

The Arabian Peninsula is the world's largest such landmass. Situated at the crossroads of Asia, Africa, and Europe, it has long played a large role in human history, though its inhospitable geography and climate kept Arabia isolated.

- Luas wilayah empat perlima semenanjung Arabia.
- Pada tahun 1932, Abdul Aziz bin Abdurrahman al-Saud mempersatukan Kerajaan Hijaz dan Najd.



- Although it is still the world's greatest oil exporter and possesses the largest oil reserves, The non-oil economic sector's share increased from 46 percent in 1970 to 67 percent in 1992
- Education is free from kindergarten through university and available to all.
- Government offices are open Saturday through Wednesday, The weekend in Saudi Arabia is Thursday and Friday
- The Islamic calendar is based on the beginning of the Islamic era.
- Saudi currency is Riyal. One U.S. dollar is equivalent to 3.75 Saudi Riyals.
- The flag of Saudi Arabia bears the Muslim creed: "There is no god but God: Muhammad is the Messenger of God."





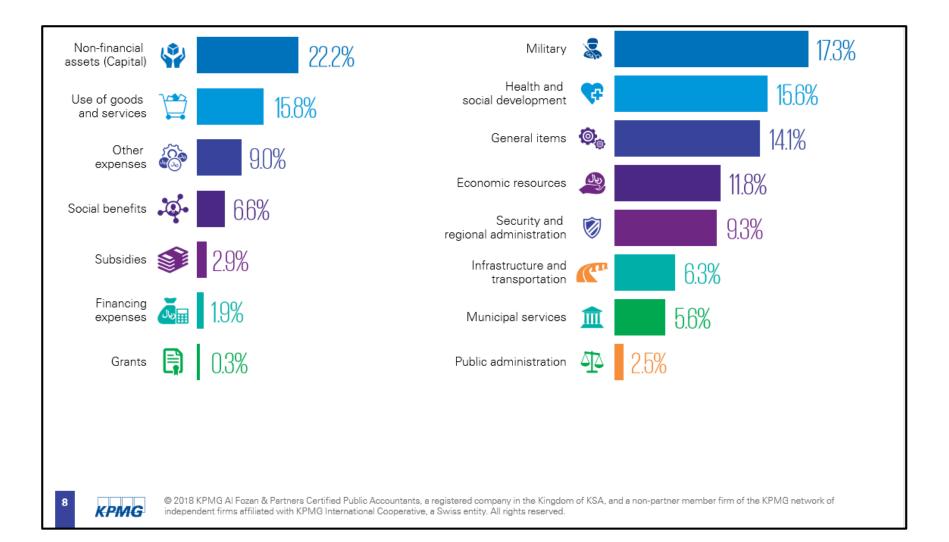


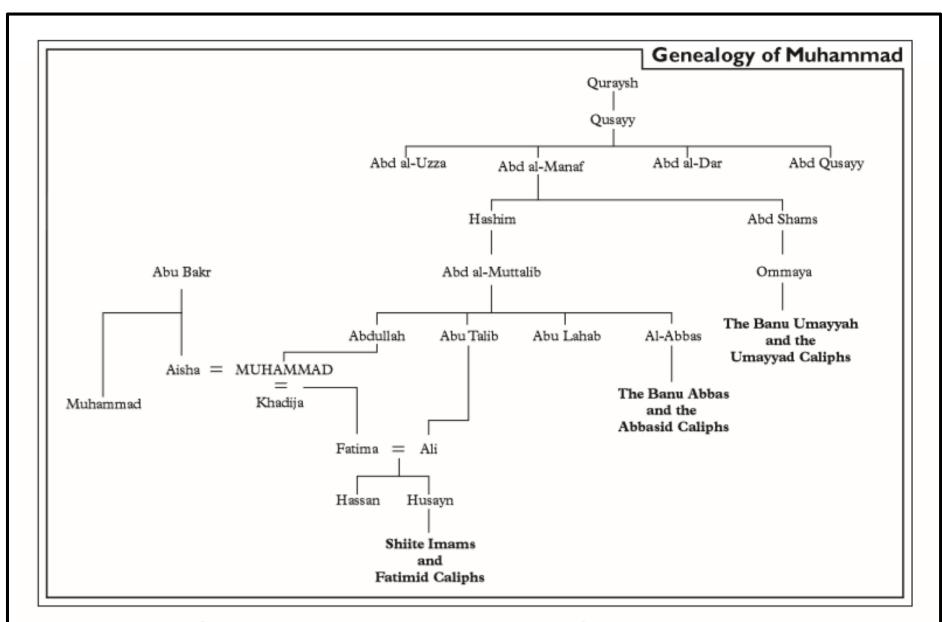
Objective of the economic cities

- To grow the national economy and raise the standard of living for Saudis through:
- Enhancing the competitiveness of the Saudi economy
- Creating new jobs
- Improving Saudis' skill levels
- Developing the regions
- Diversifying the Economy

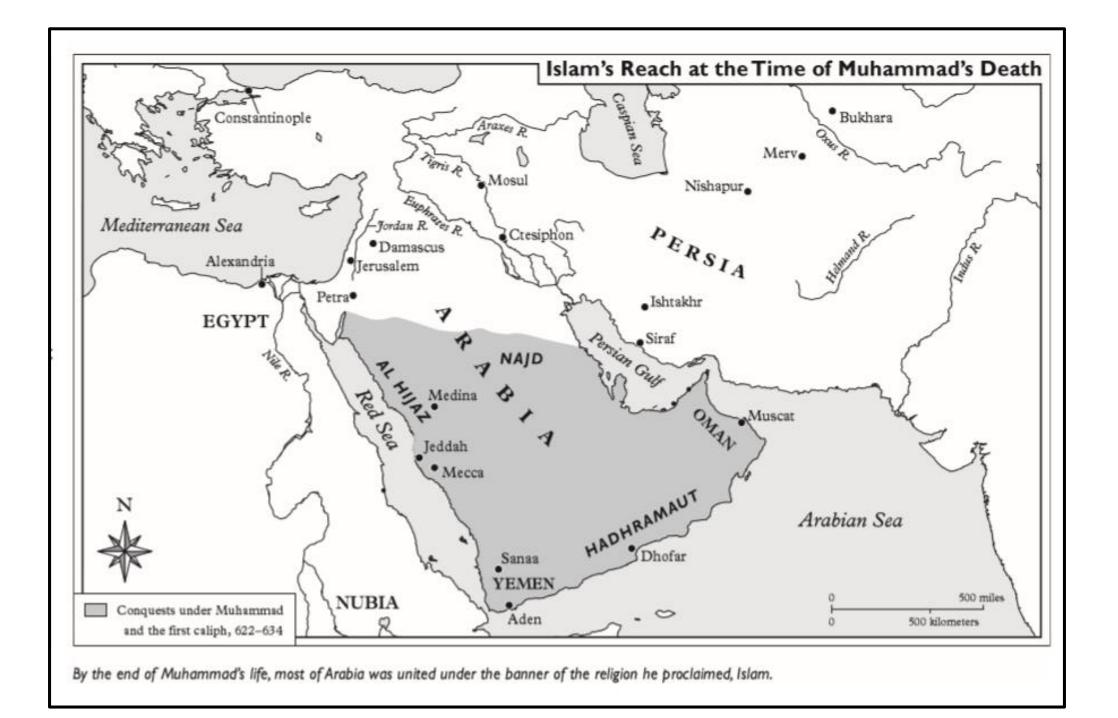


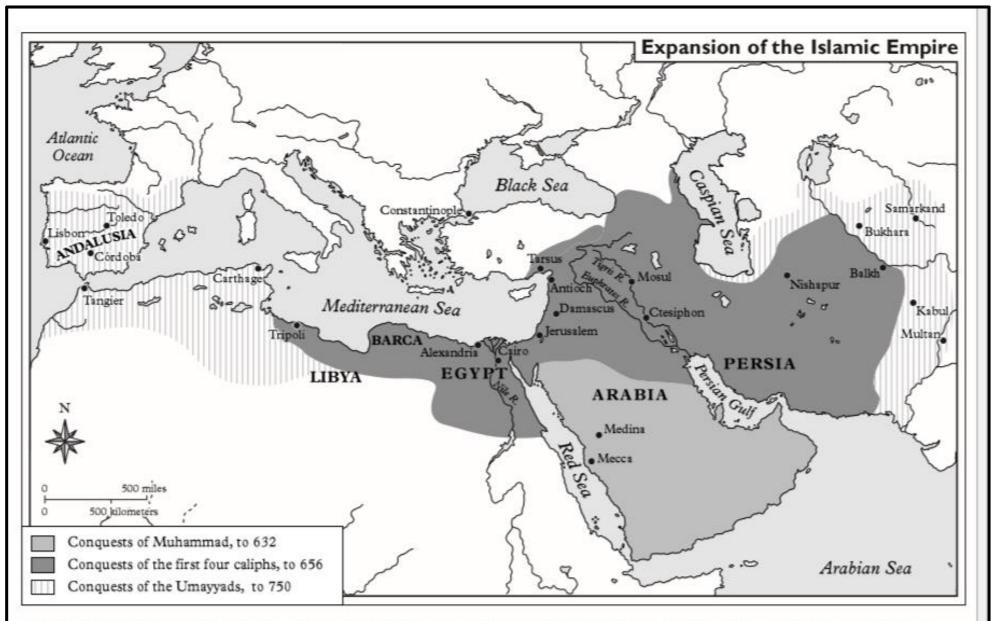




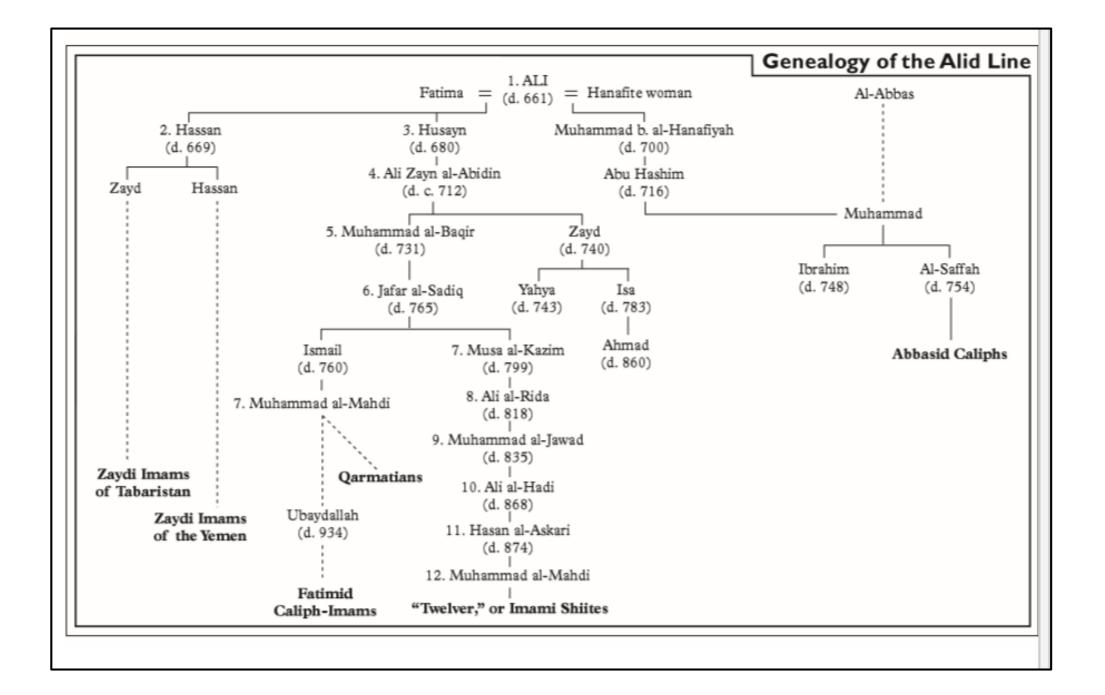


In the patriarchal society of Arabia, ancestry became critical in legitimizing the leadership of the Islamic community. This chart depicts the genealogy of Muhammad's ancestors and his early descendants.





At the height of the Golden Age, 100 years after the death of Muhammad, Islam's reach extended from the Atlantic to beyond the Indus River. This map depicts its boundaries and the extent of the territories taken by the first four caliphs and the Umayyads.



Arabia: The Land and Its Pre-Islamic History		
ca. 20–25 million B.C.	formation of the Arabian Peninsula	
рге 13,000 в.с.	human settlement of Arabian Peninsula	
са. 8000 в.с.	agriculture and permanent settlements develop	
	in Arabia	
са. 3200–1600 в.с.	Dilmun civilization in eastern Arabia	
са. 2000–1500 в.с.	first form of writing in Arabia	
са. 1500–1000 в.с.	domestication of camel	
са. 900 в.с.–А.р. 542	Sabaean civilization in southern Arabia	
са. 420 в.с.–А.р. 105	Nabatean kingdom in northern Arabia	
853 b.c.	first reference to the Arabs in an inscription of	
	the Assyrian Shalmaneser III	
44 b.c.	assassination of Julius Caesar destabilizes	
	Arabian frontier	
24 в.с.	Roman Aelius Gallus mounts expedition to	
	South Arabia	
a.d. 542	collapse of the Marib dam	

The Birth of Islam (571-632)

ca. 570	Muhammad born in Mecca
595	marriage of Muhammad to Khadija
610	Muhammad's first revelation at Mount Hira
ca. 613	Muhammad begins preaching the message of
	Islam
615	persecution of Muslims by Quraysh
619	death of Muhammad's wife Khadija and uncle,
	Abu Talib

Arabia: The Land and Its Pre-Islamic History

ca. 20–25 million B.C.	formation of the Arabian Peninsula
рге 13,000 в.с.	human settlement of Arabian Peninsula
са. 8000 в.с.	agriculture and permanent settlements develop
	in Arabia
са. 3200–1600 в.с.	Dilmun civilization in eastern Arabia
са. 2000–1500 в.с.	first form of writing in Arabia
са. 1500–1000 в.с.	domestication of camel
са. 900 в.с.–А.р. 542	Sabaean civilization in southern Arabia
са. 420 в.с.–А.р. 105	Nabatean kingdom in northern Arabia
853 b.c.	first reference to the Arabs in an inscription of
	the Assyrian Shalmaneser III
44 b.c.	assassination of Julius Caesar destabilizes
	Arabian frontier
24 в.с.	Roman Aelius Gallus mounts expedition to
	South Arabia
а.д. 542	collapse of the Marib dam

The Birth of Islam (571–632)

ca. 570	Muhammad born in Mecca
595	marriage of Muhammad to Khadija
610	Muhammad's first revelation at Mount Hira
ca. 613	Muhammad begins preaching the message of
	Islam
615	persecution of Muslims by Quraysh
619	death of Muhammad's wife Khadija and uncle, Abu Talib
620	Muhammad's Night Journey

622	Hegira, Muhammad's emigration from Mecca to
	Yathrib (later renamed Medina)
624	Muslim victory at the Battle of Badr
627	Battle of the Ditch; Muslims withstand Meccan siege at Medina
628	Muhammad reaches Truce of Hudaibiya with Mecca
630	Muhammad's conquest of Mecca
632	death of Muhammad
The Islamic Empir	e and Arabia (632–1258)
632–661	reign of the four "rightly guided" caliphs at
032-001	Medina
632–634	Abu Bakr caliphate
634–644	Umar caliphate
636	Battle of Yarmuk; Muslims defeat Byzantines
644–656	Uthman caliphate
ca. 653	Uthman standardizes the Quran
656-661	Ali caliphate
656	Muslim civil war; Battle of the Camel; Revolt of
	Muawiya in Syria
657	Ali moves caliphate to Kufa; Ali and Muawiya
	battle at Siffin
661	assassination of Ali by Kharijites
661–750	Umayyad caliphate in Damascus
680	martyrdom of Ali's son Husayn at Karbala
687–691	Dome of the Rock built in Jerusalem
750	defeat of Marwan II at the Battle of Great Zab;
	end of the Umayyad dynasty
750–1258	Abbasid caliphate at Baghdad

The Golden Age of Islam (ca. 750–1258)

Epoch of Translation reintroduces classical
works to the world
Mamun founds House of Wisdom in Baghdad
Al Khwarizmi publishes astronomical tables
reign of Harun al-Rashid, high point of Islamic
Golden Age
Mamluks control the caliphate

027	Battle of the Ditch; Muslims withstand Meccan siege at Medina
628	Muhammad reaches Truce of Hudaibiya with
020	Mecca
630	
	Muhammad's conquest of Mecca death of Muhammad
632	death of Muhammad
The Islamic Empire	re and Arabia (632–1258)
632-661	reign of the four "rightly guided" caliphs at
	Medina
632–634	Abu Bakr caliphate
634–644	Umar caliphate
636	Battle of Yarmuk; Muslims defeat Byzantines
644_656	Uthman caliphate
ca. 653	Uthman standardizes the Quran
656-661	Ali caliphate
656	Muslim civil war; Battle of the Camel; Revolt of
	Muawiya in Syria
657	Ali moves caliphate to Kufa; Ali and Muawiya
	battle at Siffin
661	assassination of Ali by Kharijites
661-750	Umayyad caliphate in Damascus
680	martyrdom of Ali's son Husayn at Karbala
687–691	Dome of the Rock built in Jerusalem
750	defeat of Marwan II at the Battle of Great Zab;
	end of the Umayyad dynasty
750–1258	Abbasid caliphate at Baghdad

ca. 750–850	Epoch of Translation reintroduces classical works to the world
832	Mamun founds House of Wisdom in Baghdad
ca. 850	Al Khwarizmi publishes astronomical tables
786-809	reign of Harun al-Rashid, high point of Islamic Golden Age
ca. 861	Mamluks control the caliphate
866	oldest paper Arabic manuscript

930	Carmathians attack Mecca and steal the Black
	Stone from the Kaaba
ca. 942	"Thousand Nights and a Night" appears in
	Arabic
ca. 967	sharifs gain leadership of Mecca
969	Fatimids take control of Cairo, gaining author- ity over Hijaz
1037	Seljuks become the power behind the Abbasic caliphate
1107-1291	a succession of European armies attack the
	Holy Lands under the banner of the Crusades
1250	Mamluks seize power from Ayyubid dynasty
1258	Mongols destroy Baghdad; end of the Abbasid
	caliphate and the Arab Islamic Empire

	Ottomans, and the ud Alliances (1258–1745)
1260	Mamluks defeat Mongols
1270	Abu Numayy consolidates rule of Mecca
1425	Mamluks establish direct oversight of Meccan rule
ca. 1446	Al Saud ancestors found Diriya, capital of the first Saudi state
1507	Portuguese fleet captures Hormuz, establishes Arabian outposts
1517	Ottomans defeat Mamluks, establish authority in Hijaz
1541	Portuguese attack Jeddah
1550	Ottomans capture Hufuf
1578	the sharif dispatches forces against Najd
1591	Ottomans establish authority in Hasa
1669	Banu Khalid revolt and drive Ottomans from Hasa
1744	Muhammad ibn Abd al-Wahhab moves to Diriya
The First Saudi	State (1745-1818)
1744	Abd al-Wahhab and Muhammad ibn Saud form alliance
ca. 1744–1800	Saudi-Wahhabi forces fight for control of Najd
1762	Muhammad dies, succeeded by son Abd al-Aziz ibn Saud

	caliphate
1107-1291	a succession of European armies attack the
	Holy Lands under the banner of the Crusades
1250	Mamluks seize power from Ayyubid dynasty
1258	Mongols destroy Baghdad; end of the Abbasid
	caliphate and the Arab Islamic Empire
The Mamluks,	Ottomans, and the
Wahhabi-Al Sa	ud Alliances (1258–1745)
1260	Mamluks defeat Mongols
1270	Abu Numayy consolidates rule of Mecca
1425	Mamluks establish direct oversight of Meccan
	rule
ca. 1446	Al Saud ancestors found Diriya, capital of the
	first Saudi state
1507	Portuguese fleet captures Hormuz, establishes
	Arabian outposts
1517	Ottomans defeat Mamluks, establish authority
	in Hijaz
1541	Portuguese attack Jeddah
1550	Ottomans capture Hufuf
1578	the sharif dispatches forces against Najd
1591	Ottomans establish authority in Hasa
1669	Banu Khalid revolt and drive Ottomans from
	Hasa
1744	Muhammad ibn Abd al-Wahhab moves to Diriya
The First Saud	i State (1745–1818)
1744	Abd al-Wahhab and Muhammad ibn Saud form
	alliance
ca. 1744–1800	Saudi-Wahhabi forces fight for control of Najd
1762	Muhammad dies, succeeded by son Abd al-Aziz ibn Saud

1773	Saudi-Wahhabi alliance gains control of Riyadh
1792	Abd al-Wahhab dies, Saud becomes imam
1794	Al Saud forces capture Hasa
1798	Al Saud forces defeat Sharif Ghalib forces near
	Khurmah
1798	Ottomans launch offensive against Saudi-
	Wahhabi forces; French invade Egypt
1801-1802	Saudi-Wahhabi forces attack Karbala
1802	Saudi-Wahhabi emirate expands in Hijaz
1803	Abd al-Aziz ibn Saud assassinated, succeeded
	by son, Saud
1804–1805	Medina recognizes Saudi authority
1811	Muhammad Ali's Egyptian forces land in Hijaz
1813–1814	Egyptian forces end Saudi-Wahhabi rule in
	Hijaz
1814	Saud dies, succeeded by son Abdullah
1815	main Wahhabi army defeated by Egyptians
1818	Egyptian forces sack Diriya, ending the first
	Saudi state

Roots of Modern Arabia (1818–1891)		
1818	British try to form alliance with Egyptians	
	against Saudi-Wahhabi forces	
1820	Egyptian force arrives in Najd to suppress	
	renewed Saudi activity	
1824	Turki ibn Abdullah reestablishes Saudi rule in	
	Riyadh	
1830	Saudi rule expands into Hasa	
1834	Turki assassinated; Turki's son Faysal becomes	
	amir/imam in Riyadh	
1835	Faysal appoints Abdullah ibn Rashid as gover-	
	nor of Hail	
1837–1838	Faysal captured by Egyptians and sent to Cairo	
1840	Egyptian forces leave Najd	
1843	after escape, Faysal returns to Riyadh and	
	regains control of Najd	
1864–1865	Faysal dies; his sons battle for leadership	
1868	appointment of Midhat Pasha as governor-gen-	
	eral of Baghdad leads to Ottoman expansion	
	into Arabian Peninsula	
1871	the Ottomans occupy Hasa and Asir	

Roots of Modern Arabia (1818–1891)

1818	British try to form alliance with Egyptians
	against Saudi-Wahhabi forces
1820	Egyptian force arrives in Najd to suppress
	renewed Saudi activity
1824	Turki ibn Abdullah reestablishes Saudi rule in
	Riyadh
1830	Saudi rule expands into Hasa
1834	Turki assassinated; Turki's son Faysal becomes
	amir/imam in Riyadh
1835	Faysal appoints Abdullah ibn Rashid as gover-
	nor of Hail
1837-1838	Faysal captured by Egyptians and sent to Cairo
1840	Egyptian forces leave Najd
1843	after escape, Faysal returns to Riyadh and
	regains control of Najd
1864-1865	Faysal dies; his sons battle for leadership
1868	appointment of Midhat Pasha as governor-gen-
	eral of Baghdad leads to Ottoman expansion
	into Arabian Peninsula
1871	the Ottomans occupy Hasa and Asir
1071	the Ottomans occupy masa and Ash

1871	Muhammad ibn Rashid captures Hasa from Al
	Saud
1889	Abd al-Rahman ibn Faysal assumes leadership
	of Al Saud, ejects Al Rashid from control of
	Riyadh
1891	the Rashidis (Muhammad ibn Rashid) defeat
	the Saudis and end their rule in Riyadh and of
	the second Saudi state

Unity and Inc	lependence (1891–1932)
1893	Saudis receive sanctuary in Kuwait
1902	Ibn Saud captures Riyadh
1903	Ibn Saud takes the title, "Sultan of Najd"
1906	Ibn Saud conquers Qasim
1908	Ibn Saud challenged by his cousins, the Araif; Ottomans "appoint" Hussein ibn Ali sharif of Mecca
1910	British political agent Capt. J. D. Shakespear meets Ibn Saud
1912	Ikhwan brotherhood founded; Ibn Saud estab- lishes the first Ikhwan settlement
1913	Ibn Saud conquers Hasa
1915	Great Britain recognizes Ibn Saud as ruler of Najd and Hasa under Anglo-Saudi treaty
1916	Sharif Hussein proclaims Arab Revolt and declares himself king of the Arabs
1918	forces of Ibn Saud and sharif clash at Khurmah
1921	Ibn Saud takes title, "Sultan of Najd"
1922	Uqayr Protocol establishes borders between Najd, Iraq, and Kuwait
1924	Ibn Saud takes Mecca
1926	Ibn Saud is declared "King of Hijaz and Sultan of Najd and Its Dependencies"
1927	Anglo-Saudi Treaty of Jedda gives British recog- nition to Ibn Saud, while he recognizes their bond with gulf coast states
1927	Ikhwan revolt against Ibn Saud
1929–1930	Ibn Saud defeats the Ikhwan at Battle of Sibila
1932	Ibn Saud establishes the Kingdom of Saudi Arabia

1933	oil concession signed with Socal; United States
	and Saudi Arabia establish diplomatic relations
1934	border war with Yemen ends with Treaty of Taif
	that same year
1938	commercial oil production begins
1939	oil export by tanker begins
1944	California Arab Standard Oil Co. is renamed
	Arabian American Oil Company (Aramco)
1945	Ibn Saud and President Franklin D. Roosevelt
	meet; League of Arab States formed
1946	Ibn Saud visits Cairo; American air base estab-
	lished at Dhahran
1947	King Abdullah in Transjordan convenes
	Congress of Hijaz
1948	State of Israel declared; first Arab-Israeli war
	begins
1951	government ministries created; Tapline, oil
	pipeline across Saudi Arabia, completed
1952	Free Officers revolt brings Nasser to power in
	Egypt
1953	Council of Ministers established; first strike by
	Aramco workers; Ibn Saud dies

1953	Saud succeeds Ibn Saud; demonstrations by
	Aramco workers
1954	U.S. aid mission ejected, Saud signs treaty with
	Nasser
1955	coup plot against King Saud uncovered
1956	Nasser nationalizes Suez Canal; riots by
	Aramco workers in the Eastern Province
1957	King Saud makes effort to promote Eisenhower
	Doctrine in the region; King Saud University
	Saudi Arabia's first, opens in Riyadh; King Saud
	visits United States
1958	Saudi plot against Nasser revealed; Faisal takes
	government's reins
1960	OPEC formed; King Saud regains control over
	government from Crown Prince Faisal
1961	Free Princes movement begins

A Path to World Power (1953–1973)		
1953	Saud succeeds Ibn Saud; demonstrations by	
	Aramco workers	
1954	U.S. aid mission ejected, Saud signs treaty with	
	Nasser	
1955	coup plot against King Saud uncovered	
1956	Nasser nationalizes Suez Canal; riots by	
	Aramco workers in the Eastern Province	
1957	King Saud makes effort to promote Eisenhower	
	Doctrine in the region; King Saud University,	
	Saudi Arabia's first, opens in Riyadh; King Saud	
	visits United States	
1958	Saudi plot against Nasser revealed; Faisal takes	
	government's reins	
1960	OPEC formed; King Saud regains control over	
	government from Crown Prince Faisal	
1961	Free Princes movement begins	

1962	Yemeni civil war begins; United States leaves air
	base at Dhahran
1964	Saud abdicates; Faisal becomes king; Palestine
	Liberation Organization formed
1966–1967	a series of bombs set off in Saudi Arabia by opposition groups
1967	second Arab-Israeli war; Khartoum summit ends Egyptian-Saudi differences
1969	plot against government discovered
1970	first five-year development plan inaugurated
1973	fourth Arab-Israeli war; Arab Oil Embargo; oil prices quadruple
Oil and Arms	(1973-1990)
1974	Saudi Arabia threatens withdrawal from OPEC;

Oil and Arms (1973–1990)

1974	Saudi Arabia threatens withdrawal from OPEC;
	rapprochement with United States
1975	Faisal assassinated; Khalid becomes king
1976	Saudi Arabia seeks purchase of U.S. F-15 fighter aircraft
1978	Congress approves sale of F-15 combat aircraft to Saudi Arabia
1979	siege of the Grand Mosque at Mecca; Saudi Arabia severs diplomatic relations with Egypt for signing peace agreement with Israel; Ayatollah Khomeini returns to Iran; Soviets invade Afghanistan
1979–1980	Shia unrest in Eastern Province
1980	"Fundamental Law" unveiled to give the public a greater voice in government; Iran-Iraq war begins; Aramco becomes 100% Saudi owned
1981	Gulf Cooperation Council (GCC) formed
1982	King Khalid dies; succeeded by King Fahd
1984	Saudi government provides funds for the contras in Nicaragua
1985	Saudi government participates in U.S. "arms for hostages" weapons sales
1986	oil prices decline; Fahd takes title, "custodian of the two mosques"
1987	diplomatic relations with Egypt restored; 400 Iranians die in riots during hajj

The Gulf Crisis and Its Aftermath (1990–2001)					
1990	Saddam Hussein invades Kuwait; Saudi women				
	protest ban on women driving				
1991	Persian Gulf War; King Fahd petitioned by both				
	liberals and conservatives seeking reforms; gov-				
	ernment calls for end to secondary boycott of				
	Israel				
1992	Consultative Council created; "Memorandum				
	of Advice" promulgated				
1993	reform movement, Committee for the Defense of				
	Legitimate Rights, formed in Riyadh, is declared				
	illegal, and members lose their jobs				
1994	"Buraida Uprising" protests government cor-				
	ruption; Osama bin Laden stripped of Saudi				
	citizenship				
1995	King Fahd suffers a stroke; Crown Prince				
	Abdullah takes charge of the government;				
	bombing of National Guard facility in Riyadh				
	kills five Americans				
1996	bombing of U.S. forces at Khobar Towers kills				
	19 U.S. soldiers				
1997	fire during hajj kills more than 340 pilgrims				
1999	GCC nations establish a customs union				
2001	President George W. Bush's support for Israel				
	strains U.SSaudi relations				

The Challenges Ahead

September 11, 2001	hijacked airliners used in suicide attacks in the					
	United States; 15 of the 19 terrorists are Saudi					
	nationals; death toll is 2,976.					
October 7, 2001	Operation Enduring Freedom begins to dis-					
	lodge Taliban from power in Afghanistan					
October 2001	law approved to respect judicial rights of					
	detainees					
March 2002	Crown Prince Abdullah unveils plan for Arab					
	peace with Israel					

April 2002	Abdullah meets with President Bush in
	Crawford, Texas
2002	Saudi government establishes high commission
	to stanch terrorist funding
2002	confrontation between United States, United
	Nations, and Iraq strains Saudi relations with
	United States
January 2003	Saudi Arabia publishes "Charter for Reform of
	the Arab Condition"
March 2003	Operation Iraqi Freedom launched
May 2003	terrorist bombings in Riyadh linked to al-Qaeda
	kill 35, most of them Muslims
November 2003	terrorist bombing linked to al-Qaeda targeting
	Muslims in Riyadh kills 17
March 2004	Natural gas exploration contracts signed with
	foreign firms, the first such agreements in three
	decades
4	
April 2004	A suicide bombing in Riyadh leaves four people
	dead and 148 wounded

Statistics

General information

Category	Indicator	Statistics
Demographic	Total population ¹	32,938,213 (2017)
	Population growth ¹	2.0% (2017)
	Median age of population ²	27
	Population aged 15-24 years ²	4,889,253

	GDP growth (annual %)³	1.8% (2018)
	GDP per capita (current US\$) ¹	20,760.9 (2017)
Socio-economic	Unemployment rate (%)⁴	6.1% (2018-Q1)
	Youth literacy rate, population 15-24 years, both sexes (%) ⁵	99.3% (2017)

Participation in education by level and by programme orientation (2017)⁶

Category		Gross enrolment (%)		Percentage of students who are female (%)	
Primary education (ISCED 1)		99.3%		49.3%	
Secondary education, all programmes	Lower secondary (ISCED 2)	106.8%	106.0%	47.6%	48.9%
	Upper secondary (ISCED 3)	100.8%	107.7%		46.3%
Tertiary education, all programmes (ISCED 5-8)		61.0%		50.7%	

Participation in education by level and by programme orientation (2017)⁶

Category		Gross enrolment (%)		Percentage of students who are female (%)		
Primary educa	Primary education (ISCED 1)		99.3%		49.3%	
Secondary education,	Lower secondary (ISCED 2)	106.8%	106.0%	47.6%	48.9%	
all programmes	Upper secondary (ISCED 3)		107.7%		46.3%	
Tertiary education, all programmes (ISCED 5-8)		6	1.0%	50.7	7%	

Category		Percentage of students enrolled in vocational programmes, both sexes (%)		Percentage of students in vocational education who are female (%)	
Lower Secondary secondary education, (ISCED 2)		8.4%	4.9%	52.2%	21.9%
all Uppe programmes secor	Upper secondary (ISCED 3)	8.4%	3.4%	- 52.2%	8.4%

Indicator	Both sexes (%)	Percentage of students who are female (%)
Percentage of students in tertiary education enrolled in short cycle education (ISCED 5)	17.8%	21.1%

Participation in education by level and by programme orientation (2017)⁶

Category		Gross enrolment (%)		Percentage of students who are female (%)	
Primary educa	Primary education (ISCED 1)		99.3%		3%
Secondary Lower secondary education, (ISCED 2)		106.8%	106.0%	47.6%	48.9%
all programmes	Upper secondary (ISCED 3)	100.8%	107.7%	47.070	46.3%
Tertiary education, all programmes (ISCED 5-8)		6	1.0%	50.7	7%

Category		Percentage of students enrolled in vocational programmes, both sexes (%)		Percentage of students in vocational education who are female (%)	
education, (ISCED all Upper programmes second	Lower secondary (ISCED 2)	8.4%	4.9%	52.2%	21.9%
	Upper secondary (ISCED 3)		3.4%		8.4%

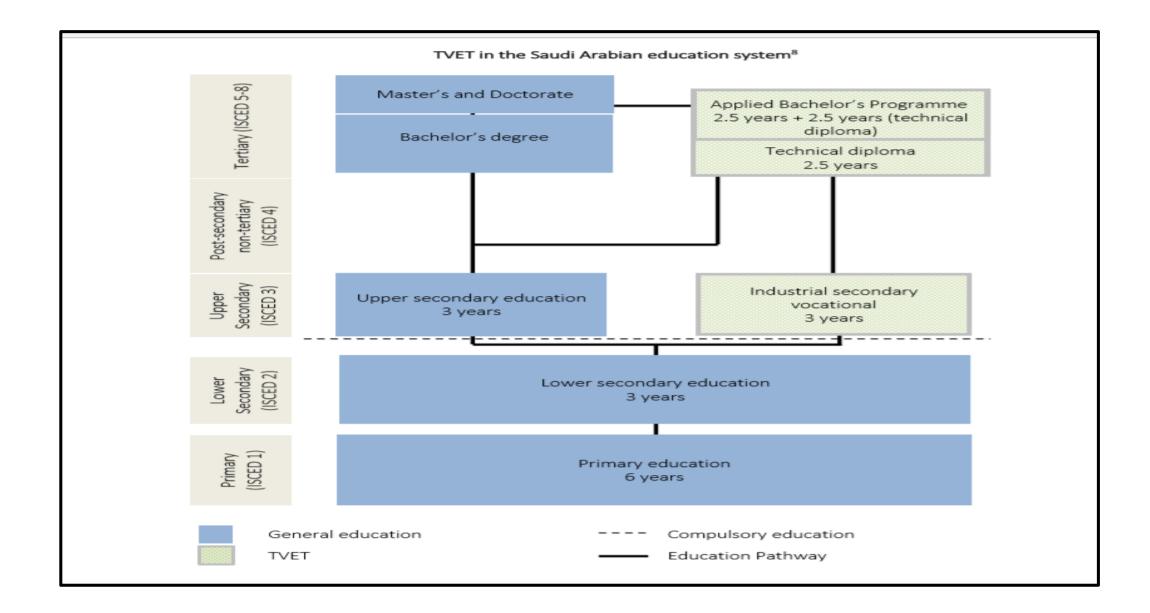
Indicator	Both sexes (%)	Percentage of students who are female (%)
Percentage of students in tertiary education enrolled in short cycle education (ISCED 5)	17.8%	21.1%

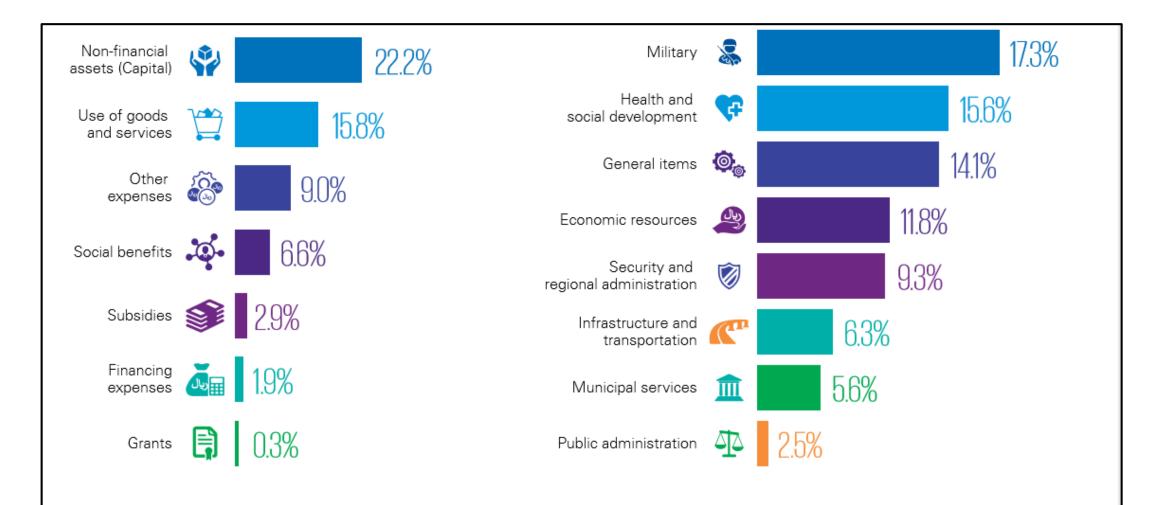
SDG thematic indicators related to TVET and skills⁶

Category	Indicator	Statistics (2017)
Selected SDG	Participation rate in technical-vocational	4.8%
thematic indicators	programmes, 15- to 24-year-olds (%)	4.0%

Type of institutions⁶

Type of institution	Education level	Ministry responsible	Number of institutions
Colleges of Technology (male)	Upper secondary	Technical and Vocational Training Corporation	52
Colleges of Technology (female)	Upper secondary	Technical and Vocational Training Corporation	36
Strategic Partnership Institutes	Upper Secondary	Technical and Vocational Training Corporation	24
Industrial Secondary Institutes	Lower Secondary	Technical and Vocational Training Corporation	64







© 2018 KPMG AI Fozan & Partners Certified Public Accountants, a registered company in the Kingdom of KSA, and a non-partner member firm of the KPMG network of independent firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved. Saudi Arabia announced its largest ever planned budgeted spending for the year 2019, crossing the one trillion mark for the first time, with a projected expenditure of **SAR 1.1 trillion**. Spending in 2019 will focus on creating jobs and will have a positive impact on existing and new sectors including transport, health and mega projects. The focus is on maintaining financial stability, supporting the private sector and propelling economic growth more broadly. Hence, this budget is a reflection of the leadership's commitment to the implementation of Vision 2030 and related programs. Active communication and engagement with the private sector will be crucial. Real GDP growth is expected to reach **2.6 percent** in 2019, in anticipation of improved investor and consumer sentiment. It will also be supported by an increase in public capital expenditure, which is budgeted to be **SAR 246 billion**, an increase of **20 percent** compared to 2018.





The budget deficit is set to fall to **SAR 131 billion** in 2019, compared with **SAR 136 billion** in the previous year, which reflects the government's commitment to achieving economic targets and a fiscal balance by 2023. This decline is mainly attributable to greater efficiency in public spending and increasing non-oil and oil revenues. Non-oil revenue is expected to reach a new high of **SAR 313 billion** in 2019, compared to **SAR 288 billion** expected in 2018, an increase of **9 percent**. This boost is being driven in part by the introduction of VAT in 2018, as part of government efforts to diversify public revenues. It is critical to balance fiscal consolidation objectives against supporting economic growth, particularly activity in the SME sector.

