

Daily Bulletin

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IMF raises KSA's real GDP growth forecast to 4.5% in 2026

The International Monetary Fund (IMF) has raised Saudi Arabia's real GDP growth forecast to 4.5% for 2026f, up from previously projected 4.0%. Additionally, for 2027f, real GDP projection has increased from 3.2% to 3.6%. Growth is expected to be underpinned by a combination of rising oil production, resilient domestic demand, and continued progress on Vision 2030-driven structural reforms. Notably, the recent update brings IMF's forecasts closer to Ministry of Finance real GDP growth projections of 4.6% for 2026f, and 3.7% for 2027f.

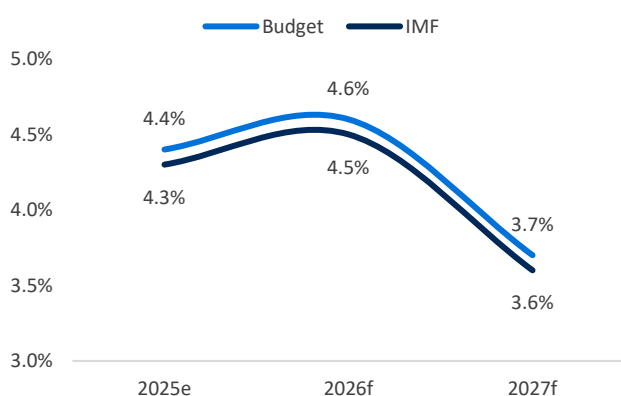
While the update doesn't provide inflation projections for KSA, global inflation is expected to continue its decline, with headline inflation falling to 3.8% in 2026f (from 4.1% in 2025e) and 3.4% in 2027f. The inflation trends are expected to be supported by softening demand and lower energy prices.

We expect real GDP growth to be supported particularly by growth in non-oil GDP. Following the phased reversal of voluntary OPEC+ production cuts in 2025, oil production is expected to remain stable into early 2026. OPEC+ has paused further production increases, with Saudi crude output maintained at 10.1 mn bpd through Mar-26f.

With Vision 2030 now entering its third phase, shifting from large-scale project initiation toward accelerated execution and completion. As part of this transition, the scope and delivery of several Vision 2030 projects are being transferred to the private sector, marking an increase in private participation across key sectors. According to His Excellency, Minister of Economy and Planning, Faisal Alibrahim, the non-oil economy now accounts for around 56% of real GDP, highlighting the Kingdom's progress achieved in economic diversification. The share of KSA's direct and indirect dependence on oil flows has also declined from 90% to 68%.

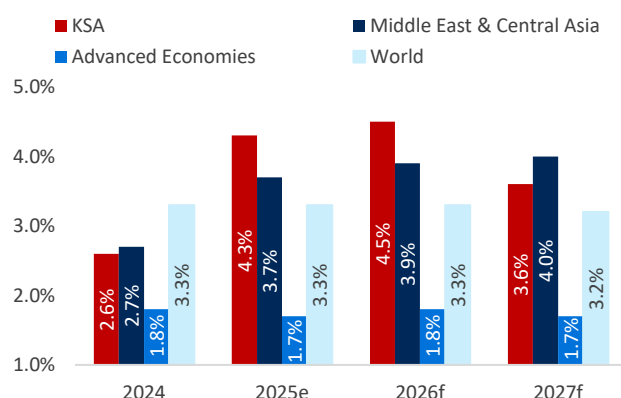
This diversification momentum is further reinforced by strong performance of non-oil sectors, most of which have delivered steady annual growth of 5-10% over the past five years. The Ministry of Economy and Planning expects this trend to persist, with both headline and non-oil growth projected to average 4-5% over the next three years.

KSA's real GDP growth forecast



Source: MoF budget document, IMF, anbc research

Real GDP forecast



Source: IMF, anbc research

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