

## Daily Bulletin

October 1, 2025

### *Pre-Budget 2026 Release: 2025 spending estimate upped 4% while modest spending cuts projected in 2026*

Yesterday, the Ministry of Finance (MoF) released the Pre-Budget Statement for the fiscal year 2026, indicating that planned spending will remain elevated in 2025, up 4% from the earlier budgeted levels, with a moderate reduction projected in 2026. Amid relatively flat revenue projections for 2025/26, linked to the oil price movements, the fiscal stance signals a greater tolerance for larger deficits to maintain funding for economic diversification initiatives and support non-oil GDP growth.

Overall real GDP is expected to grow by 4.4% in 2025 and 4.6% in 2026. This is driven by an anticipated 5.0% increase in non-oil activity, supported by increased domestic demand and improved employment rates. Additionally, the pre-budget statement 2026 noted that average inflation rate is projected to remain relatively stable at 2.3% in 2025, with a further downtick expected to 1.8% by 2027.

The 2026 Saudi Arabia budget is expected to record a deficit of about 3.3% of GDP, with deficits projected to persist at lower levels over the medium term. This is as the government continues pursuing strategic expansionary spending policies to implement projects, programs, and initiatives that deliver economic and social returns.

#### Key Medium-Term Economic Indicators (SR bn)

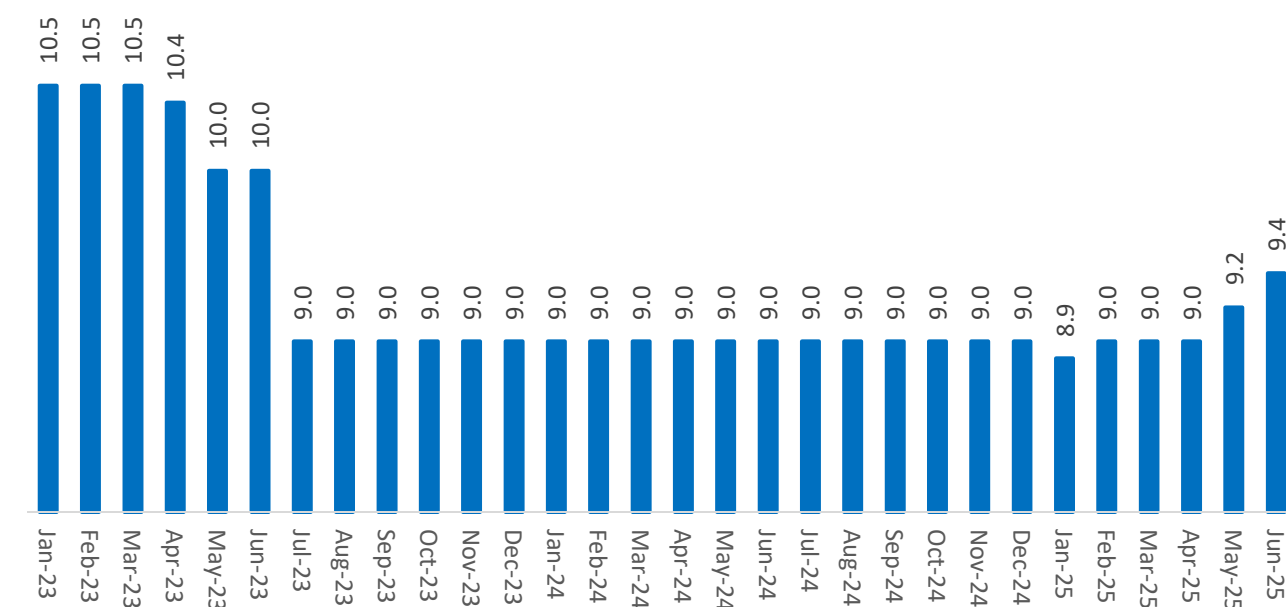
Item	Actual	Forecasts	Estimates		
	2024	2025	2026	2027	2028
Total Revenues	1,259	1,091	1,147	1,230	1,294
Total Expenditure	1,375	1,336	1,313	1,350	1,419
Surplus/(Deficit)	-116	-245	-165	-120	-125
Real GDP Growth	2.0%	4.4%	4.6%	3.7%	4.5%
Nominal GDP	4,649	4,600	4,965	5,258	5,643
Inflation	1.7 %	2.3 %	2.0 %	1.8 %	1.9 %

Source: MoF, anbc research

We note that the IMF's staff report published in August 2025 projects the 2026 fiscal deficit at SAR 191 bn, reflecting a 16.0% variance versus the SAR 165 bn projection by the Ministry of Finance. The IMF also forecasts real GDP growth of 3.9% in 2026, below the Ministry of Finance's estimate of 4.6%.

We further highlight that the Kingdom's crude oil supply in June 2025 rose by 381 thousand bpd YoY (+4%), reaching approximately 9.4 mn bpd. As per the announcement made at the latest meeting of the eight OPEC+ member countries participating in voluntary cuts, held on August 3, 2025, the Kingdom's supply is expected to increase to 10 mn bpd by end-September, compared to around 9 mn bpd in March 2025, representing an increase of 1 mn bpd.

## Saudi Crude Oil Supply (mn bpd)



MoF, anb research

**Disclaimer:**

This report has been prepared on the basis of information believed to be reliable, but anb capital makes no guarantee, representation or warranty, express or implied, as to the accuracy, correctness or completeness of such information, nor do they accept any responsibility for loss or damage arising in any way (including by negligence) from errors in, or omissions from the information.

This report has been prepared by anb capital for information purposes only and is not and does not form part of nor should be considered advice, recommendation, offer for sale or solicitation of any offer to subscribe for, purchase or sell any securities, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever, and any views or opinions expressed herein are subject to change without notice.

This report and information contained herein, are provided for informational purpose only and does not take into consideration any investment objective, financial situation or particular needs of any recipient and are not designed with the objective of providing information to any particular recipient and only provides general information.