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Saudi Arabia pre-budget statement 2027: SAR 1,392 billion spending, 3.6% deficit

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On 30 September 2026 the Ministry of Finance put 2027 spending at about SAR 1,392 billion and revenue at about SAR 1,202 billion, a deficit of around 3.6% of GDP, funded by more borrowing.

Country reference

- Country: Saudi Arabia (Wave 1 expansion country)
- Authorities: Ministry of Finance
- Topic: Pre-budget statement for fiscal year 2027 and medium-term outlook
- Key date: Statement released 30 September 2026; final budget expected before the year end
- Law: General budget for fiscal year 2027

What the Ministry announced

- Expenditure 2027: about SAR 1,392 billion, rising to about SAR 1,544 billion by 2029.
- Revenue 2027: about SAR 1,202 billion, rising to about SAR 1,351 billion by 2029.
- Deficit 2027: around 3.6% of GDP.
- Non-oil revenue: about SAR 505 billion in 2025, against about SAR 166 billion in 2015.

The 2026 picture

- Preliminary estimates show real GDP falling 3.6% in 2026, mainly because oil activities are expected to fall about 21.8%.
- Non-oil activities are expected to grow around 3.2%; they made up 57.3% of GDP in the first half.
- Inflation is expected at about 2.1%, and Saudi unemployment was 6.5% in the second quarter.
- The Ministry's quarterly report put the first-half 2026 deficit at about SAR 160 billion, according to press reports.

How the gap will be funded

The Ministry will keep borrowing locally and internationally under its medium-term debt strategy, through bonds, sukuk and loans. It also plans to widen alternative financing, including project and infrastructure finance and export credit agencies. Spending on Vision 2030 programmes and priority projects continues, and the Ministry describes the deficit as consistent with protecting fiscal strength, sustainable debt and reserves.

What to do now

- Expect a steady supply of riyal sukuk and international issues; treasury teams should watch local liquidity and funding costs.
- Suppliers to government projects should watch payment timing and project phasing in the final budget.

- Watch for the final 2027 budget, usually approved in December.

Our take

The message is continuity: spending holds up while oil income is weak, and the gap is filled with debt rather than cuts. For businesses in the Kingdom, that supports project demand but keeps the government a large borrower in the same market as everyone else.

Sources

- Ministry of Finance: Pre-Budget Statement for FY2027 (30 September 2026)
- Asharq Al-Awsat: Saudi budget records more than $90 billion in revenue in Q2

Important. This summary is for general information and is not investment, legal or financial advice. It is based on public Ministry of Finance publications, together with press reports, and may be incomplete or out of date. The official publications prevail; check the official source before acting.

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