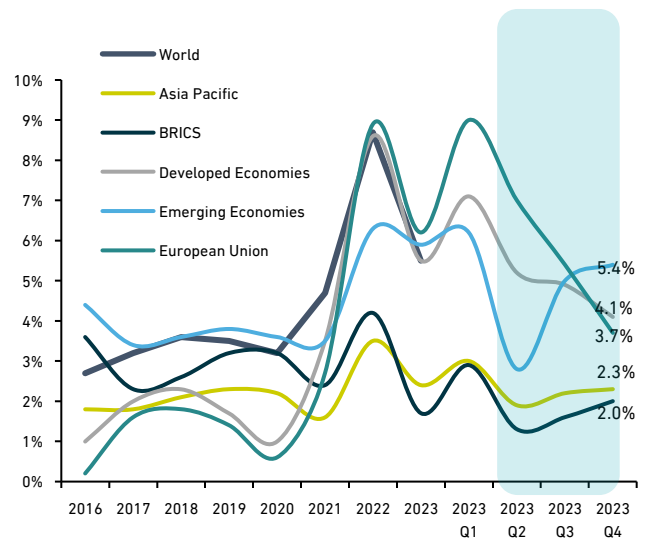
(Percentage)



Source: Bloomberg

Figure 6: Headline inflation

(Percentage, Annual basis)



Source: Bloomberg

Inflationary pressures persisted as major central banks continued to tighten monetary policy to restore price stability and curb demand. As a result, global financial conditions remained tight, and pressures on the banking sector, especially in the United States and Europe, increased as a result of the high cost of lending and debt servicing, along with a shortage of liquidity, which was more evident in emerging markets, leading to increased macroeconomic instability.

Core inflation, driven by domestic demand, remained above target in most countries, despite supply chains recovering and commodity prices falling. Energy prices were also volatile in the second quarter of 2023, as a result of uncertainty about global demand, but are expected to continue to drop in the coming months as demand slows and energy efficiency improvements continue in Europe.

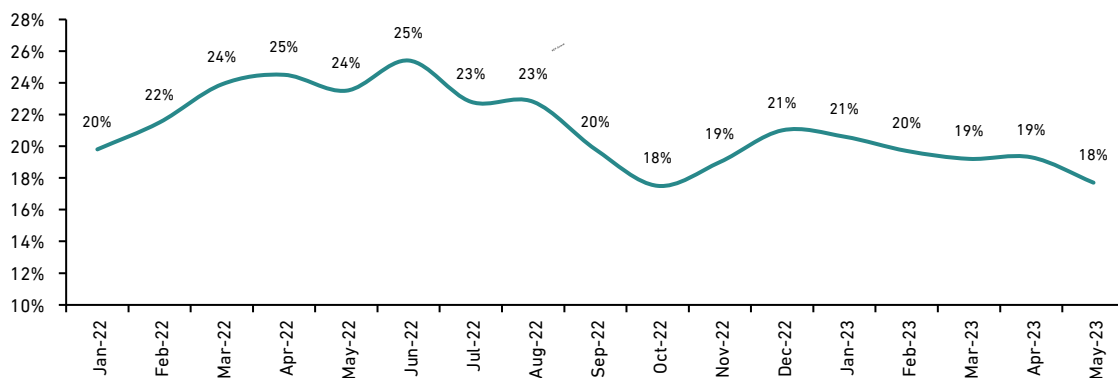
Global inflation is expected to decline gradually as a result of slower growth, a return to normal labor market demand, easing supply chain challenges, and lower energy and food prices. However, headline and core inflation are expected to remain above pre-pandemic levels until the first half of 2024. It is also expected that the global headline inflation rate will decrease to 7.0% in 2023 from 8.7% in 2022, as advanced economies will be more successful in reducing excess demand compared to emerging markets, as the latter will face continued inflationary pressures due to continued government fiscal stimulus, mainly funded through external borrowing, which may require international coordination in order to manage and ensure debt repayment.

Global financial conditions remain challenging, as banks and investors readjust their interest rate expectations amid measures taken by major central banks to curb inflation. This may expose various financial institutions to interest rate risks and the flow of financial portfolio investments towards safer options for government bonds, as well as the expansion of investment in corporate bonds in promising sectors such as healthcare, communications, energy and utilities.

## Global Trade

Figure 7: Global trade

(Percentage)



Source: Bloomberg

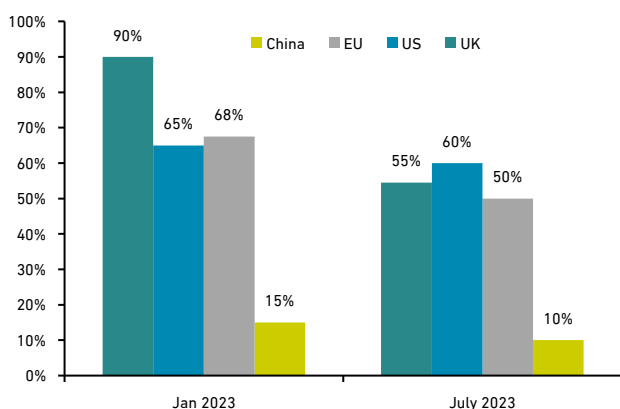
Global trade slowed in the second quarter of 2023 as a result of a decline in world industrial production, where the recovery in the Chinese economy was mainly driven by the services sector. However, the structure of consumption began to gradually return towards tradable goods and away from services, and this led to a significant slowdown in the growth of global trade during 2023. Finally, increasing geopolitical tensions and the tendency of major economies to focus on their domestic economies will have an impact on global trade, as global trade growth is expected to slow in the coming months to reach 2.0% in 2023 compared to 5.2% in 2022.

Global oil demand has risen to record levels, supported by higher summer air traffic and travel and increased activity in China's petrochemical sector. Global oil demand is expected to increase by 2.2 million barrels per day to reach 102.2 million barrels per day in 2023, with China accounting for more than 70% of that growth.

In June 2023, the FAO Food Price Index fell to its lowest level in previous years, driven by lower costs of sugar, vegetable oils, cereal and dairy products. The June 2023 reading was the lowest since April 2021, as the index recorded a decline of 23.4% compared to its highest level in March 2022 following the start of the conflict in Ukraine. The FAO Food Price Index also posted a decrease in cereal prices in June 2023 by 2.1% compared to the previous month, driven mostly by increased ongoing supplies of corn crops from Argentina and Brazil and improved expectations for production in major regions of the United States. Global wheat prices also decreased by 1.3% as the harvest began in the northern hemisphere, impacted by abundant supplies and a decrease in export taxes in the Russian Federation, in addition to improving conditions in the United States. International rice prices fell by 1.2% amid decreased demand and Pakistan's efforts to attract export sales.

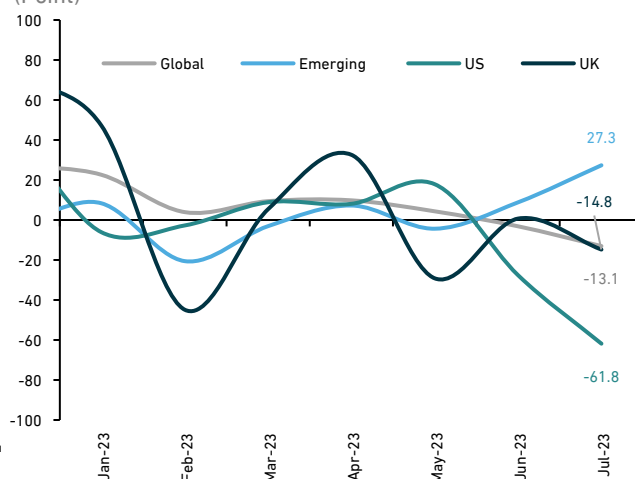
## Global Economic Risks

Figure 8: Recession probability  
(Percentage)



Source: Bloomberg

Figure 9: Economic surprise index  
(Point)



Source: Bloomberg

Global risks began to weigh on the global economy in the second quarter of 2023. The index measuring economic outlook, which represents the sum of difference between official economic results and forecasts, shows that economic performance exceeds market expectations when it is more than (0), while economic risks are generally worse than expected when it is less than (0). The index showed that risks are greater in the US and UK while emerging markets are showing greater resilience so far. This is due to three main reasons:

- Core inflation is not declining at the expected rate which represents the greatest challenge facing the global economy, due to the increase in geopolitical tensions, the continued escalation of the conflict in Ukraine and its repercussions on global trade, as well as the rise in prices of basic foodstuffs.
- Rising uncertainty about inflation forecasts and the course of monetary policy taken by major central banks increases financial market turmoil, especially in markets with high debt ratios and unstable sectors.
- The contraction of the Chinese economy and the inadequacy of recent policies adopted by the authorities to maintain the sustainability of the business environment will lead to a decline in global demand.

## Table (1): Highlights of Overall Economic Summary of G20 Countries

G20	Annual real GDP (USD Billion)	Real GDP Growth Q2 2023 (%) <sup>1</sup>	Quarterly Nominal GDP Q2 2023 (USD Billion) <sup>2</sup>	Quarterly Real GDP Q2 2023 (USD Billion) <sup>1</sup>	Trade Balance Q2 2023 (% of GDP) <sup>1</sup>	Foreign Exchange Reserves Q2 2023 (% of GDP) <sup>3</sup>	FDI inflows 2022 (% of GDP)	Inflation (%) CPI June 2023
USA	20953	2.5	6745	5105	-3.0	1.0	1.4	3.0
CHINA	16325	6.3	4247	3953	5.3	18.7	1.0	0.0
ITALY	1937	0.4	543	479	2.6	2.4	1.6	6.0
FRANCE	2644	1.0	766	647	-3.5	1.1	3.5	4.5
UK	3163	0.4	842	712	-2.4	6.0	1.4	7.9
GERMANY	3618	-0.6	1122	820	4.8	0.9	1.2	6.4
EU	12918	0.5	3880	3026	0.1	2.1	2.1	5.5
INDONESIA	1122	5.2	348	205	2.2	10.4	1.6	3.5
CANADA	1748	1.1	2136	1662	-0.2	5.3	2.5	2.8
JAPAN	4509	1.6	4084	3870	-0.3	29.5	1.1	3.3
RUSSIA	1472	4.9	464	367	NA	26.3	-1.9	3.3
AUSTRALIA	1579	2.1	424	374	4.8	3.5	4.0	5.4
BRAZIL	1901	3.4	553	184	5.2	17.9	4.8	3.2
MEXICO	1244	3.6	1829	1458	-0.1	14.4	2.7	5.1
INDIA	2955	7.8	861	492	-6.7	17.6	1.5	4.9
KSA	767	1.2	259	193	11.6	40.0	0.7	2.7
TURKIYE	1194	3.8	211	221	-12.6	16.7	1.5	38.2
SOUTH KOREA	1737	0.9	419	377	-0.9	25.3	1.1	2.7
ARGENTINA	598	1.3	564	3	-0.2	4.4	2.4	115.6
SOUTH AFRICA	360	1.5	371	246	0.1	15.2	2.2	5.4

G20	Monetary Policy rate (%)	Debt (% of GDP) 2022	Equity Market Return (Main Index Last 12 months) %	Industrial Production Index June 2023 (%) <sup>4</sup>	PMI June 2023	Unemployment June 2023 (%) <sup>5</sup>
USA	5.5	136	11.1	-0.8	46.3	3.6
CHINA	3.6	105	-3.7	4.4	50.5	5.2
ITALY	4.3	132	32.3	-0.8	43.8	7.4
FRANCE	4.3	115	16.3	-0.3	46	7.1
UK	5.0	113	3.7	0.7	46.5	4.0
GERMANY	4.3	60	22.0	-1.7	40.6	5.5
EU	4.3	85	20.6	-1.3	43.4	6.4
INDONESIA	5.8	37	-0.3	NA	52.5	5.5
CANADA	5.0	91	5.2	NA	48.8	5.4
JAPAN	-0.1	264	19.3	0	49.8	2.6
RUSSIA	8.5	22	38.8	5.8	52.6	3.1
AUSTRALIA	4.1	62	6.7	2.7	48.2	3.5
BRAZIL	13.3	96	18.2	0.3	46.6	8.0
MEXICO	11.3	58	13.9	3.7	50.9	2.7
INDIA	6.5	84	15.6	3.7	57.8	8.0
KSA	6.0	20	-4.2	-1.6	59.6	5.1
TURKIYE	17.5	42	178.4	0.6	51.5	9.5
SOUTH KOREA	3.5	58	7.4	-5.6	47.8	2.6
ARGENTINA	97	65	273.1	-2.3	N/A	6.9
SOUTH AFRICA	8.3	85	14.6	5.5	48.7	32.9

Source: Bloomberg, 2023

1\* Q1 2023 for Argentina.

2\* Q1 2023 for Argentina and Russia.

3\* Q1 2023 for Australia, Russia, and Turkiye, Q4 2022 for France.

4\* March 2023 for Australia.

5\* May 2023 for the UK and Turkiye, Q1 2023 for Saudi Arabia and Argentina, and South Africa, February 2023 for Indonesia

# Chapter Two

## Saudi Economy

The Saudi economy continued its positive performance, as the Kingdom's real GDP increased by 1.2% in the second quarter of 2023; supported by an increase in non-oil activities by 6.1%, which reflects the diversification of the economic growth base and the recovery in all sectors, especially in investment and manufacturing industries. Government activities recorded year-on-year growth of 2.3%, while oil activities decreased by 4.3% on an annual basis with the voluntary oil cut decision.

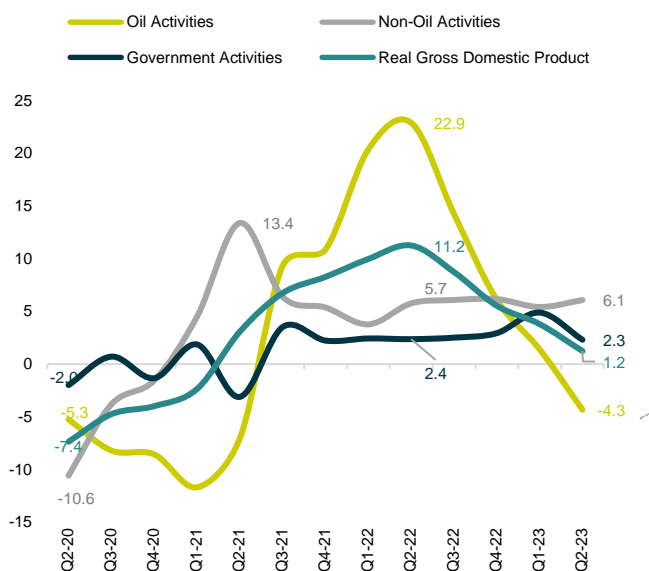


## Real Gross Domestic Product (GDP)

Real GDP recorded a growth rate of 1.2% in the second quarter of 2023 on an annual basis, reflecting a significant increase of 6.1% by non-oil activities during the same period. The strong performance of non-oil private sector was reflected in the continued optimism in the future. Oil activities decreased by 4.3% on an annual basis, as a result of Saudi Arabia's decision to lower oil output by one million barrels per day, which the Kingdom announced its voluntary implementation in May 2023, in line with its policy of supporting oil market stability.

Figure 10: Real GDP growth

(Percentage, Annual basis)



Source: General Authority for Statistics, 2023

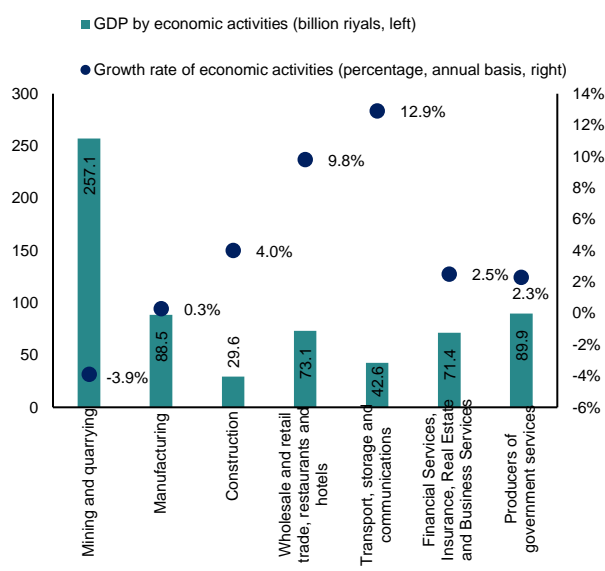
The contribution of non-oil activities to GDP was about 47.7% in the second quarter of 2023, while oil activities contributed 39.5%.

Considering real GDP by type of economic activity, mining and quarrying (crude oil and natural gas) activity posted the highest contribution, accounting for 35.5% of real GDP, with a decrease of 3.9% during the second quarter of 2023 on annual basis, to SAR 257.1 billion.

The government services sector, the second largest activity in the Saudi economy, constituted 12.4% of real GDP, with an annual growth of 2.3% during the second quarter of 2023 on an annual basis, to SAR 89.9 billion, as a result of the expansion and development of government services.

The third largest activity, manufacturing industries sector, accounted for 12.2% of real GDP, with a slight growth of 0.3% during the second quarter of 2023 on an annual basis, to SAR 88.5 billion.

Figure 11: Real GDP by economic activities, second quarter 2023

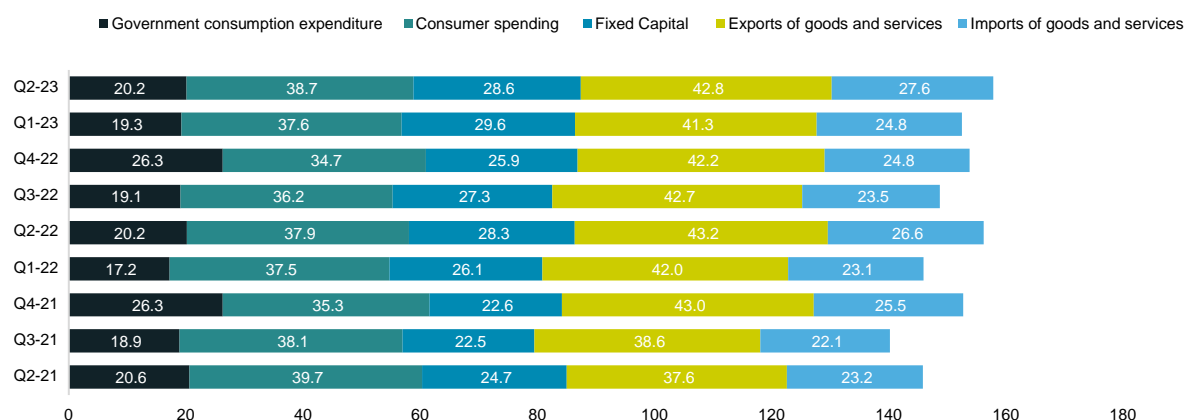


Source: General Authority for Statistics, 2023

## Real GDP by Expenditure Components

Figure 12: Contribution of expenditure components to real GDP

(Percentage, Annual basis)



Source: General Authority for Statistics, 2023

The expenditure components contributed 28.6% to gross fixed capital formation, and private final consumption expenditure 38.7%. The government final consumption expenditure contribution reached 20.2%, while imports and exports of goods and services constituted 27.6% and 42.8%, respectively.

Total consumer spending recorded an annual growth of 2.5%, supported by the growth of government and private final consumer spending, which recorded annual growth of 1.0% and 3.3%, respectively. The contribution of government consumer spending represents 34.2%, while the contribution of private consumer spending amounts to 65.8% of total consumer spending.

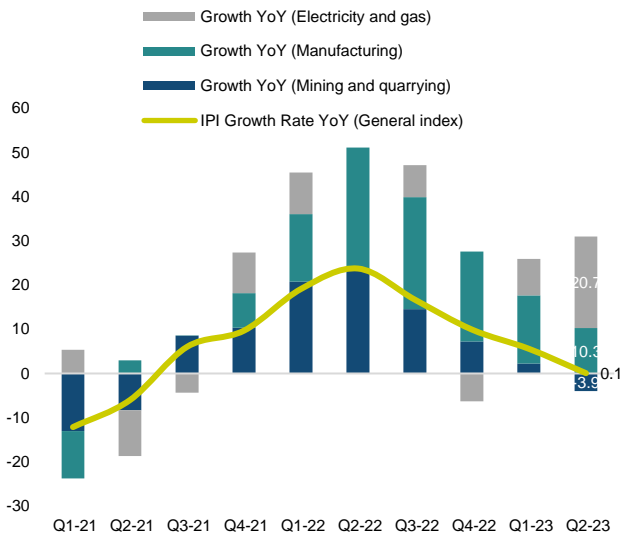
Private consumption is a real contributor to economic growth, strongly influencing the growth of the real GDP of the private sector. It also plays an important role in employment and growth.

The Kingdom's recent economic recovery came in light of the expansion of the non-oil private sector, higher financial reserves, and the decrease in public debt compared to the G20 countries as a percentage of GDP, as well as the success of the financial planning policy that aims to achieve financial sustainability requirements away from global oil price trends.

# Industrial Production Index

Figure 13: Quarterly performance of the average industrial production index

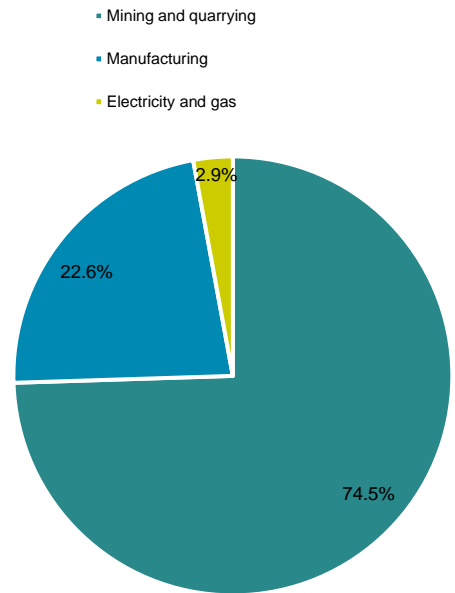
(Percentage Annual basis)



Source: General Authority for Statistics, 2023

Figure 14: The relative importance of the components of the index

(Percentage)



Source: General Authority for Statistics, 2023

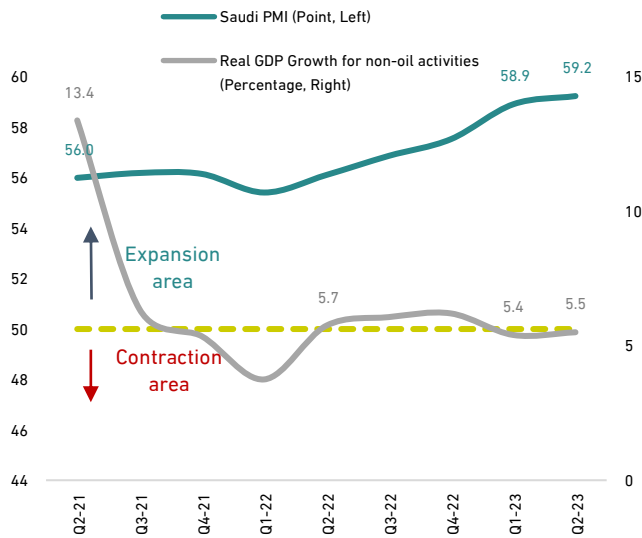
The average Industrial Production Index rose 131.8 points in the second quarter of 2023, with annual growth of 0.1%. The index has declined in the last two months, recording a decrease of 1.6% in June on an annual basis. This decline is a part of its continued slowdown in the previous months since April 2022, as a result of a 4% decrease in “mining and quarrying” activity. The activity constitutes 74.5% of the total general index, coinciding with the Kingdom’s continued voluntary oil output reduction by one million barrels until the end of December 2023.

It is noted that the performance of “manufacturing industries” sector continued to rise despite the decline in international commodity trade. The sector benefited from the rise in local demand and the continued expansion of government projects, as well as local industrial investment. These factors led to the continued positive performance of the manufacturing production index, which increased by 10% during the second quarter of 2023 on an annual basis.

The “Electricity and Gas Supplies” activity index increased by 21% on an annual basis, but due to the low weight of this activity, it did not have a significant impact on the index. This activity is affected by the season, as the index rises significantly in summer months every year, due to increased electricity consumption.

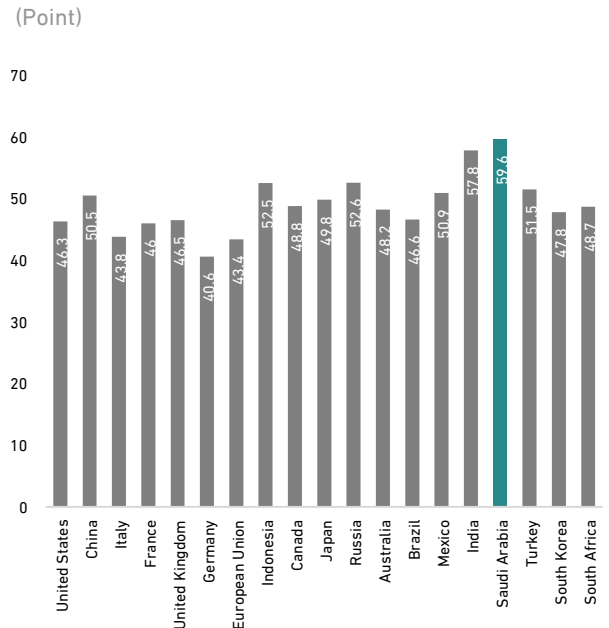
# Purchasing Managers' Index

Figure 15: Quarterly performance of the purchasing managers' index and real GDP growth for non-oil activities



Source: S&P Global, General Authority for Statistics, 2023

Figure 16: PMI for the G20 countries in June 2023



Source: S&P Global

The Purchasing Managers' Index (PMI) posted a record of 59.2 points in the second quarter of this year, exceeding the previous quarter's record of 58.9 points, which confirms the strong performance during the first half of 2023, with two records posted in two successive quarters. This is due to a sharp rise in new orders and production, in light of continued improvement in market conditions, construction and infrastructure sector works, and new local investments, in addition to the increase in travel and tourism services. The increase in market demand led to a strong rise in economic activity, bolstering production and employment. Companies hired more workers by the end of the second quarter of 2023 in the face of rising work requirements. As a result, employment growth rebounded to reach its highest level since August 2015, which contributed to a reduction in backlogs. The performance of suppliers was positive.

The PMI for the non-oil private sector rose from 57.0 points in June 2022 to 59.6 points in June 2023, a slight decline from February 2023, which was the highest in eight years at 59.8 points.

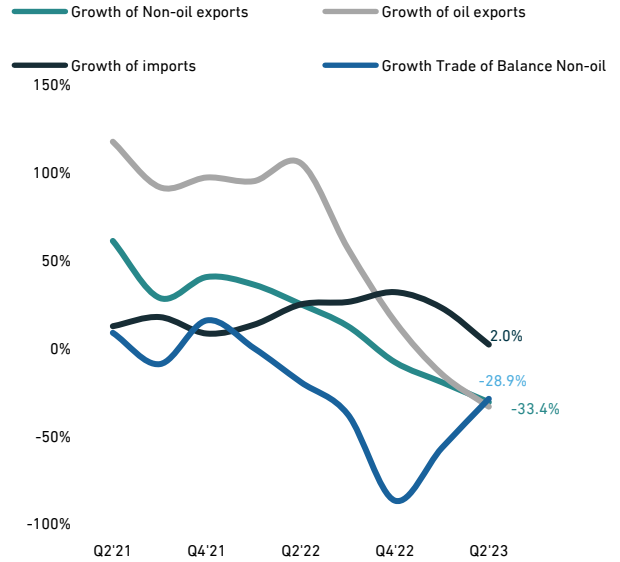
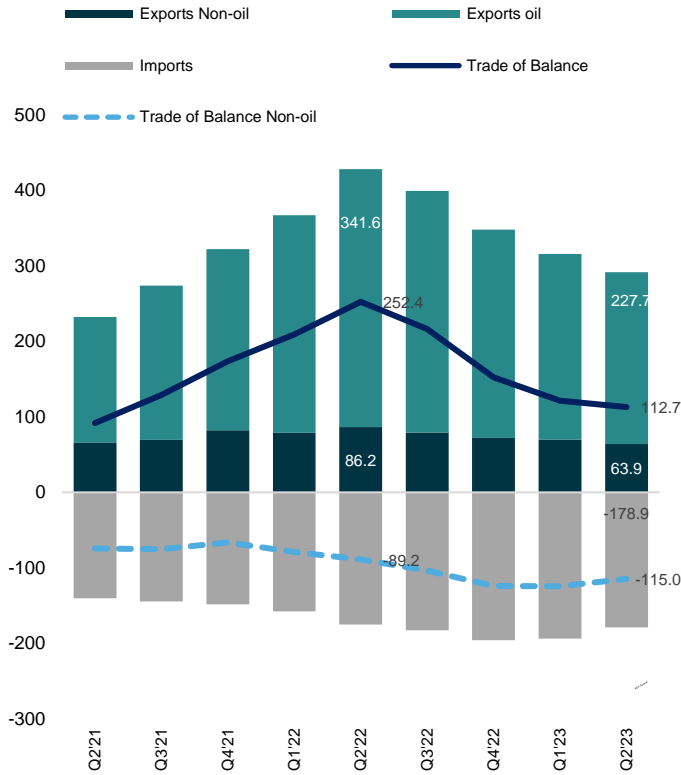
The non-oil activities continued positive growth in the second quarter of 2023, at 5.5% on an annual basis, affirming the effectiveness of factors, such as diversified investments and increased focus on sustainable development. The growth of non-oil activities is in line with Saudi Arabia's economic reforms, which aim to diversify the economy and its revenue sources by focusing more on the non-oil sector, especially the private sector, and increasing its contribution to the economy.

Saudi Arabia maintained its position among the G20 countries as the highest performing PMI in June 2023 - the end of the second quarter, despite geopolitical developments and instability of supply chains around the world. The positive performance of the non-oil private sector contributed to the growth of the index, supported by strong domestic demand and high production levels. It is noted that the monthly performance of most G20 countries was below the neutral zone of 50 points as a result of weak global demand and monetary tightening policy, which kept most countries in areas of contraction.

# International Trade

**Figure 17: Volume of exports, imports and trade**  
(Billion SAR)

**Figure 18: Growth rate of exports, imports and trade**  
(Percentage, Annual Basis)



Source: General Authority for Statistics, 2023

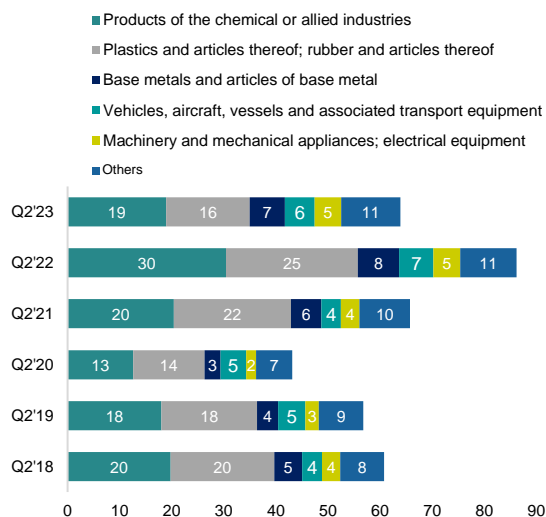
The trade balance recorded a surplus of SAR 112.7 billion in the second quarter of 2023, compared to a surplus of SAR 252.4 billion for the same period of the previous year, a drop of 55.4%. This is due to a decrease in goods exports by 31.8% to SAR 291.6 billion, and an increase in imports by 2% to SAR 178.9 billion during the same period. The non-oil trade balance recorded a deficit of SAR 115.0 billion in the second quarter of 2023, compared to SAR 89.2 billion in the same period of the previous year, with an annual increase of 28.9%. This is due to a decrease in non-oil exports by 25.9% to SAR 63.9 billion.

Oil exports recorded a value of SAR 227.7 billion (78% of total exports) in the second quarter of 2023, a decline of 33.4%, due to the decline in oil prices by 30.6% and exported quantities by 2.7% during the same period. Non-oil exports recorded a value of SAR 63.9 billion (25.9 % of total exports) during the second quarter of 2023, a decline of 25.9% on an annual basis and 8.2% on a quarterly basis. Re-exports represented 22.3% of total non-oil exports, with a value of SAR 14.3 billion during the second quarter of 2023.

# Non-oil Exports

Figure 19: Non-oil exports by key sectors

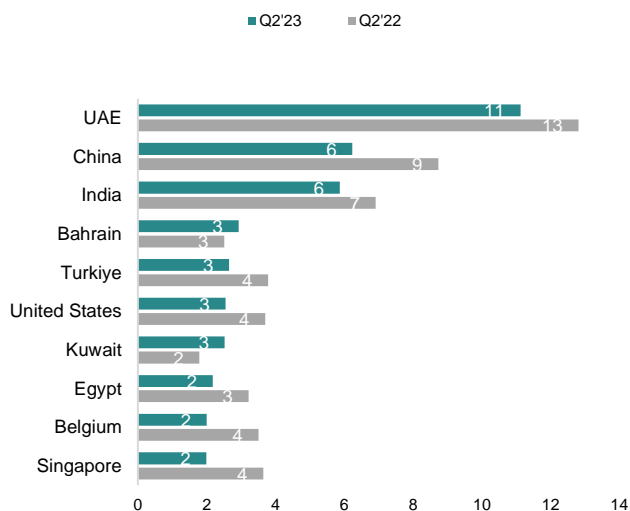
(Billion SAR)



Source: General Authority for Statistics, 2023

Figure 20: Non-oil exports by major trading partners

(Billion SAR)



Source: General Authority for Statistics, 2023

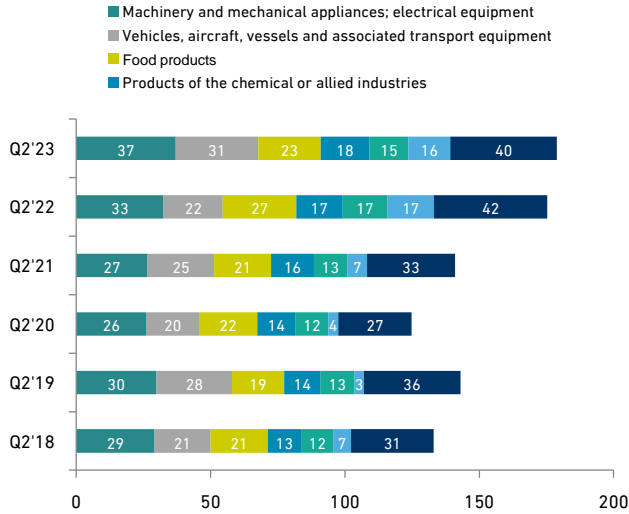
Chemical industries and related products constituted the largest share of non-oil exports, at 29.6%, during the second quarter of 2023. Their value recorded an annual decline of 37.8% during the second quarter of 2023 reaching SAR 18.9 billion. The value of exports of “plastics, rubber and derivatives” declined by 36.8% reaching about SAR 16 billion, and the value of exports of “base metals and their articles” dropped by 14.1% reaching SAR 6.8 billion.

Non-oil exports to the UAE represented the largest share of total non-oil exports, amounting to SAR 11.1 billion, with a drop of 13.2% on an annual basis. Exports of “machinery, mechanical appliances, and electrical equipment” constituted 28.1% of total non-oil exports to the UAE. China ranked second with a value of SAR 6.2 billion, falling by 28.6% on an annual basis, and “petrochemicals” constituted 79.1% of total non-oil exports to China. India came in third place with a value of SAR 5.9 billion, decreasing by 15% on an annual basis, and “petrochemicals” represented 72.1% of total non-oil exports to India.

# Imports

Figure 21: Imports by key sectors

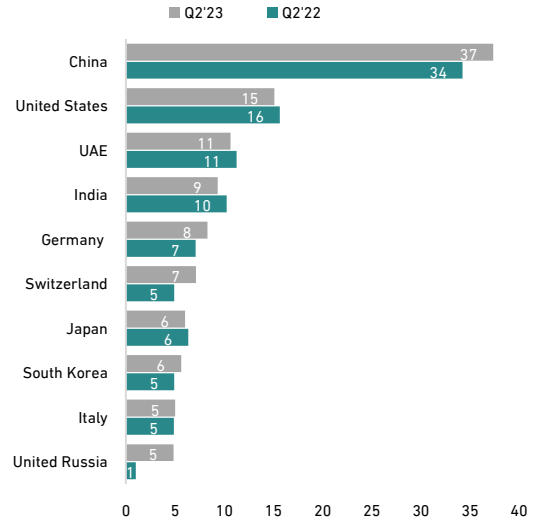
(Billion SAR)



Source: General Authority for Statistics, 2023

Figure 22: Imports by major trading partners

(Billion SAR)



Source: General Authority for Statistics, 2023

Saudi imports increased by 2% in the second quarter of 2023. Imports of “machinery and mechanical appliances and electrical equipment” increased by 14% on an annual basis, to SAR 37.1 billion, accounting for 20.7% of total imports. Imports of “vehicles and transport equipment” also rose, by 39.4% on an annual basis, to SAR 30.7 billion, accounting for 17.2%. “Food products” imports decreased by 15.1% on an annual basis, to SAR 23.2 billion, accounting for 13%. On a quarterly basis, imports fell by 7.8%.

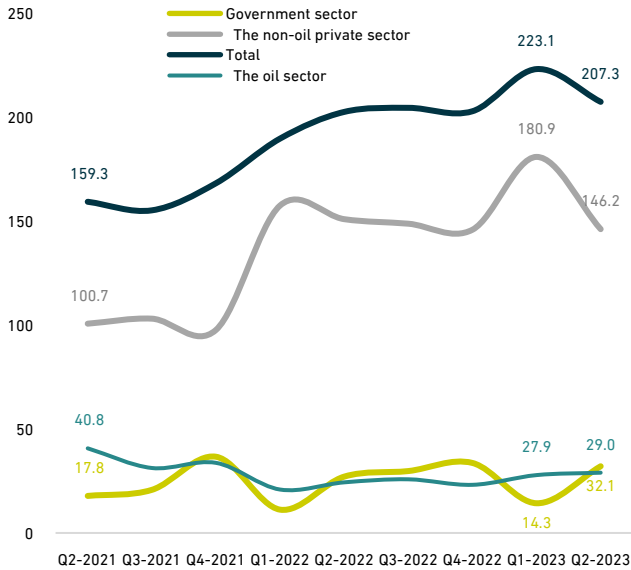
China ranked first on the list of the Kingdom's largest suppliers in the second quarter of 2023, as the value of its imports reached SAR 37.4 billion, an annual increase of 9.1%. Imports of “machinery and mechanical appliances and electrical equipment” accounted for 38.2% of total imports from China. America came in second place with imports amounting to SAR 15.1 billion, an annual drop of 3.6%. Imports of “machinery and mechanical appliances and electrical equipment” represented 31% of total imports from America. The UAE ranked third with imports amounting to SAR 10.6 billion, an annual decrease of 5.4%. Imports of “natural pearls and precious stones” represented 21.8% of total imports from the UAE.

# Investment

## Gross Fixed Capital Formation

Figure 23: Gross fixed capital formation

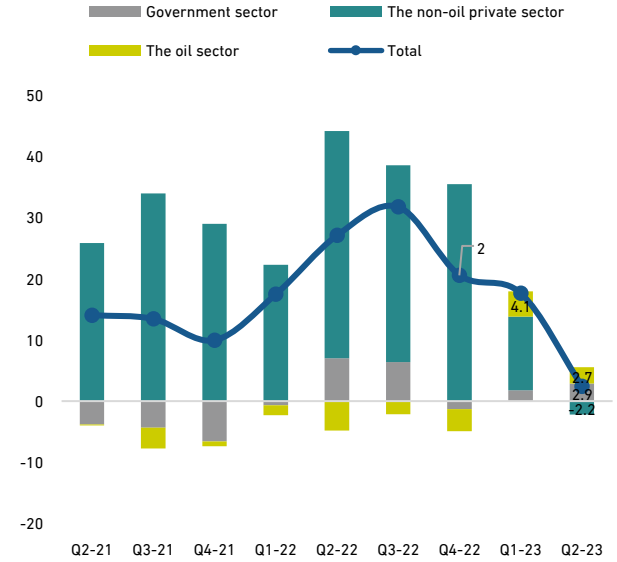
(Billion SAR)



Source: General Authority for Statistics, 2023

Figure 24: The effect of the component on the growth rate of gross fixed capital formation

(Percentage)



Source: General Authority for Statistics, 2023

The gross fixed capital formation at constant prices in the second quarter of 2023 recorded an annual increase of 2.4%, reaching SAR 207 billion. The gross fixed capital formation recorded a quarterly decrease of 7%. Looking at the components of gross fixed capital formation in the second quarter of 2023, we observe that the government sector accounted for SAR 32.1 billion, marking an annual increase of about 18%. The non-oil private sector recorded SAR 146.2 billion, achieving an annual decline of 3.18%. The oil sector accounted for SAR 29 billion, resulting in an annual increase of 19%.

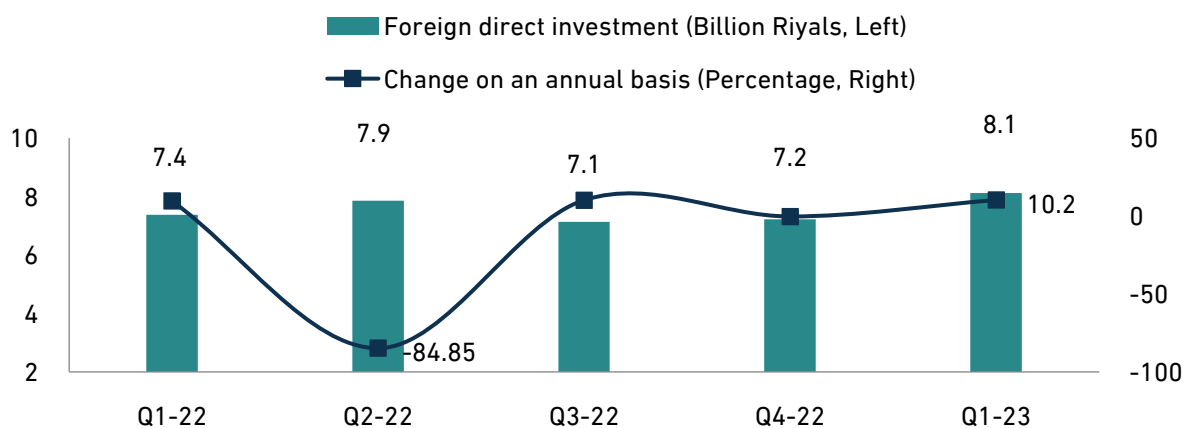
Looking at the components by type of asset, we observe that “machinery and equipment in the oil sector” recorded the highest growth rate, while “residential and non-residential buildings” recorded the highest growth rate in the government sector and the private sector.

In terms of the contribution of the organizational sectors to the gross fixed capital formation for the second quarter of 2023, we observe that the government sector increased its contribution, reaching 15%. The non-oil private sector experienced a decrease, with its contribution recording about 71%, and the oil sector’s contribution increased, reaching 14%. The contribution of gross fixed capital formation represents about 28.6% of GDP for the current quarter, compared to 29.6% during the previous quarter.

Considering the impact of component on the growth of gross fixed capital formation, which is calculated by contribution to the annual growth of the component, the data for the second quarter of 2023 shows that the government sector had the greatest impact at 2.9%, followed by the oil sector at 2.7%, while the impact of the non-oil private sector was limited at -2.2% on a quarterly basis. The impact of the non-oil private sector became negative, decreasing by 39.5% compared to the same quarter of the previous year.

## Inflows of Foreign Direct Investment (FDI)

Figure 25: FDI inflows



Source: The Saudi Central Bank, 2023

Foreign direct investment inflows increased by 10.2% in the first quarter of 2023 on an annual basis, reaching SAR 8.1 billion, an increase of SAR 0.7 billion (0.8% of GDP) over the same quarter of 2022, which amounted to SAR 7.4 billion. It is the highest since the second quarter of 2021, which included Saudi Aramco investment flows.

On the other hand, cumulative foreign direct investment amounted to SAR 1,016 billion in the first quarter of 2023, compared to SAR 986 billion in the same quarter of the previous year, an increase of 3.1%.

The National Investment Strategy has contributed to stimulating foreign direct investment due to laws and regulations reforms aimed at developing the legislative environment and stimulating procedures to improve the competitive environment. In addition, there are factors that enabled the Kingdom to maintain the average volume of foreign investments, including the investment environment, the size of the Kingdom's internal and external markets, the stability of the exchange rate, and the stability of the interest rate differential.

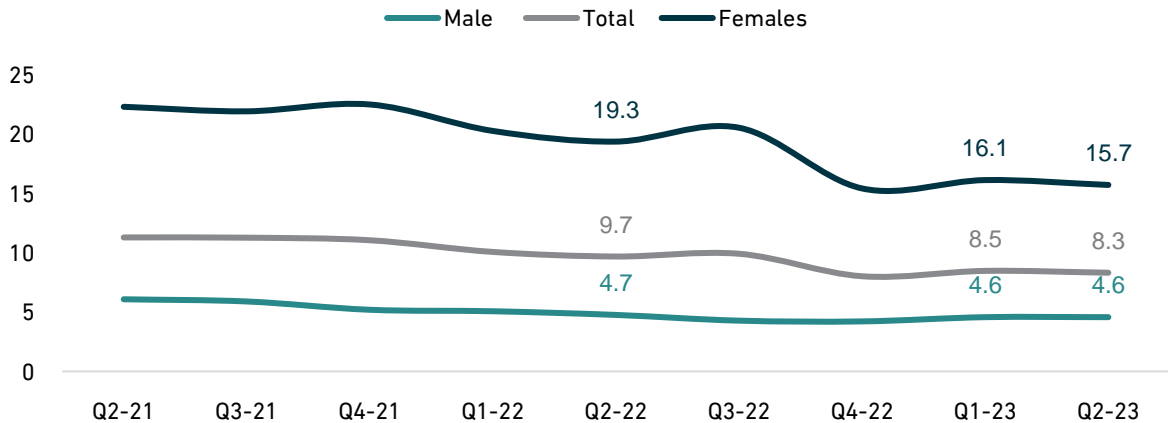
Accordingly, the IMD World Competitiveness Center showed that Saudi Arabia ranked 17th globally in 2023, climbing 7 places compared to 2022. Foreign direct investment supports the development of non-oil private sector activities, such as communications and tourism.

## Labor Market

### Unemployment among Saudis

Figure 26: Unemployment among Saudis

(Percentage)



Source: General Authority for Statistics, 2023

Unemployment among Saudi citizens decreased in the second quarter of 2023, reaching 8.3% compared to 9.7% in the corresponding quarter in 2022. This noticeable decrease is attributed to the decline in the unemployment rate among females, to 15.7% in the second quarter of 2023 from 19.3% in the second quarter of 2022, as a result of labor policy reforms that aim to empower women and create new job opportunities by developing various sectors under Saudi Vision 2030.

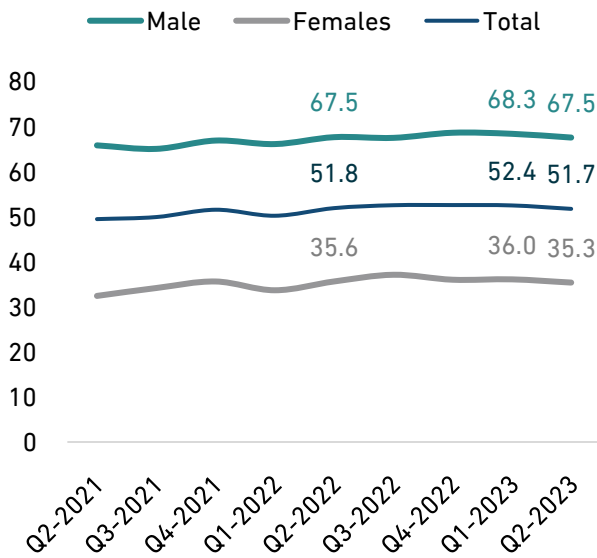
Compared to the previous quarter, the unemployment rate among Saudis decreased by 0.2 percentage points. Male unemployment rate among Saudi stabilized at 4.6%, and female unemployment rate among Saudis dropped, reaching 15.7%, a decrease of 0.4 percentage points on a quarterly basis.

Considering the unemployment rate in the administrative regions, the highest unemployment rate among men was in Jazan region at 6.7%, and among women in Al Baha region at 26.9%. The lowest unemployment rate among men and women was in Riyadh region at 3.6% and 11.9%, respectively.

In general, the continued decline in the unemployment rate among Saudis comes in light of the government's intensified efforts to provide job opportunities for citizens, through a series of programs and initiatives, in addition to the strong growth of the non-oil sector, Saudization efforts, and the continued growth of specific sectors such as retail, tourism, and entertainment.

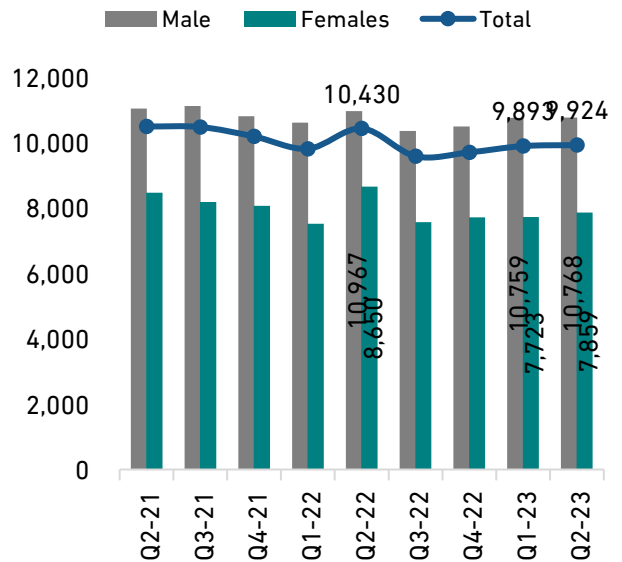
# Economic Participation Rate and Average Monthly Wage

Figure 27: Economic Participation Rate



Source: General Authority for Statistics, 2023

Figure 28: Average monthly wage



Source: General Authority for Statistics, 2023

The overall rate of economic participation decreased slightly by 0.1% on an annual basis, reaching 51.7% in the second quarter of 2023, and by 0.7% on a quarterly basis. This is due to the decline in the participation rate for males by 0.8% and for females by 0.7%.

We observe that over the past four years, there was significant improvement in the economic participation rate among females, rising from 23.2% in the second quarter of 2019 to 35.3% in the second quarter of 2023. The improvement in work policies and environment, such as expanding child care services and also developing the tourism and entertainment sectors, played an important role in creating new job opportunities and encouraging more females to participate in the labor market. However, there is still room to stimulate economic participation for both genders in general and for females in particular.

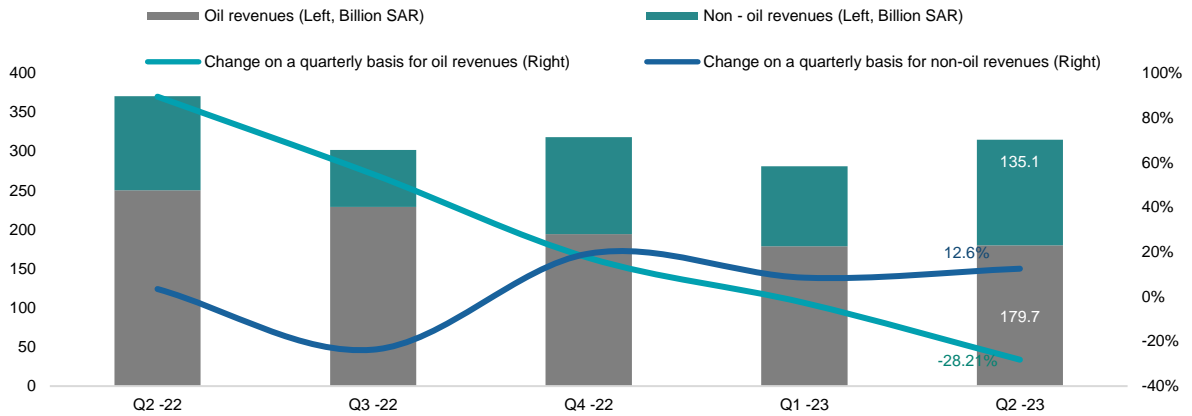
The average monthly wage for Saudi citizens increased by 0.3% in the second quarter of 2023 compared to the previous quarter, affected by a 1.8% increase in average wages for females in particular. The average wages for males rose slightly by 0.1%. Compared to the corresponding quarter of the previous year, the average monthly wage for Saudi citizens decreased by 4.9%.

The average monthly wage for Saudi males was higher than its counterpart for Saudi females, reaching SAR 10,768 compared to SAR 7,859 for females, a gap of SAR 2,909, which is less than a SAR 3,037 gap in the previous quarter.

# Public Finance

## Revenues

Figure 29: Oil and non-oil revenues



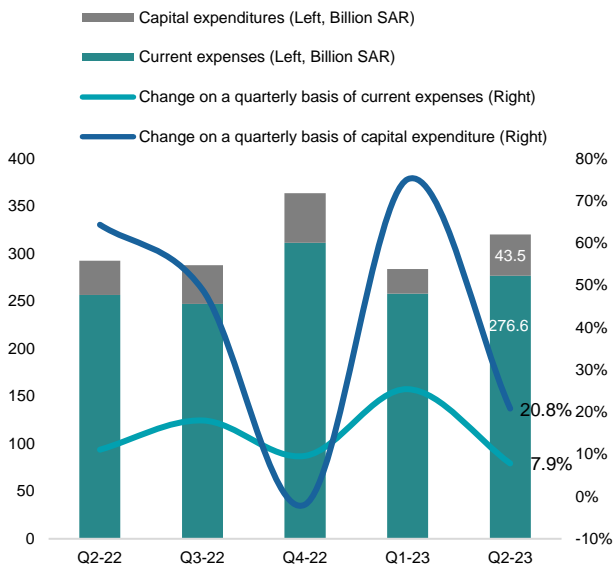
Source: Ministry of Finance 2023

Government revenues increased on a quarterly basis reaching SAR 314.82 billion, but they saw a decrease of 15% on an annual basis. Oil revenues recorded a decrease of 28.21% reaching SAR 179.74 billion, as a result of the fluctuation in oil prices and the Kingdom's voluntary production cut by 1.66 million barrels per day from May 2023 until the end of 2023, based on the OPEC+ agreement.

The oil production averaged 10.13 million barrels per day in the second quarter of 2023, compared to 10.46 million barrels per day for the previous quarter of the same year. Non-oil revenues saw a growth of 12.5% on an annual basis, reaching SAR 135.08 billion, and this is due to the increase in tax revenues from goods and services, trade and international transactions.

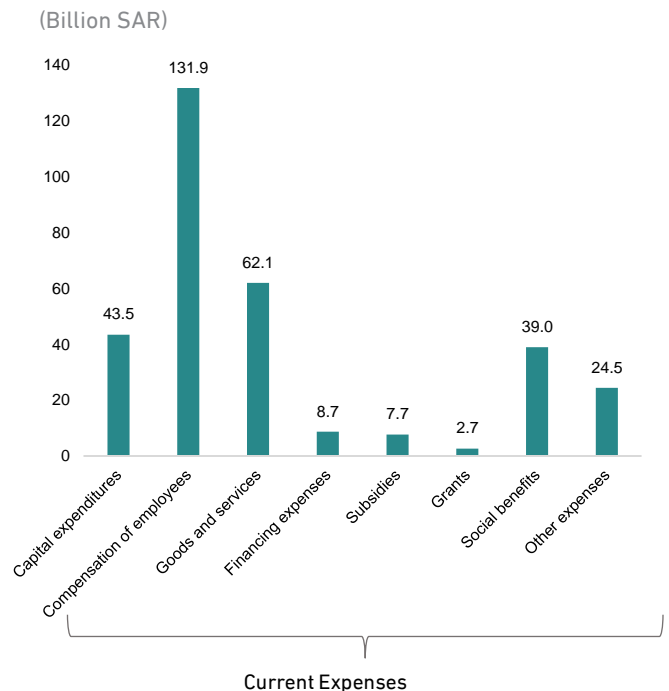
# Expenditures

Figure 30: Current and capital expenditures



Source: Ministry of Finance, 2023

Figure 31: Distribution of expenses by category, second quarter 2023



Source: Ministry of Finance, 2023

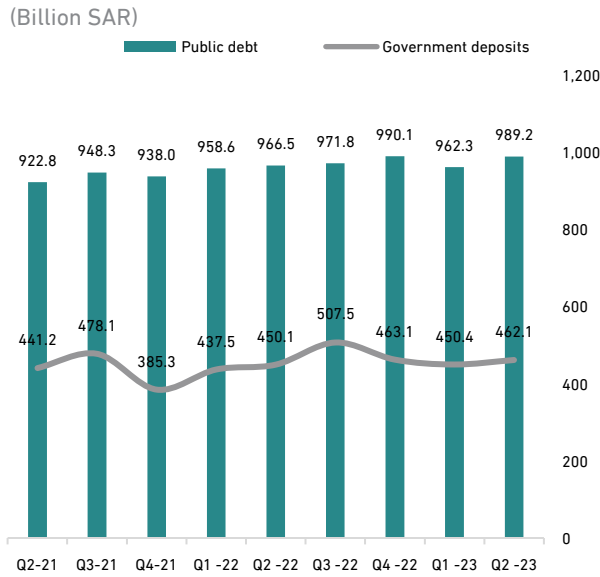
The government's expenditures increased by 9% in the second quarter of 2023 on an annual basis, as public finance continued to adopt expansionary spending policies for major development projects, infrastructure, programs and strategies that enhance economic diversification and financial sustainability, reaching SAR 320.09 billion. Current expenditures increased by 7.9% on an annual basis, reaching SAR 276.61 billion in the second quarter of 2023, as a result of increased spending on government services provided to citizens and residents, supporting social protection programs and continuing development projects to maximize economic impact.

Capital expenditures also increased by 20.8% on an annual basis, reaching SAR 43.48 billion, a positive result that contributes to supporting Saudi Vision 2030 programs. Capital expenditure is considered one of the main influential drivers of economic growth, project implementation and better returns for various economic activities.

Employee compensation represented the largest share of actual government expenditures at 41.20%, reaching about SAR 131.88 billion in the second quarter of 2023, an increase of 4.7% on an annual basis. Government spending on goods and services followed in second place, comprising 19.39% of total expenditures. It reached SAR 62.06 billion in the second quarter of 2023, a decrease of 5% compared to the second quarter of 2022.

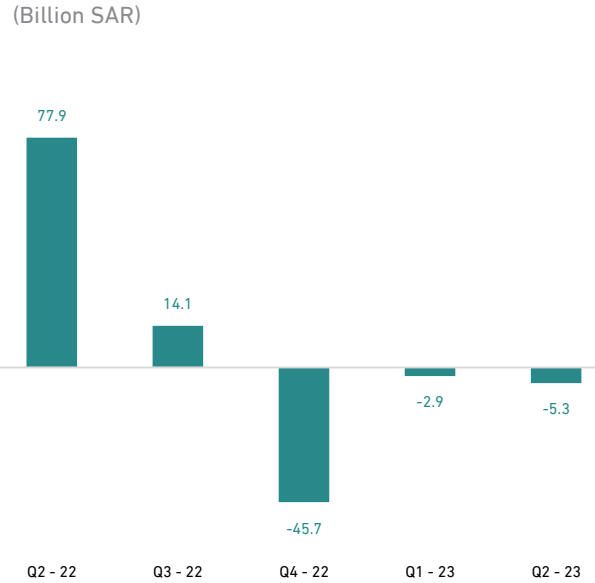
# General Budget and Government Deposits

Figure 32: Public debt and government deposits



Source: Ministry of Finance, 2023

Figure 33: General budget



Source: Ministry of Finance, 2023

Total public debt reached SAR 989.2 billion by the end of the second quarter of 2023, compared to SAR 966.5 billion during the same quarter of 2022, an increase of 2.34%. Government deposits increased by about 2.67% in the second quarter of 2023 on an annual basis, reaching about SAR 462.1 billion, compared to SAR 450.1 billion in the same period of the previous year.

The increase in total public debt is due to the government’s efforts to finance the deficit through issuances or borrowing. Debt issuances play a crucial role in covering the budget deficit and financial needs without depleting reserves or reducing investment expenditures. This approach ensure the sustainability of the debt, building upon the exceptionally successful management of debt in previous years. These achievements can be seen in various aspects such as the volume of issuances, pricing, or extended maturities.

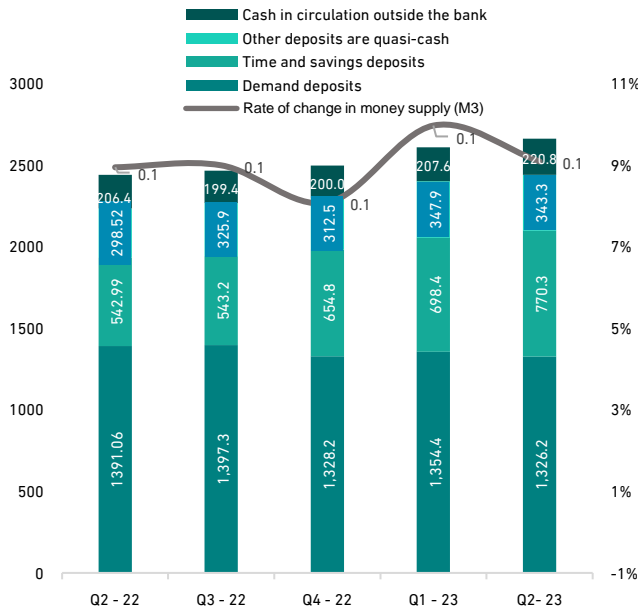
The total of both domestic and external debt reached SAR 623.5 billion and SAR 365.6 billion, respectively, until the end of the second quarter of 2023, with an increase of 3.11% in domestic debt, and an increase of 1.07% in external debt. Public debt to GDP ratio dropped to 24.2% in 2022, compared to 29.6% in 2021.

The Kingdom’s general budget recorded a fiscal deficit of SAR 5.3 billion in the second quarter of 2023. This is due to an increase in the total government expenditures by 9% during the second quarter of 2023 on an annual basis. The government increased spending on targeted strategic projects, especially infrastructure and Saudi Vision 2030 projects, with an increase in current expenditures by 7.9% on an annual basis as a result of price inflation and continued rise in interest rates. This deficit does not cause concerns, in light of the strong Saudi economy and financial policies that foster financial sustainability, and the realization of ongoing projects that will enhance financial returns in the future.

# The Monetary Performance

Figure 34: Money supply developments

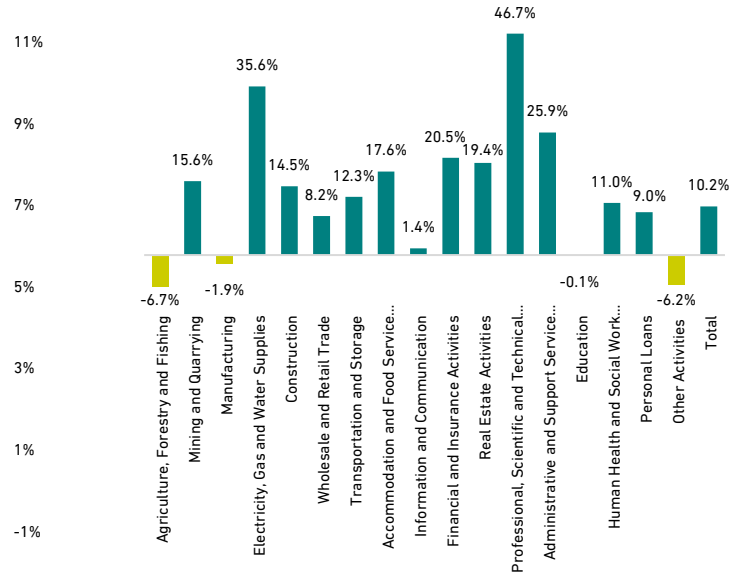
(Percentage)



Source: Saudi Central Bank, 2023

Figure 35: The annual growth rate of bank credit by economic activity, second quarter 2023

(Percentage Billion SAR)



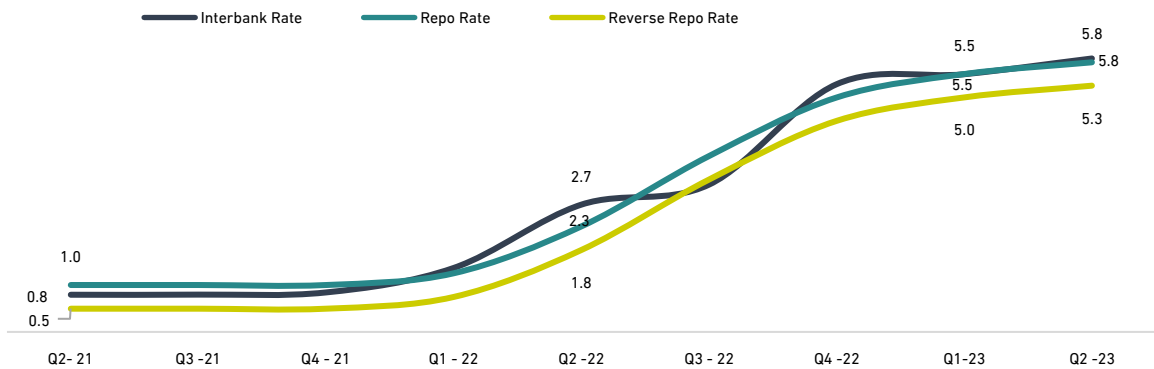
Source: Saudi Central Bank, 2023

Total money supply (M3) increased by 9.1% during the second quarter of 2023 on an annual basis, reaching the equivalent of SAR 2,661 billion, of which 8.3% was outside banks, while demand deposits represented the largest share at 49.8%. Savings and time deposits represented 29%, and quick-liquid deposits accounted for 13%. Money supply (M3) increased by 9.1% during the second quarter on an annual basis, supported by the growth of all components except for demand deposits, which decreased by 4.7% on an annual basis.

Total bank credit amounted to about SAR 2,471 billion, with an annual growth of 10.2%. This was supported by the growth of all economic activities and individual loans, except for manufacturing, educational, agricultural, forestry, fishing and other activities. The highest growth rate was for professional, scientific, and technical activities, with a growth of 46.7%, followed by electricity, gas and water supply activities with an annual growth of 35.6%. Agriculture, forestry and fishing activities, other activities, manufacturing and educational activities decreased by about 6.7%, 6.2%, 1.9% and 0.1%, respectively. Individual loans saw growth of around 9% on an annual basis, and accounted for 49% of total bank credit.

## Figure 36: Main operation policy rates

(Percentage)



Source: Saudi Central Bank, 2023

The Saudi Central Bank (SAMA) raised the interest rate for a third time in 2023, increasing it by 25 basis points on each occasion in conjunction with the US Federal Reserve, which has hiked interest rates in order to control rising inflation.

The repurchase agreements “repo” rate increased by 25 basis points to 5.8%, and the reverse repo rate increased by 25 basis points to 5.3% during the second quarter compared to the first quarter of the current year. This aligns with the bank's objectives in maintaining monetary and financial stability, and comes in light of global developments.

The average interest rate among local banks for three months (SIBOR) rose to 5.8% during the second quarter of 2023. The difference between the average three-month interest rate between banks on deposits in Saudi riyals (SIBOR) and the interest rate between banks in dollars (LIBOR) during Q2 2023 reached about 45 basis points in favor of the Saudi riyal, while it reached about 58 basis points in the first quarter of the previous year.

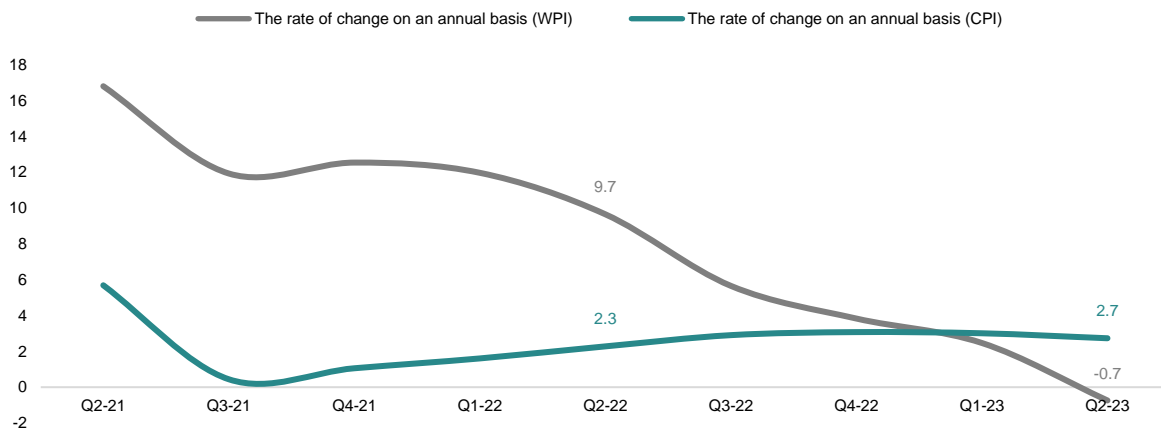
SIBOR determines the supply and demand for money between Saudi banks in riyals, and LIBOR is the basic lending rate between international banks in dollars. The rise of SIBOR over LIBOR reflects a higher level of liquidity and credit risk in the Saudi banking system and the riyal as a whole compared to the US dollar. Therefore, the rise in riyal lending index compared to its counterpart in the dollar bridges the gap that may encourage the transfer of local deposits from riyals to dollars.

# Prices

## Consumer price index and wholesale price index

Figure 37: Consumer price index and wholesale price index

(Percentage)



Source: General Authority for Statistics, 2023

The average consumer price index for the second quarter of 2023 reached 109.4 points, an increase of 2.7% on an annual basis, and 0.6% on a quarterly basis. The main driver of this rise was the restaurant and hotel sectors, housing and its derivatives, food and beverages and transportation sectors. It was noted that the relative inflationary effects were not severe in the Kingdom compared to the rest of the world, as a result of the continuous improvement of economic conditions in the Kingdom.

The consumer price index has continued its upward trajectory since the third quarter of 2021. This increase in prices is attributed to various factors, including the increased cost of imported goods.

The wholesale price index reached 149.3 points during the second quarter of 2023, a decrease of 0.7% on an annual basis, and 0.1% on a quarterly basis. This drop is due to the decline in the "Raw Materials and Mining", "Other Transportable Goods", "Agriculture and Fishing Products" and "Metal Products, Machinery and Equipment" groups.

The Kingdom of Saudi Arabia has recently witnessed a slight increase in the wholesale price index, which measures the average increase or decrease in wholesale prices. This rise is attributed to a combination of factors such as rising oil prices and currency fluctuations.

# Consumer Basket and Wholesale Price Index

Table 2: Second quarter 2023 statistics for the consumer basket and whole sales price index

Major spending categories	Indices			Percentage change 2023	
	Q2 2022	Q1 2023	Q2 2023	Q1 2023	Q2 2022
Consumer Price Index, Second Quarter 2023 (100=2018)					
CPI	106.46	108.72	109.37	0.60	2.74
Food and beverage	121.56	122.62	122.76	0.11	0.99
Tobacco	114.77	114.92	114.90	-0.01	0.11
Clothing and shoes	102.86	100.45	100.40	-0.05	-2.39
Housing, water, electricity, and fuels	88.92	95.15	96.52	1.45	8.55
Home furnishing and appliances	109.90	108.43	107.85	-0.54	-1.87
Health	103.20	103.82	103.90	0.08	0.68
Transportation	117.16	118.45	118.81	0.30	1.41
Telecommunications	111.36	111.22	110.72	-0.45	-0.58
Entertainment and culture	105.33	105.50	108.66	3.00	3.16
Education	99.78	102.65	102.73	0.08	2.96
Restaurants and hotel	116.53	122.02	122.56	0.44	5.17
Consumer goods	108.56	107.72	108.66	0.88	0.10
Wholesale Price Index, Second Quarter 2023 (100=2014)					
Wholesale Price Index	150.39	149.50	149.29	-0.14	-0.74
Agriculture and fishing products	141.35	138.87	139.80	0.67	-1.10
Raw materials and mining	116.58	116.04	116.29	0.21	-0.25
Food products, beverages, tobacco and textiles	130.72	133.92	134.25	0.24	2.69
Other transportable goods, with the exception of metal products, machinery and equipment	176.82	176.20	174.87	-0.76	-1.10
Metal products, machinery and equipment	138.99	136.42	136.68	0.19	-1.67

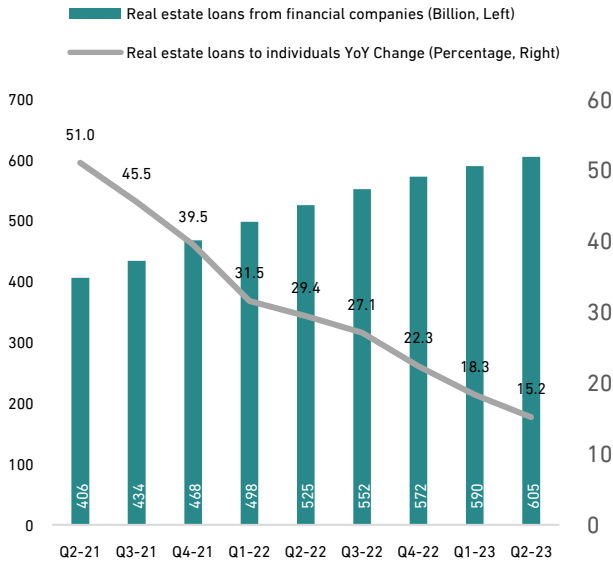
Source: General Authority for Statistics 2023

Many components of the Consumer Price Index (CPI) rose during the second quarter of 2023. The "Housing, Water, Electricity, Gas, and Other Fuels" segment had the largest impact due to its relative importance, which constitutes 25.5% of the index's components. Housing prices rose by 8.6% in Q2 2023 on an annual basis and 1.5% on a quarterly basis. Prices of housing and its derivatives continued to increase in the second quarter of 2023 as a result of rising rental prices, especially in the cities of Jeddah and Riyadh. This increase is attributed to the high demand for housing as a result of development projects and increasing number of expatriates in Saudi Arabia during the period. Other components also contributed to the annual relative increase in the index. "Restaurants and Hotels," "Entertainment and Culture," "Education," "Transportation," and "Food and Beverages" recorded increases of 5.2%, 3.2%, and 3.0%, 1.4% and 0.1%, respectively. "Home Furnishings and Appliances" and "Clothes and Shoes" decreased by 1.9% and 2.4%, respectively. Wholesale Price Index numbers declined in the second quarter of 2023. Prices of "Metal Products, Machinery and Equipment", "Other Transportable Goods", "Agriculture and Fishing Products", and "Raw Materials and Mining" decreased by 1.7%, 1.1 %, 1.1%, and 0.3%, respectively on an annual basis, while the prices of "Food Products, Beverages, Tobacco and Clothing" increased by 2.7% on annual basis.

# Real Estate

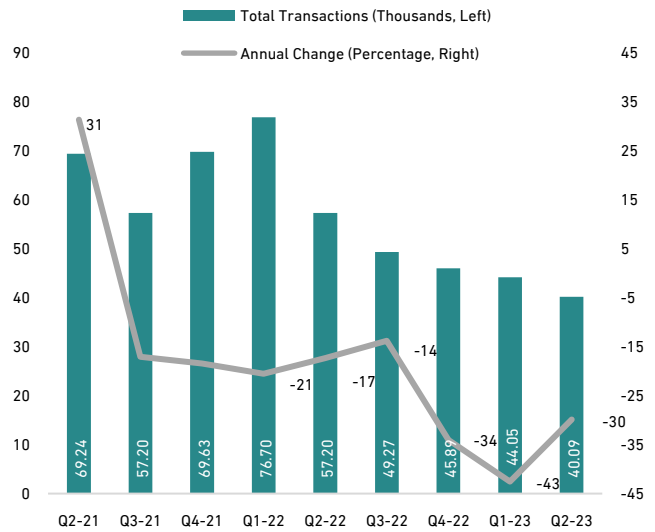
## Mortgage Loans and Real Estate Transactions

Figure 38: Annual change in mortgage loans to individuals



Source: Saudi Central Bank, 2023

Figure 39: Annual change in the total number of real estate transactions



Source: Saudi Central Bank, 2023

Total real estate loans to individuals by commercial banks continued to rise, but at a slower pace since reaching their peak in the fourth quarter of 2020. They grew by 15.2% on an annual basis in the second quarter of 2023, which is less than previous quarters, recording an increase of 2.6% on a quarterly basis. Rising residential real estate prices and rising cost of lending (interest rate) led to reducing the demand for real estate loans. Total real estate loans to individuals by commercial banks and finance companies until the second quarter of 2023 reached about SAR 605 billion.

In general, real estate loans to individuals provided by commercial banks as well as financing companies have improved since January 2018. The Saudi Central Bank's reduction of down payment - the first payment as a condition for obtaining real estate financing for individuals - from 30% to 15% and then 10%, in addition to government policies of housing programs, contributed to promoting home ownership.

In the second quarter of 2023, the real estate transactions in the Kingdom fell by 30% on an annual basis and by 9.0% on a quarterly basis, totaling 40,100 transactions. The annual value of transactions decreased by about 12%. This was caused by a decline in residential transactions by 35.5% annually and 9.0% quarterly. Commercial transactions declined at rates close to residential ones, although the commercial sector witnessed fewer transactions than the residential sector, accounting for 13% of total transactions.

Despite the decline in demand for real estate transactions in the second quarter of 2023, land plots still represented the largest share in total transactions, especially residential ones, as they totaled 26,700 transactions from 40,100 transactions finalized in the quarter.

# Real Estate Price Index

Figure 40: Quarterly and annual rate of change in the real estate price index

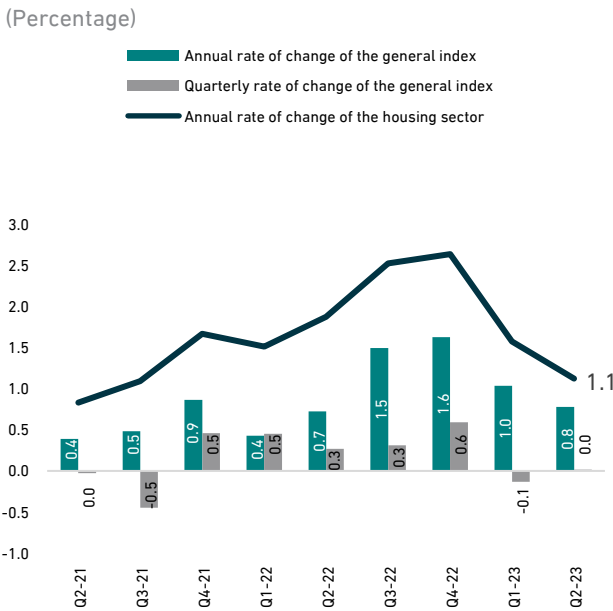
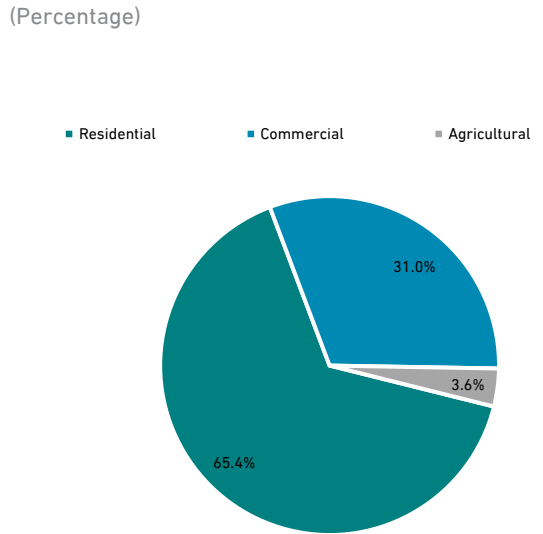


Figure 41: The relative importance of each sector according to the composition index



Source: General Authority for Statistics, 2023

Source: General Authority for Statistics, 2023

The general real estate price index increased by 0.8% on an annual basis in the second quarter of 2023. This increase was less than the previous two quarters, in which growth rate reached 1.6% and 1.0%, respectively. This is attributed to the rise in residential sector prices by 1.1% on an annual basis due to its relative importance in the general real estate price index, a limited 0.2% increase in commercial sector prices and a 0.3% decline in agricultural sector prices. The general real estate price index on a quarterly basis stabilized after a relatively limited 0.1% decline in the previous quarter and after five consecutive quarters of growth.

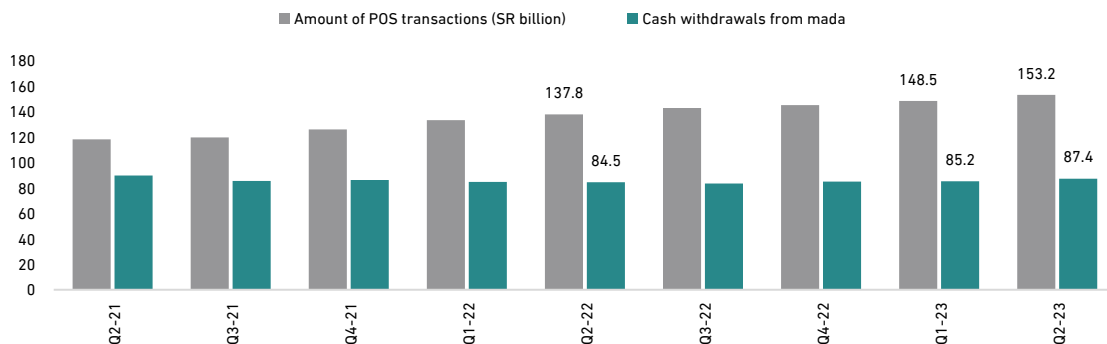
The annual increase in residential real estate prices came as a result of an increase in residential land prices by 1.2% and apartment prices by 0.1%, while the prices of residential buildings and villas decreased by 0.9% and 5.0%, respectively. Although prices for residential sector rose on an annual basis, they were less accelerated in the second quarter of this year after reaching their peak in the fourth quarter of 2022.

The commercial sector's real estate prices increased as a result of the rise in commercial land prices by 0.2%, and the successive growth in demand for real estate contributed to an increase in real estate prices supported by the previous acceleration in real estate loans. However, the rise in real estate loan interest has limited this high demand, while the continued implementation of the Kingdom's huge development projects contributed to maintaining the level of demand.

In terms of the regional real estate price index, it was noted that the Tabuk region recorded the highest increase on an annual basis at 4.5%, with a large margin when compared with other regions, while Riyadh region was the highest in the previous two quarters. Followed by Al Baha region with an increase of 2% on an annual basis. Qassim region declined the most on an annual basis at 1.7% for the second quarter in a row, followed by the Jizan region at 1.4%.

## Point-of-Sale (POS) and ATM Cash Withdrawals

Figure 42: Point-of-Sale (POS) and Cash Withdrawals



Source: Saudi Central Bank, 2023

The value of point-of-sale transactions and cash withdrawals helps in anticipating the potential direction of the economy from the consumption perspective. Monitoring them provides insight into developments in the purchasing power of the private sector, retail sector activity, monitoring cash demand as well as trends in spending within the local economy.

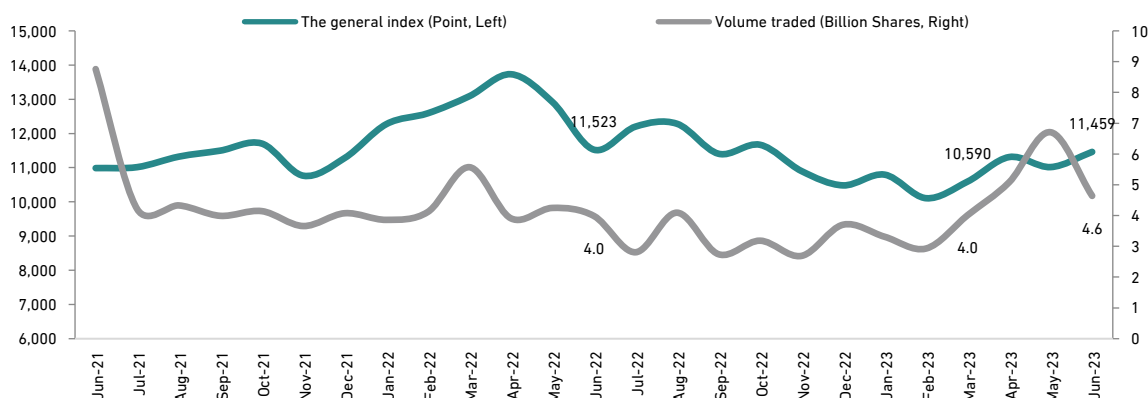
Point-of-sale transactions, conducted through ATM cards and credit cards, increased by 11% in the second quarter of 2023 on an annual basis, reaching approximately SAR 153 billion, compared to approximately SAR 138 billion in the second quarter of 2022.

This increase is attributed to the positive performance of local demand, as well as the increasing trend towards electronic transactions instead of dealing with cash, which has led to a decrease in the number of ATMs over the years. The value of cash withdrawals through ATMs decreased by 17% since 2015. Additionally, the regulations encouraging startups to issue point-of-sale devices, alongside medium and large establishments, have played a role in this trend.

The development and spread of payment apps on mobile devices has played a role in facilitating electronic payment, and the efforts of the Saudi Central Bank have had an impact on points of sale transactions and stimulating widespread consumer adoption. As for cash withdrawals from ATMs, they recorded an increase of about 3% in the second quarter of 2023, reaching about SAR 87 billion, compared to about SAR 84.5 billion in the second quarter of 2022.

## Stocks (Tadawul All Share Index)

Figure 43: Tadawul All Share Index (TASI)



Source: Tadawul, 2023

The Saudi stock market concluded the second quarter of 2023 with an increase of 8.2%, closing at 11,459 points, compared to its closing at 10,590 points at the end of the first quarter of 2023. The market value of issued shares at the end of the second quarter amounted to SAR 10.9 trillion, an increase of 9.2% compared to the end of the first quarter of 2023.

The volume traded at the end of the second quarter reached 4.64 billion shares, an increase of 15.6% compared to the end of the first quarter of 2023. There were 4 new listed companies during the second quarter of 2023, bringing the total number to 227. The value of shares totaled more than SAR 325 billion, an increase of around 20.5% compared to the first quarter of the same year.

Foreign investors ownership in the Saudi stock market reached 3.45% of the total market value at the end of the second quarter of 2023, with a value of SAR 376 billion (an increase of 8.35% compared to the end of the first quarter of 2023).

The improvement in the Saudi stock market during the second quarter of 2023 comes in light of the continued improvement in the performance of the non-oil Saudi economy and is driven by leading stocks.

# Disclaimer

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