



RUBIX COUNTRY INSIGHTS

SAUDI ARABIA UPDATE: OCTOBER 2026

This report is an update to the Rubix Country Insights: Saudi Arabia, released in August 2024.

Key Economic Indicators: Summary

Indicator	2025	2026 (F)	2027 (F)	2028 (F)	2029 (F)	2030 (F)	Forecast
GDP, current prices (USD Trillion)	1.27	1.40	1.45	1.51	1.57	1.64	●
Real GDP growth (%)	4.6	1.7	5.5	3.9	3.6	3.5	●
GDP per capita, current prices (USD)	35,370	38,079	38,646	39,409	40,301	41,248	●
Inflation rate, average consumer prices (%)	2.0%	2.2%	2.1%	2.0%	2.0%	2.0%	●
General government gross debt (% of GDP)	31.8	32.1	34.4	36.7	39.0	41.4	●
Current account balance (% of GDP)	-2.6	-0.3	-0.8	-1.6	-2	-2.6	●

Source: Saudi Arabia: 2026 Article IV Consultation-Press Release; and Staff Report by the International Monetary Fund (IMF)

Note: The forecast icons are with reference to the respective indicator's impact on the country's economy. All figures are rounded off

Note: ● = Positive outlook; ● = Negative outlook; ● = Stable outlook

West Asia Conflict Creates Near-term Pressure on Saudi Growth¹

Saudi Arabia's real GDP growth is projected to moderate to 1.7% in 2026, from 4.6% in 2025, amidst the impact of the West Asia conflict and disruptions to shipping through the Strait of Hormuz. The deterioration in the outlook is also evident in the IMF's successive forecasts. The April 2026 World Economic Outlook projected 3.1% real GDP growth for 2026. It was subsequently revised down to 1.7% in the July 2026 Article IV consultation, due to the greater-than-previously-expected impact of the conflict on oil production, shipping, and economic activity. Oil-sector GDP growth is projected to decline to -0.8% in 2026, from 5.7% in 2025, while non-oil GDP growth is expected to ease to 2.6% in 2026,

from 4.2% in 2025. Oil production is projected to decline to 9.1 million barrels per day in 2026, from 9.5 million barrels per day in 2025; however, the impact of lower volumes is partly offset by a rise in the average oil export price to USD 93.8/barrel in 2026, from USD 74.0/barrel in 2025. Saudi Arabia's East-West pipeline and alternative Red Sea export routes have helped mitigate disruptions to oil deliveries. The current account balance is expected to improve from -2.6% of GDP in 2025 to -0.3% in 2026, despite lower oil production volumes, as higher oil prices support oil export revenues. However, the current account balance is projected to deteriorate gradually thereafter, returning to its 2025 level by 2030, as the sizeable merchandise trade surplus is increasingly offset by persistent services and current-transfer deficits, particularly workers' remittances.

¹ Saudi Arabia: 2026 Article IV Consultation-Press Release; and Staff Report

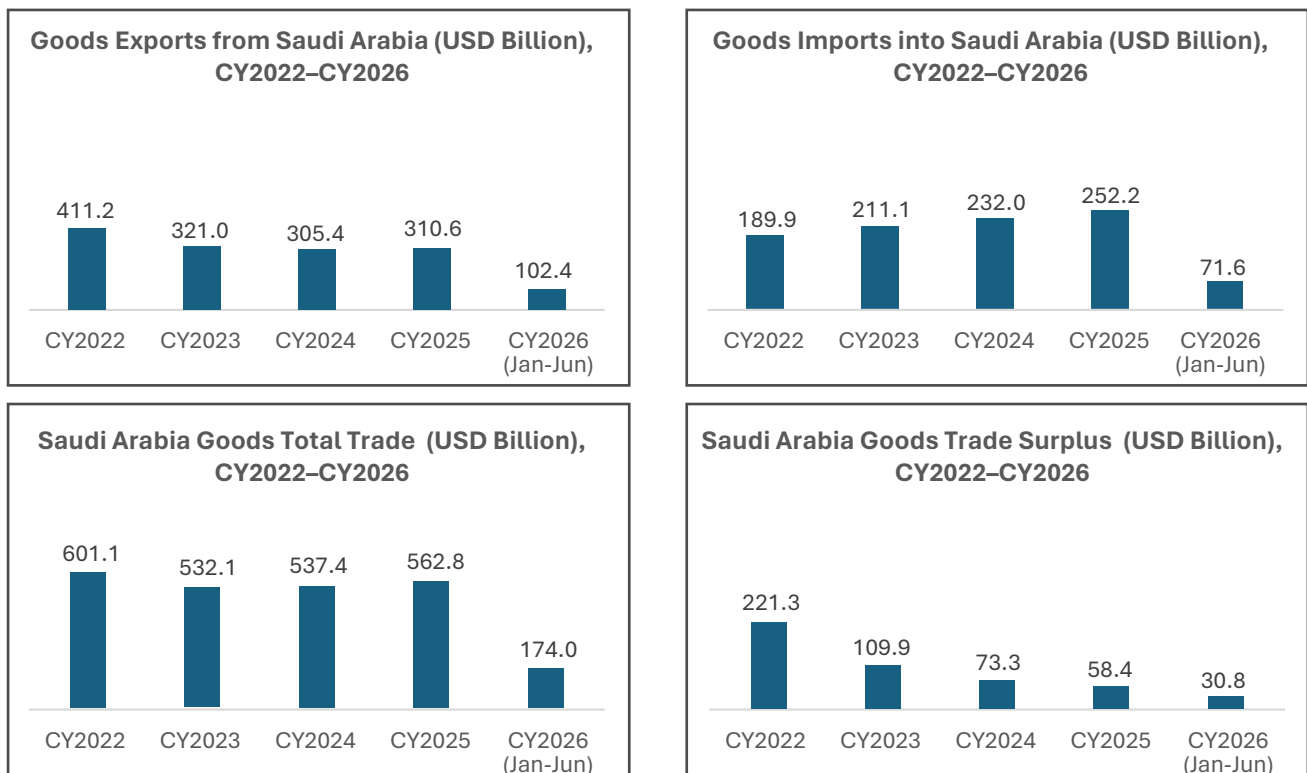
Houthi Attacks Expose Saudi Arabia's Alternative Oil-export Routes to Logistics and Infrastructure Risks

The recent Houthi attacks on shipping in the Bab-el-Mandeb strait are significant, as they threaten an alternative route that has become increasingly important for Saudi Arabia following disruptions to shipping through the Strait of Hormuz. While the East-West pipeline allows Saudi crude to bypass Hormuz by moving oil to Yanbu on the Red Sea, shipments from Yanbu remain exposed to risks around the Red Sea and Bab-el-Mandeb, creating a second maritime chokepoint for Saudi exports to Asian markets. This exposes Saudi Arabia's alternative export route to a new layer of logistical risk, potentially increasing the cost and complexity of bypassing the Strait of Hormuz. Further, the attacks on the East-West pipeline expose the vulnerability of Saudi Arabia's alternative export infrastructure, complicating efforts to maintain crude flows when conventional routes are disrupted.

The disruption has direct implications for India, with Saudi Arabia ranking as India's third-largest crude oil supplier during April–July 2026 (in value terms), as per Rubix analysis. India-bound ships from Yanbu port on the Red Sea now face longer routes, heading north through the Suez Canal and subsequently around the Cape of Good Hope in Africa to reach India. This rerouting is expected to increase shipping costs and extend delivery timelines by around two weeks, while freight rates for Saudi crude imports could rise by up to 50%, adding pressure to India's oil import bill². The risk has also moved beyond logistics. Following the attack and shutdown of the East-West pipeline, Saudi Aramco (Saudi Arabian Oil Co.) reportedly suspended term crude supplies to Indian refiners until further notice³.

India therefore faces a two-fold challenge: logistical, through longer routes, higher freight costs and extended delivery timelines, and infrastructural, as disruptions to the East-West pipeline undermine the alternative supply route that supports Saudi crude flows to Asian markets.

Saudi Arabia's Overall Cross-Border Goods Trade Dynamics



Source: As per the latest data available from the International Trade Centre (ITC).

Note: CY2026 refers to mirror data as specified by ITC. Total trade refers to goods exports plus imports; trade surplus refers to goods exports minus imports. All figures are rounded off to the nearest decimal.

² Live Mint, July 2026

³ Times of India, September 19, 2026

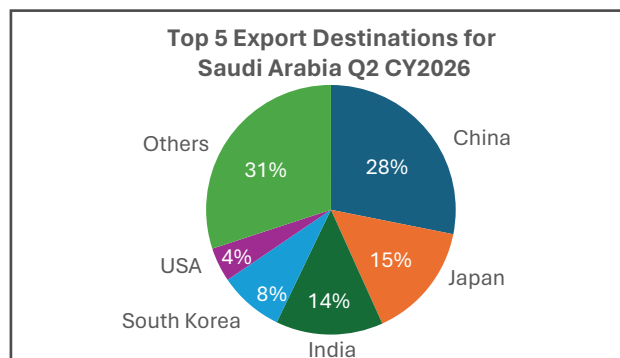
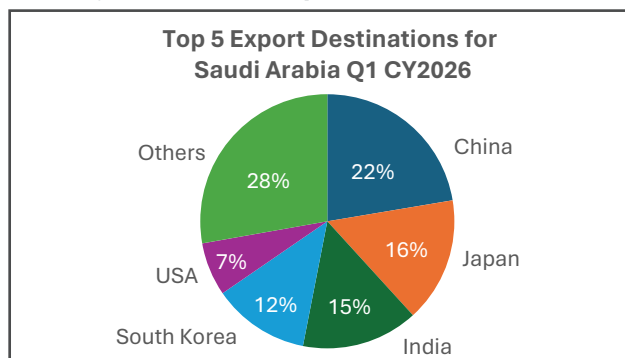
- **Structural decline in exports from the 2022 peak:** Saudi Arabia's exports fell from USD 411.2 billion in CY2022 to USD 310.6 billion in CY2025, at -8.9% CAGR, largely due to lower oil-export values. However, in H1 CY2026, exports recovered marginally, rising by 2.0% YoY to USD 102.4 billion.
- **Sustained upward trend in imports:** Imports increased from USD 189.9 billion in CY2022 to USD 252.2 billion in CY2025, at a 9.9% CAGR. In H1 CY2026, imports declined by 1.7% YoY to USD 71.6 billion, moderating after the strong multi-year increase.
- **Recovery in total trade after the 2023–24 moderation:** Total trade declined from USD 601.1 billion in CY2022 to USD 532.1 billion in CY2023, before recovering to USD 562.8 billion in CY2025. Despite this recovery, total trade remains below the

2022 peak, with H1 CY2026 numbers showing a marginal 0.4% YoY growth.

- **Significant long-term compression in trade surplus:** Saudi Arabia's trade surplus contracted sharply from USD 221.3 billion in CY2022 to USD 58.4 billion in CY2025, at a -35.9% CAGR, as exports declined while imports expanded. In H1 CY2026, the surplus increased by 11.6% YoY to USD 30.8 billion, supported by modest export growth and lower imports.

For a clearer assessment of how Saudi Arabia's import and export destinations shifted around the conflict, Q1 CY2026 is treated as the pre-conflict period and Q2 CY2026 as the during-conflict period. The comparison below highlights changes in destination shares between the two periods.

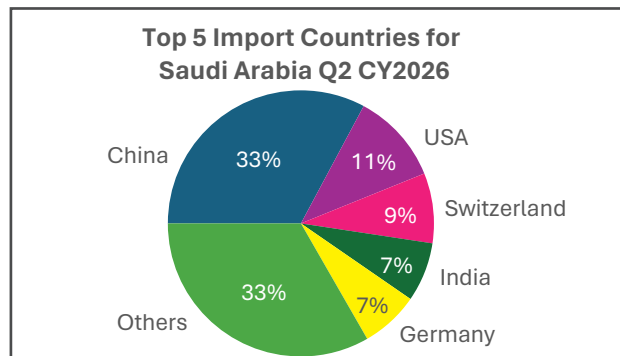
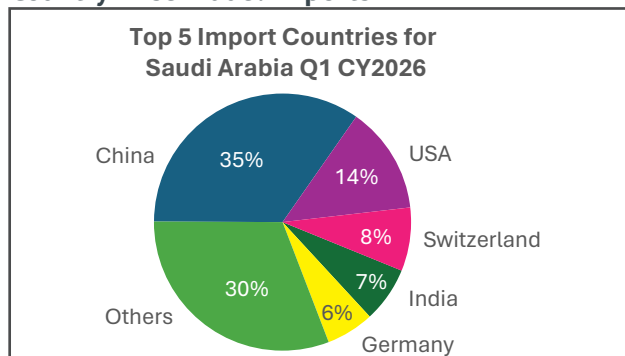
Country-wise Trade: Exports



Source: As per the latest data available from the International Trade Centre (ITC).
Note: CY2026 refers to mirror data as specified by ITC. All figures are rounded off to the nearest decimal.

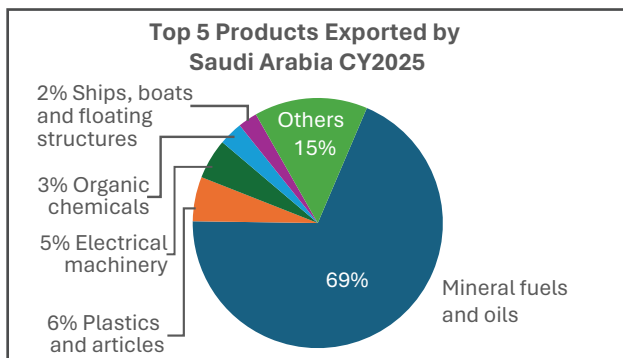
- **Asian export markets remained dominant, but their internal composition shifted:** China's share increased from 22% in Q1 to 28% in Q2, while Japan's declined sharply from 16% to 8% and South Korea's increased from 12% to 14%. However, the combined share of China, Japan, India, and South Korea remained unchanged at 65%, indicating that the conflict-period shift was primarily a redistribution of Saudi exports among its established Asian markets rather than a fundamental change in the overall regional orientation of exports.
- **US' declining share:** The US' share fell from 7% in Q1 to 4% in Q2, while the combined share of other destinations increased from 28% to 31%.
- **India moved up to second position:** India rose from the 3rd position in Q1 to 2nd in Q2, while maintaining its export share at around 15%. It overtook Japan as Saudi Arabia's second-largest export destination during the conflict period.

Country-wise Trade: Imports

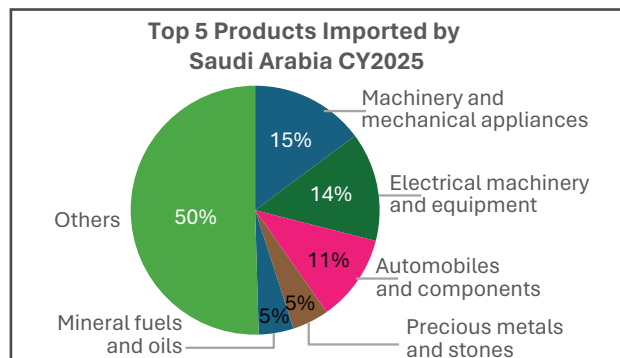


Source: As per the latest data available from the International Trade Centre (ITC).
Note: CY2026 refers to mirror data as specified by ITC. All figures are rounded off to the nearest decimal

- **The two largest import sources, China and the US, recorded reduced shares:** China remained Saudi Arabia's largest import source, but its share declined from 35% in Q1 to 33% in Q2, with import value falling from 12.45 billion to 11.74 billion in the reported units. The US also recorded a decline in share from 14% to 11%. Thus, the contribution of Saudi Arabia's two largest import sources reduced, while the combined share of other sources increased.



- **Switzerland's marginal increase:** Switzerland's share rose from 8% to 9%, and its import value also increased. Germany moved into the top four in Q2, with a 7% share, indicating some reshuffling among Saudi Arabia's major import sources.
- **India's stable share but lower rank:** India's share of Saudi Arabia's imports remained unchanged at 7% in both Q1 and Q2. However, India slipped from 4th to 5th position, as Germany moved ahead in Q2.

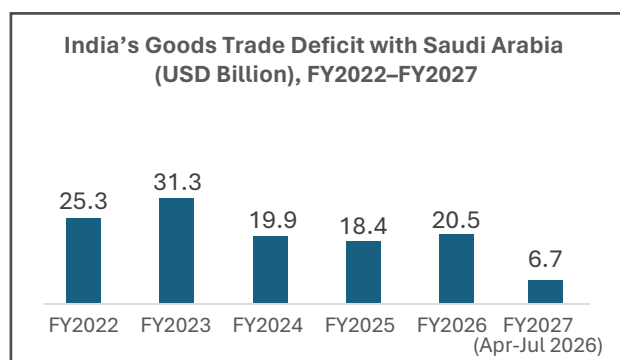
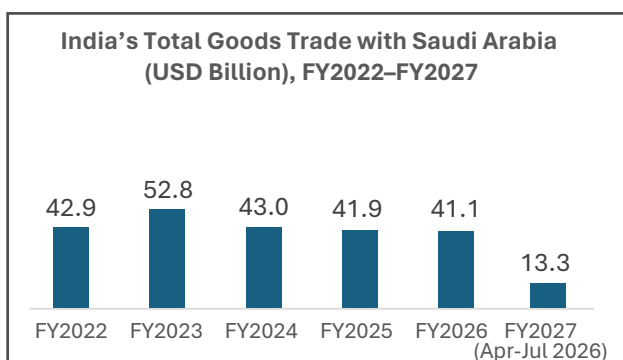
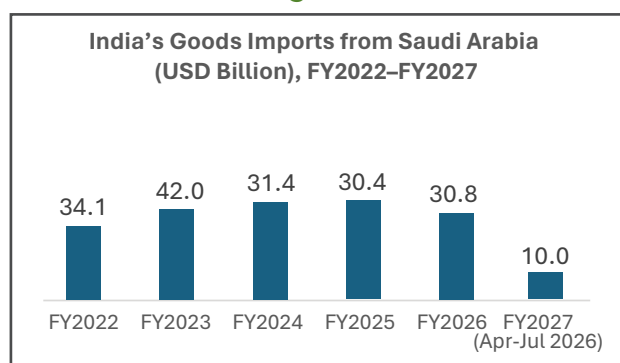
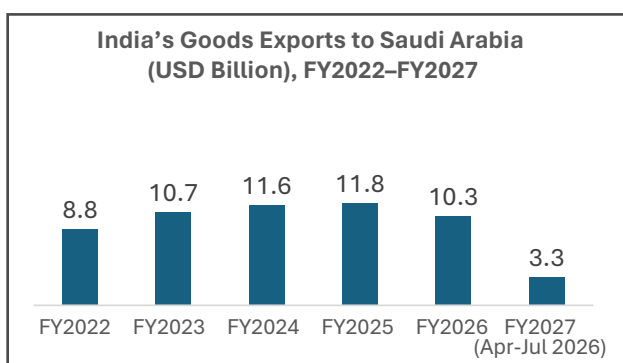


Source: As per the latest data available from the International Trade Centre (ITC).
 Note: CY2026 refers to mirror data as specified by ITC. All figures are rounded off to the nearest decimal.
 2-digit HS codes have been used for the analysis.

- **Exports highly concentrated in energy:** Saudi Arabia's export basket remains heavily concentrated in mineral fuels and oils, accounting for 69% of total exports. Plastics (6%), electrical machinery (5%), and organic chemicals (3%) form the next major categories, in line with the country's strong energy and petrochemical export base.

- **More diversified and industrial-oriented imports:** Saudi Arabia's imports are considerably more diversified, with machinery and mechanical appliances (15%), electrical machinery (14%), and automobiles and components (11%) together accounting for 40% of imports due to strong import demand for industrial equipment, technology, and transportation-related products.

India-Saudi Arabia Overall Goods Trade Dynamics



Source: As per the latest data available from the Department of Commerce, Ministry of Commerce and Industry, Government of India.
 Note: All figures are rounded off to the nearest decimal.

Modest growth in exports: India's exports to Saudi Arabia increased from USD 8.8 billion in FY2022 to USD 10.3 billion in FY2026, registering a 4.1% CAGR. After reaching USD 11.8 billion in FY2025, exports moderated in FY2026; in FY2027 (April–July 2026), exports remained broadly stable YoY at around USD 3.3 billion.

Gradual moderation in imports: Imports peaked at USD 42.0 billion in FY2023 before declining to USD 30.1 billion in FY2025, followed by a marginal recovery to USD 30.8 billion in FY2026. The FY2022–FY2026 CAGR remained negative at -2.5%, while April–July FY2027 imports were broadly stable YoY.

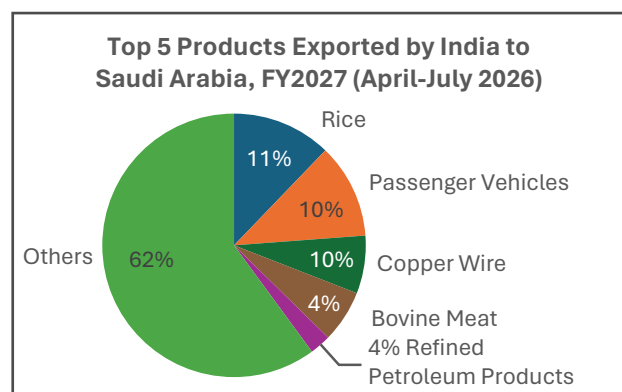
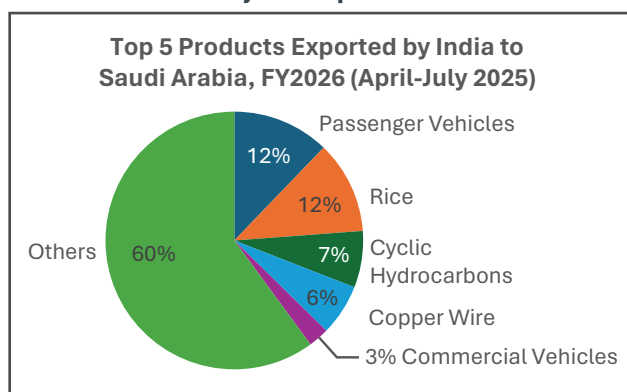
Total trade remains below peak: Bilateral trade declined from the USD 52.8 billion FY2023 peak to USD

41.1 billion in FY2026, translating into a -1.1% CAGR from FY2022. In April–July FY2027, trade was broadly unchanged YoY at around USD 13.3 billion.

Recent widening trade deficit in FY2026: India's trade deficit narrowed sharply from USD 31.3 billion in FY2023 to USD 18.4 billion in FY2025, but widened to USD 20.5 billion in FY2026, as imports remained substantially higher than exports. The April–July FY2027 deficit was around USD 6.7 billion, which was marginally higher YoY.

Comparing the April–July FY2026 period (pre-conflict benchmark) with the April–July FY2027 period (during-conflict period), India's export and import product mix to Saudi Arabia shows some reshuffling.

Product-wise Analysis: Exports



Source: As per the latest data available from the Department of Commerce, Ministry of Commerce and Industry, Government of India. Note: 4-digit HS codes have been used for the analysis. All figures are rounded off to the nearest decimal.

Product concentration eased slightly: The combined share of the top five products declined from 40% to 39%, while that of Others increased from 60% to 62%.

Vehicles lost share: Passenger vehicles remained a major export, but their share declined from 12% to 10%. Commercial vehicles, which accounted for 3% in the pre-conflict period, dropped out of the top five during the conflict period.

Copper wire gained prominence: Copper wire saw the strongest increase among continuing products, with

its share rising from 6% to 10%. Meanwhile, cyclic hydrocarbons declined from 7% and moved out of the top five.

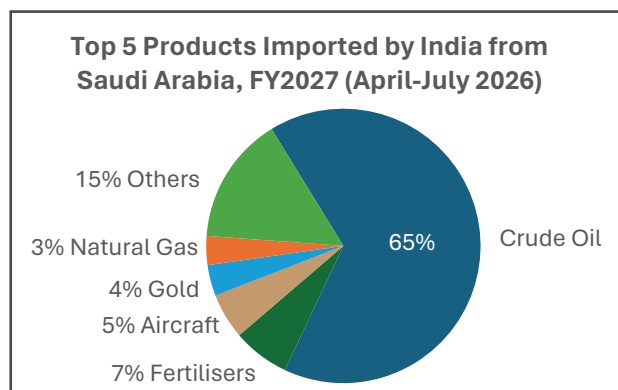
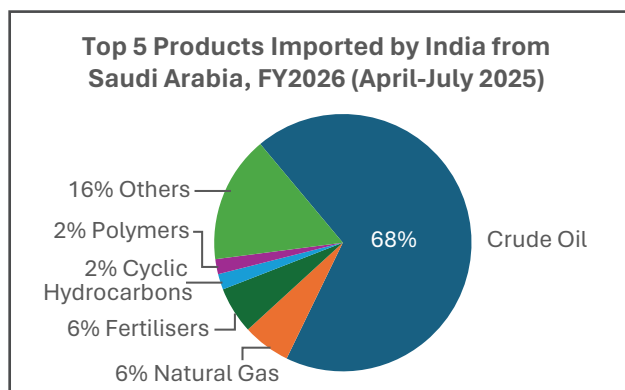
New products entered the top five: Bovine meat and refined petroleum products, each with a 4% share, emerged among the leading export products during the conflict period, while rice remained relatively stable at 11%, compared to 12% previously.

Overall, the changes suggest a shift in product composition rather than a broad contraction in India's export basket.

“While sectors like energy, agriculture and fertilizers are the main areas of our trade, efforts at diversification have borne fruits. Indian businesses and Saudi industry are building stronger connections.”

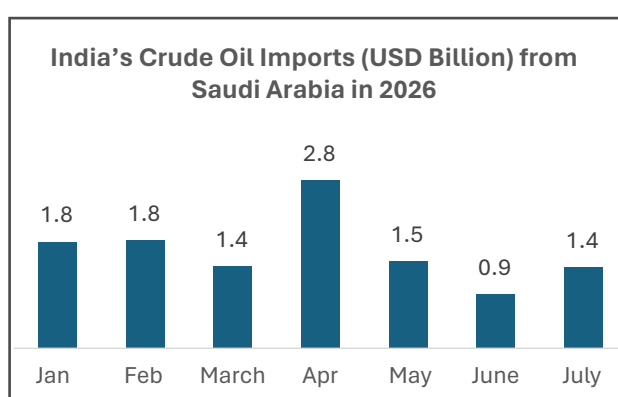
Shri. Narendra Modi,
Hon'ble Prime Minister of India

Product-wise Analysis: Imports



Source: As per the latest data available from the Department of Commerce, Ministry of Commerce and Industry, Government of India. Note: 4-digit HS codes have been used for the analysis. All figures are rounded off to the nearest decimal.

Crude oil dominance supported by alternative export routes: Crude oil remained by far India's largest import from Saudi Arabia, although its share declined from 68% in the period April-July FY2026 to 65% in the April-July FY2027 period due to a modest diversification of India's import basket from Saudi Arabia. Analysis shows that the value of India's crude oil imports from Saudi Arabia declined sharply from USD 2.8 billion in April 2026 to USD 1.5 billion in May 2026 and USD 0.9 billion in June 2026, before recovering to USD 1.4 billion in July, indicating a temporary disruption followed by a partial recovery in supplies. Despite the West Asia conflict and disruptions to regional shipping, Saudi Arabia's alternative export infrastructure provided some resilience to crude flows. Its East-West Pipeline, with a capacity of around 7 million barrels per day, connects the Kingdom's eastern oilfields with Yanbu on the Red Sea, enabling crude to be transported to the Red Sea and bypass the Strait of Hormuz (although actual throughput and export volumes can be lower than the pipeline's maximum capacity).



Source: As per the latest data available from the Department of Commerce, Ministry of Commerce and Industry, Government of India. Note: 4-digit HS codes have been used for the analysis. All figures are rounded off to the nearest decimal.

hydrocarbons and polymers dropping out. The share of Others declined marginally from 16% to 15%, suggesting a broadly stable but somewhat reshuffled import basket.

Rising importance of fertilisers: The share of fertilisers increased from 6% to 7%, emerging as the second-largest identified product in FY2027.

Despite the change in individual products, energy remained the core of India's imports from Saudi Arabia, with crude oil and natural gas together accounting for 74% in FY2026 (April-July) and 68% in FY2027 (April-July). This reinforces the continued importance of Saudi Arabia to India's energy supply chain.

Greater diversification in product mix: The composition of the top-five imports changed noticeably, with aircraft and gold entering the list in FY2027 and cyclic



Snapshot of Key Developments and Impact

Key Developments	Impact		
	1–2 years	3–5 years	6–10 years
Saudi-US economic cooperation deepens	High	High	High
India-Saudi investment ties deepen	High	High	High
Real estate market opens for Non-Saudis	High	High	High
Capital market reforms to attract foreign investment	High	High	High
National privatisation expands PPP opportunities	High	High	Medium
PIF shifts focus to domestic growth	High	High	Medium
Target to double mining investment by 2030	High	High	Medium
Saudi Arabia climbs to 13 th globally among FDI recipients	High	Medium	Medium

Saudi-US Economic Cooperation Deepens⁴

In July 2026, the Saudi-US Trade and Investment Framework Agreement Council reviewed 31 initiatives covering trade policy, investment, technical barriers, agriculture, intellectual property, and digital trade. The initiatives seek to strengthen bilateral economic cooperation and facilitate greater trade and investment across a broader range of sectors. The engagement signals continued efforts to diversify Saudi-US economic ties beyond traditional hydrocarbons into technology, agriculture, digital services, and other emerging areas.

India-Saudi Investment Ties Deepen⁵

At the April 2025 India-Saudi Strategic Partnership Council meeting, both countries advanced cooperation around Saudi Arabia's USD 100 billion investment commitment to India. The investment focus spans energy, petrochemicals, infrastructure, technology, manufacturing, healthcare, and pharmaceuticals, broadening the scope of bilateral economic cooperation.

The commitment creates potential opportunities for Indian companies seeking Saudi partnerships, investment, manufacturing linkages, and access to the wider Saudi market.

Real Estate Market Opens for Non-Saudis⁶

Saudi Arabia's new law allowing non-Saudis to own real estate came into effect in January 2026, subject to specified conditions. The legislation permits residents, non-residents, and eligible non-Saudi companies to acquire property in the Kingdom under the new framework. The move is expected to broaden foreign participation in Saudi Arabia's real-estate sector and support greater international business presence and investment.

Capital Market Reforms to Attract Foreign Investment⁷

From February 2026, Saudi Arabia opened its Saudi Stock Exchange (Tadawul) to all categories of foreign investors, allowing non-resident investors to invest directly in listed securities.

The reforms eliminated the Qualified Foreign Investor (QFI) framework, removing previous qualification requirements and expanding direct market access to a broader range of global investors. The move is aimed at attracting greater foreign investment, diversifying the investor base and enhancing liquidity across Saudi Arabia's capital market.

National Privatisation Expands PPP Opportunities⁸

In January 2026, Saudi Arabia announced its National Privatization Strategy, targeting SAR 240 billion (approximately USD 64 billion) in private investment by 2030 through an expanded Public-Private Partnership (PPP) programme. The strategy broadens PPP opportunities beyond energy and water to sectors like healthcare, education, municipal services, and defence, while introducing standardised procedures to streamline project implementation. With 42 initiatives and a target of more than 220 PPP contracts by 2030, the strategy is expected to create significant opportunities for private-sector participation across infrastructure and public services.

PIF Shifts Focus to Domestic Growth⁹

Saudi Arabia's Public Investment Fund (PIF) approved its 2026–2030 strategy, placing greater emphasis on domestic investment as a part of the Kingdom's efforts to diversify beyond oil.

⁴ Saudi Press Agency, July 2026

⁵ Prime Minister's Office, April 2025

⁶ Saudi Press Agency, January 2026

⁷ Capital Market Authority, January 2026

⁸ United Nations Conference on Trade and Development (UNCTAD), January 2026

⁹ Reuters, April 2026

The USD 925 billion sovereign wealth fund will focus on six priority ecosystems: tourism, travel and entertainment; urban development and livability; advanced manufacturing and innovation; industrials and logistics; clean energy, water and renewables infrastructure; and NEOM.

The strategy is expected to strengthen opportunities for private-sector participation, local supply chains, and international companies across infrastructure, manufacturing, technology, logistics, and other priority sectors.

Target to Double Mining Investment by 2030¹⁰

The National Investment Strategy aims to increase mining investment to nearly SAR 92 billion during 2025–2030, compared to approximately SAR 45 billion in 2024. The strategy includes doubling FDI in mining and developing an investment environment targeting

average internal rates of return of 20%–30%. The push reinforces mining and critical minerals as key pillars of economic diversification, while creating opportunities for international investors, technology providers, and mining-service companies.

Saudi Arabia Climbs to 13th Globally Among FDI Recipients¹¹

Saudi Arabia climbed to 13th globally among the largest recipients of FDI in 2025, up from 17th in 2024, according to the World Investment Report issued by the United Nations Conference on Trade and Development (UNCTAD). Net FDI inflows increased by approximately 53% YoY to USD 32.6 billion, compared to USD 21.3 billion in 2024. The improvement reflects the Kingdom's continued investment-led economic transformation and progress under the National Investment Strategy, which aims to enhance the investment environment and facilitate market entry for foreign investors.

Outlook

The IMF expects Saudi Arabia's real GDP growth to rebound strongly to 5.5% in 2027, from 1.7% in 2026, based on the assumption that regional conditions and maritime trade gradually normalise and oil production recovers following the disruption caused by the West Asia conflict. Growth is then projected to moderate to 3.9% in 2028, 3.6% in 2029, and 3.5% in 2030, largely reflecting the fading of the post-disruption rebound and a gradual normalisation of oil-sector growth. Nevertheless, non-oil activity is expected

to remain relatively robust, supported by domestic consumption, government-led investment, major infrastructure and development projects, international events, and continued implementation of Vision 2030 reforms. The IMF projects non-oil GDP growth at 4.5% in 2027, 4.0% in 2028 and 2029, and 3.8% in 2030, indicating continued expansion of the non-oil economy even as overall growth settles at a more sustainable medium-term pace.

Date	Credit Rating Agency	Rating	Rationale
July 2026	Fitch Ratings, Inc.	Affirmation of Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'A+' with a Stable outlook.	The rating reflects Saudi Arabia's strong fiscal and external positions, supported by government debt-to-GDP and Sovereign Net Foreign Assets (SNFA) that are significantly stronger than the 'A' and 'AA' rating medians. The country also benefits from substantial fiscal buffers, including government deposits and other public-sector assets.
May 2026	Moody's	Affirmation of 'Aa3' sovereign credit rating with a Stable outlook.	The ratings reflect the country's strong fiscal and external balance sheets, substantial financial buffers, and resilience supported by economic diversification and oil-sector flexibility.
September 2026	S&P Global Ratings	Affirmation of long-term sovereign credit rating at 'A+' with a Stable outlook.	The stable outlook reflects Saudi Arabia's strong fiscal position and economic resilience, supported by its substantial government assets, continued non-oil growth and flexibility to recalibrate Vision 2030 investment spending in response to changing economic conditions.

Source: Fitch country ratings, Moody's Investors Service, Inc./ Moody's Analytics, Inc, S&P Global Inc.

¹⁰ Saudi Press Agency, January 2026

¹¹ Saudi Press Agency, July 2026



ABOUT RUBIX

Rubix Data Sciences Pvt. Ltd. helps you to take prudent credit risks, build a robust supply chain and monitor compliance for your business partners in India and around the world. Rubix helps you collect payments in time from your debtors, helping generate predictable cash flows.

Set up by highly experienced Risk Professionals, the company has been recognised at the IMC Digital Technology Awards in 2020 for the Rubix ARMS™ platform, and in 2021 for the Rubix Early Warning System (EWS). Rubix has also received the prestigious ET BFSI Exceller Award two times in a row: in 2023 for its ground-breaking analytics initiative, 'SME Income Range Estimation and Financial Ratio Benchmarking' and in 2024 for the Rubix Risk Scoring Model.

Rubix has been appointed as India's first Validation Agent for the Legal Entity Identifier (LEI) by Legal Entity Identifier India Ltd, the Local Operating Unit accredited by the Global Legal Entity Identifier Foundation (GLEIF), Switzerland.

The Rubix ARMS™ and Early Warning System (EWS) platforms and their suite of reports, products and services are based on Rubix's extensive database of structured and unstructured data aggregated from over 120+ sources, customised predictive analytics and proprietary technology.

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