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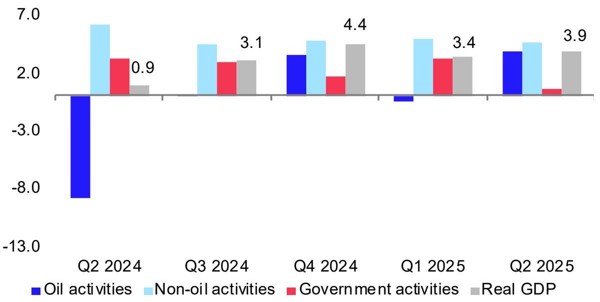
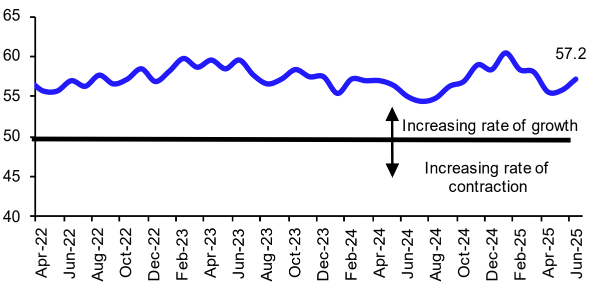
Figure 1 **Real GDP Growth Rate (%)**



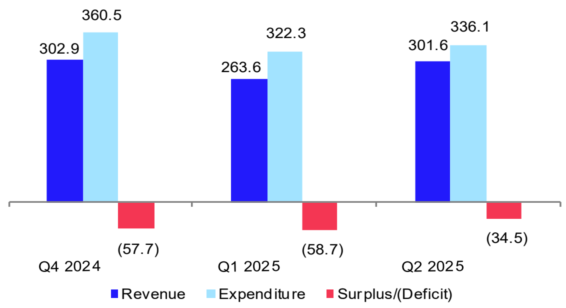
Source: GASTAT, Al Rajhi Capital (Base year 2018)

Figure 2 **Saudi PMI**



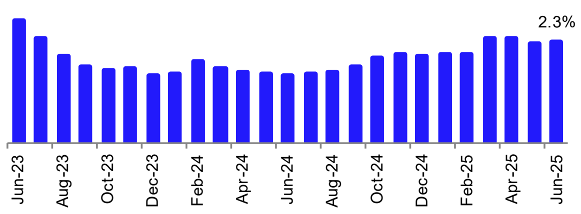
Source: Bloomberg, Al Rajhi Capital

Figure 3 **Government Budget Performance (SAR bn)**



Source: MoF, Al Rajhi Capital

Figure 4 **Change in Consumer Price Index (Inflation rate)**



Source: GASTAT, Al Rajhi Capital

KSA Economy: Real GDP grows 3.9% in Q2 2025 on strong non-oil activity

- **Real GDP expanded 3.9% y-o-y in Q2 2025, led by a 4.7% rise in non-oil GDP.**
- **PMI rose to 57.2 in June, signaling continued strength in non-oil activity.**
- **The fiscal deficit narrowed to SAR 34.5bn in Q2 as both revenues and spending declined.**

More details:

Real GDP: According to flash estimates by GASTAT, Saudi Arabia's real GDP grew 3.9% y-o-y in Q2 2025, driven by a 4.7% increase in non-oil GDP. Oil GDP also rose 3.8% y-o-y (Figure 1).

PMI: The non-oil private sector remained robust, with the PMI rising to 57.2 in June, indicating strong business conditions (Figure 2).

Budget Performance: Saudi Arabia posted a SAR 34.5bn fiscal deficit in Q2 2025, narrower than Q1's SAR 58.7bn shortfall. Revenues fell 14.7% y-o-y to SAR 301.6bn, while expenditure declined 8.9% y-o-y to SAR 336.1bn (Figure 3).

International Trade: Non-oil exports rose 6.0% y-o-y in June, slowing from 27.5% in April. Transport Equipment exports increased 19.3% y-o-y (Figures 18 & 19).

Oil market trends: Saudi Arabia's crude output rose to 9.37mbpd in June 2025, up 4.2% y-o-y, while Brent prices averaged USD 68.6 in July, down 1.6% m-o-m and 13.3% y-o-y amid rising trade tensions (Figures 17 & 18).

Inflation update: CPI rose to 2.27% y-o-y in June (vs. 2.22% in May), driven by a 6.50% rise in rental prices, while WPI increased to 2.10% (vs. 2.04% in May), led by a 4.45% rise in agricultural and fisheries products (Figures 4–8).

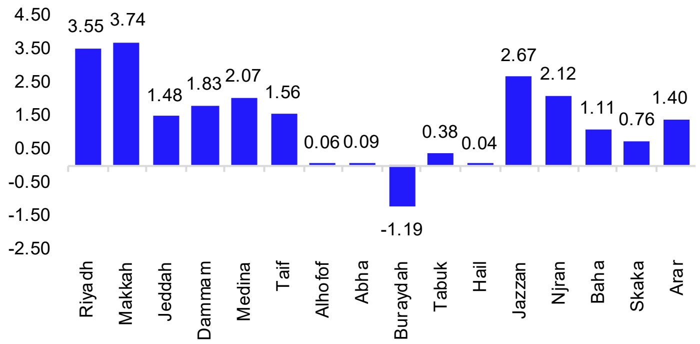
Consumer Spending: Spending grew 8.8% y-o-y to SAR 123bn in June. E-commerce surged 71.6%, while Jewelry and Laundry Services saw the highest POS gains (Figure 11).

Cement Sales: Cement sales by Saudi Arabia's 17 producers rose 14.0% y-o-y to 4.1mn tons in June, up from 3.6mn tons a year earlier.

Bank Credit: Credit growth slowed m-o-m in June, rising just 0.6% m-o-m (15.8% y-o-y), mainly due to weak mortgage origination.

Real Estate Price Index (REPI): Saudi Arabia's real estate prices rose 3.2% y-o-y in Q2 2025, driven by an 11.7% y-o-y increase in commercial real estate prices, while residential properties saw a marginal rise of 0.4% y-o-y (Figures 9 & 10).

Figure 5 **Region-wise CPI Growth Trend (y-o-y%) – June 25**



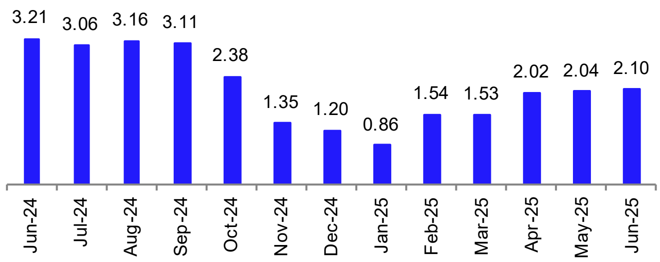
Source: GASTAT, Al Rajhi Capital

Figure 6 **Segments-wise CPI Growth Trend (y-o-y%)**

	Weights	Jun-25	Jun-24	Change (y-o-y)
General Index	100.0%	113.74	111.22	2.27%
Food & Beverages	18.8%	126.43	124.53	1.53%
Tobacco	0.6%	114.03	113.41	0.55%
Clothing & Footwear	4.2%	95.59	96.13	-0.56%
Housing, Water, Electricity and Gas	25.5%	112.20	105.35	6.50%
Furnishings and Household Equipments	6.7%	101.55	103.35	-1.74%
Health	1.4%	102.33	102.68	-0.34%
Transport	13.1%	115.13	115.97	-0.72%
Communication	5.6%	107.00	108.31	-1.21%
Recreation & Culture	3.1%	106.42	106.37	0.05%
Education	2.9%	105.39	103.9	1.43%
Restaurants and Hotels	5.6%	127.75	125.69	1.64%
Miscellaneous Goods & Services	12.6%	113.03	108.54	4.14%

Source: GASTAT, Al Rajhi Capital

Figure 7 **Wholesale Price Index (%)**



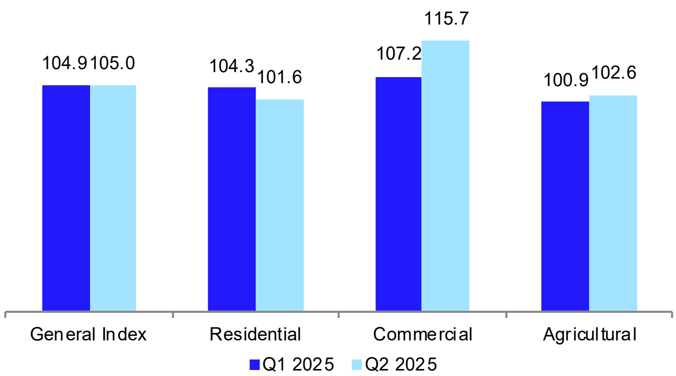
Source: GASTAT, Al Rajhi Capital

Figure 8 **Segment-wise WPI Growth Trend (y-o-y%)**

	Weights (%)	Apr-25	May-25	Jun-25
Agriculture and fishery products	8.67	4.46	4.35	4.38
Ores and Minerals	0.59	-1.71	-1.46	-1.13
Food & beverages, tobacco & textiles	17.31	0.00	0.26	0.21
Other transportable goods	33.72	4.13	4.31	4.45
Metal products, machinery and equipment	39.71	-0.09	-0.32	-0.31
General Index	100	2.02%	2.04%	2.10%

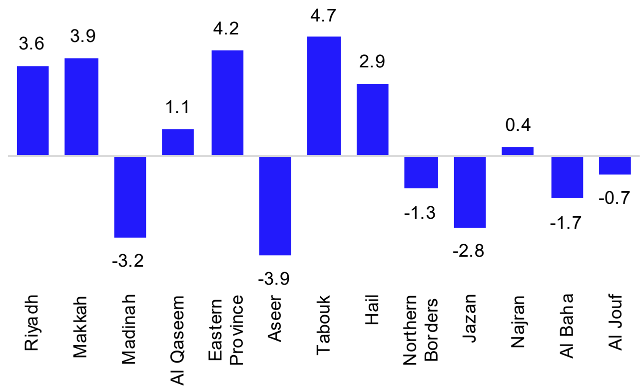
Source: GASTAT, Al Rajhi Capital

Figure 9 **Real Estate Price Index**



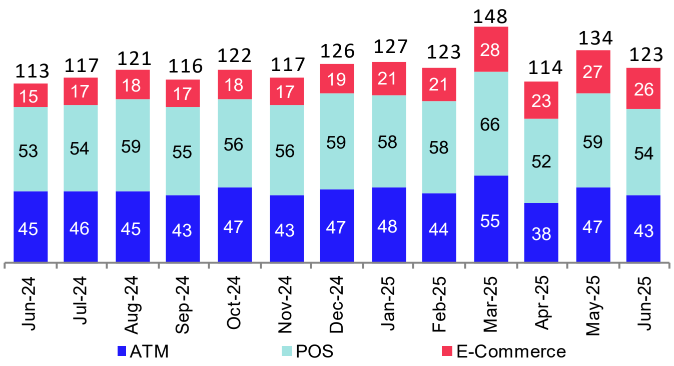
Source: GASTAT, Al Rajhi Capital

Figure 10 **Region-wise Real Estate Price Growth Trend (y-o-y%) - Q2 2025**



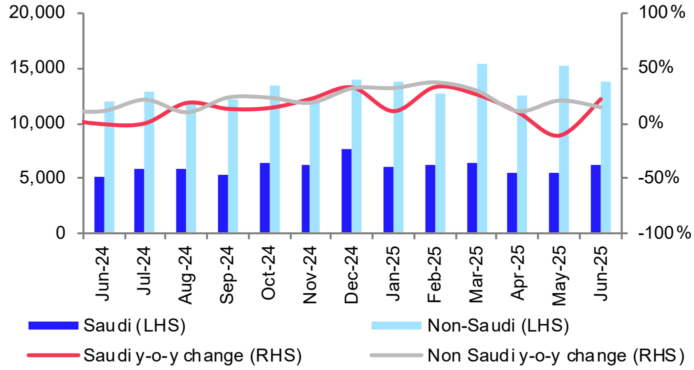
Source: GASTAT, Al Rajhi Capital

Figure 11 **Consumption (SAR bn)**



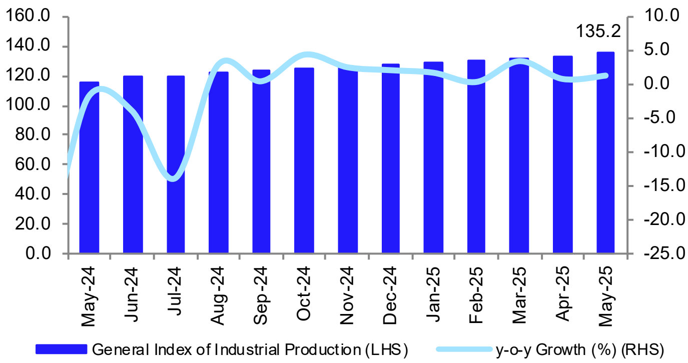
Source: Saudi Central Bank, Al Rajhi Capital

Figure 12 **Remittances (SAR mn)**



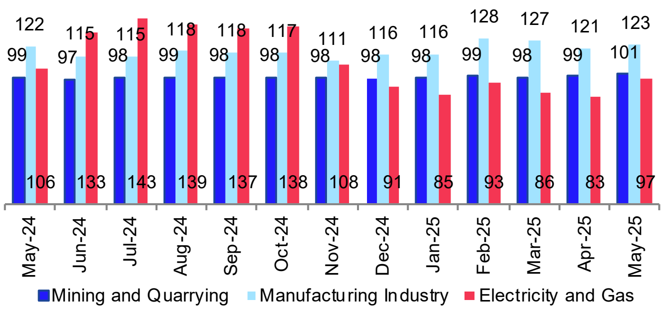
Source: Saudi Central Bank, Al Rajhi Capital

Figure 13 **General Index of Industrial Production Index**



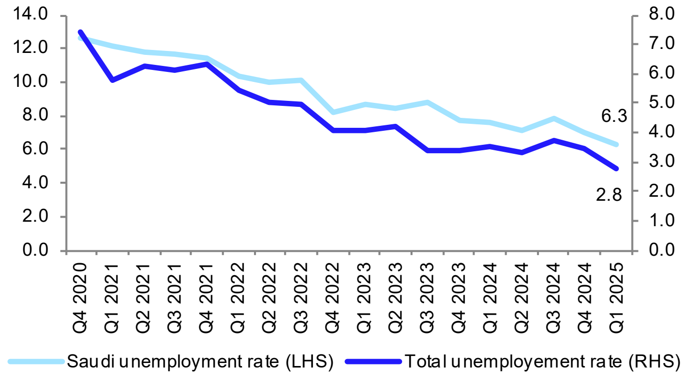
Source: GASTAT, Al Rajhi Capital

Figure 14 **IIP Sector Trend**



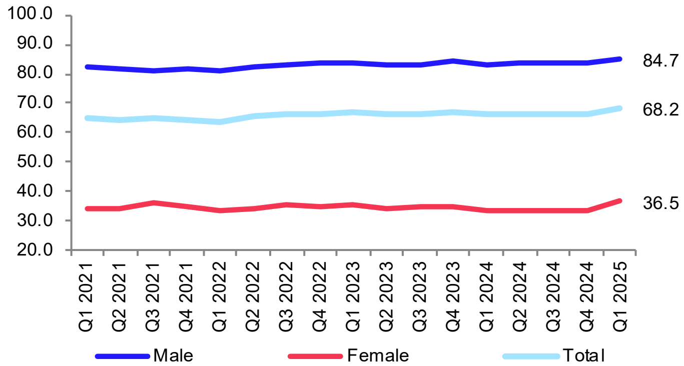
Source: GASTAT, Al Rajhi Capital

Figure 15 **Unemployment Rate (%)**



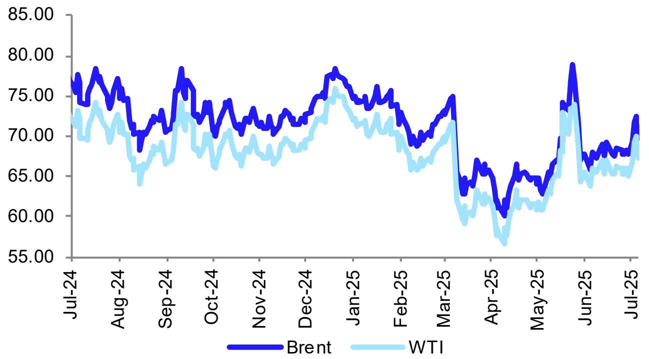
Source: GASTAT, Al Rajhi Capital

Figure 16 **Labor Force Participation Rate (%)**



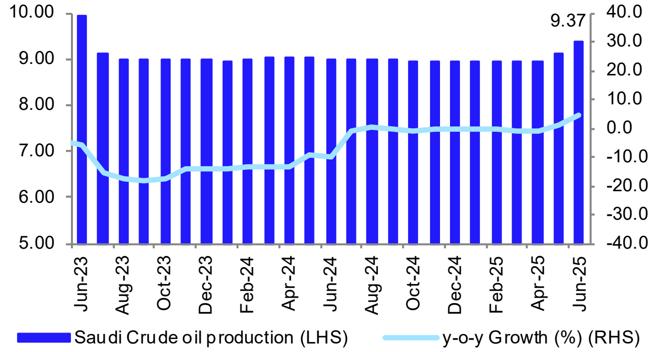
Source: GASTAT, Al Rajhi Capital

Figure 17 **Oil price movement ($ per Barrel)**



Source: Bloomberg, Al Rajhi Capital

Figure 18 **Saudi crude oil production (mbpd)**



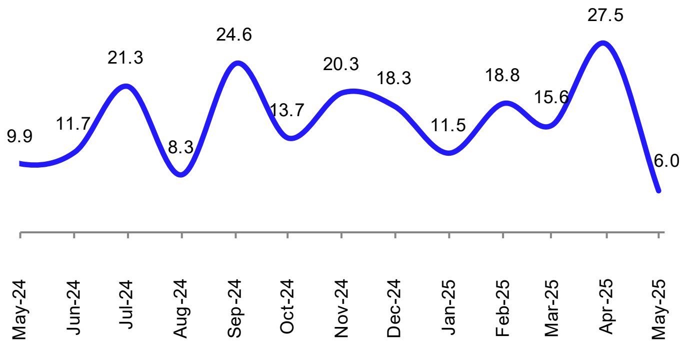
Source: Bloomberg, Al Rajhi Capital

Figure 19 **Commodity-wise Non-oil Export Trend (y-o-y%)**

Commodities (SAR mn)	May-25	Apr-25	May-24	% m-o-m	% y-o-y
Plastics& Rubbers	5,604	6,159	6,447	-9.0%	-13.1%
Chemical Products	7,095	6,256	7,063	13.4%	0.4%
Base Metals	2,136	1,994	2,022	7.1%	5.6%
Transport Equipments	3,845	4,328	3,224	-11.2%	19.3%
Others	12,439	10,281	10,605	21.0%	17.3%
Total	31,119	29,019	29,361	7.2%	6.0%

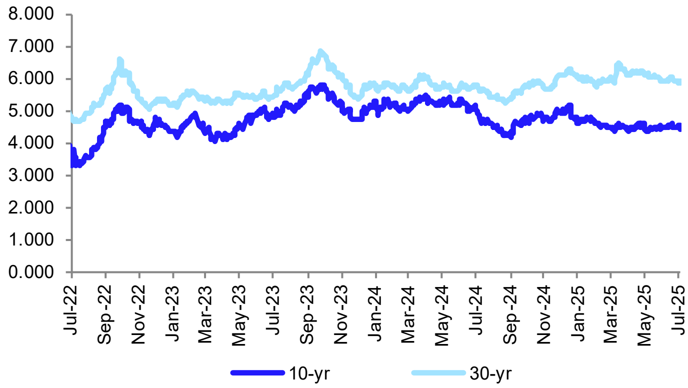
Source: GASTAT, Al Rajhi Capital

Figure 20 **Non-oil Export Trend (y-o-y%)**



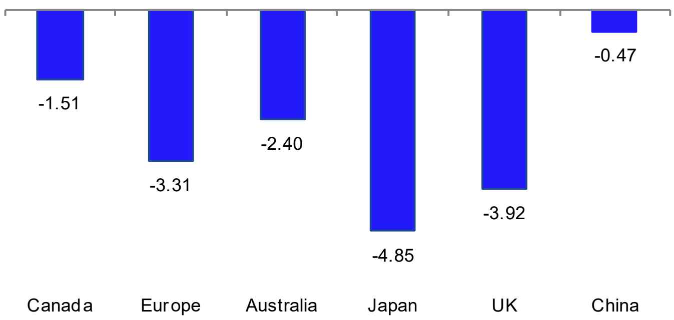
Source: GASTAT, Al Rajhi Capital

Figure 21 **Saudi Bond Yields**



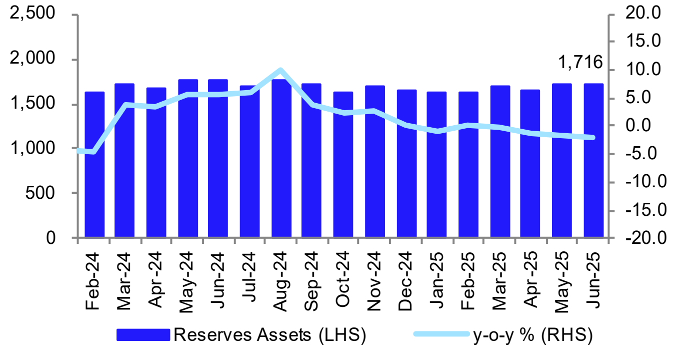
Source: Bloomberg, Al Rajhi Capital (Note: Tickers are 10 Year International Bond (QZ9368197 corp) and 30 Year International Bond (QZ9368221 corp).

Figure 22 **Monthly change (%) against US Dollar**



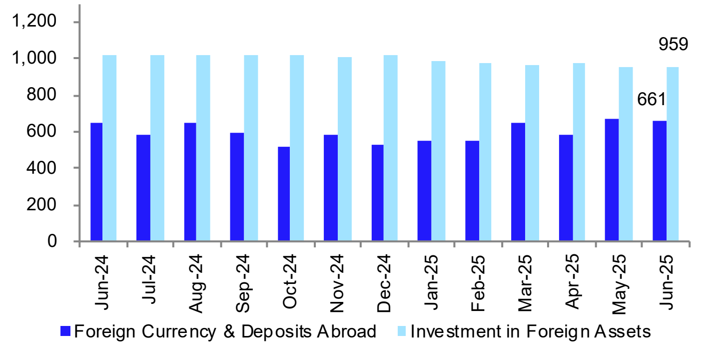
Source: Bloomberg, Al Rajhi Capital

Figure 23 **Reserve Assets (SAR bn)**



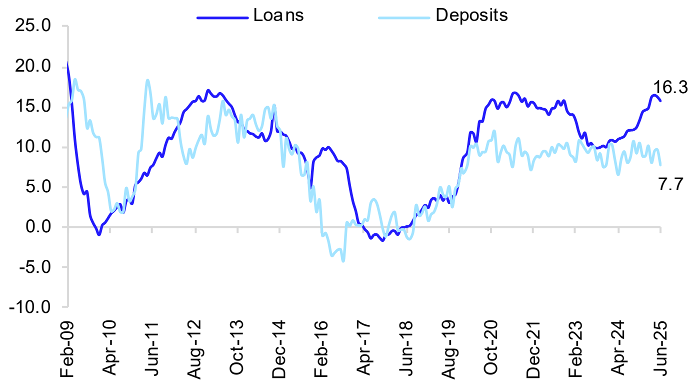
Source: Saudi Central Bank, Al Rajhi Capital

Figure 24 **Major Components of Foreign Assets (SAR bn)**



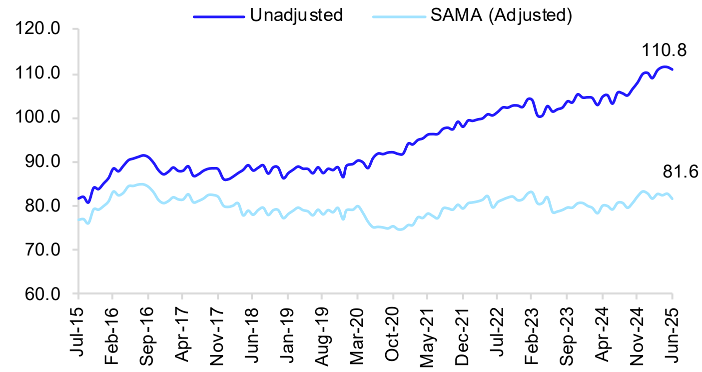
Source: Saudi Central Bank, Al Rajhi Capital

Figure 25 **Loans and Deposits Growth Trend (%)**



Source: Saudi Central Bank, Al Rajhi Capital

Figure 26 **LDR (%)**



Source: Saudi Central Bank, Al Rajhi Capital

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