

Weekly Insights

29 Mar 2024

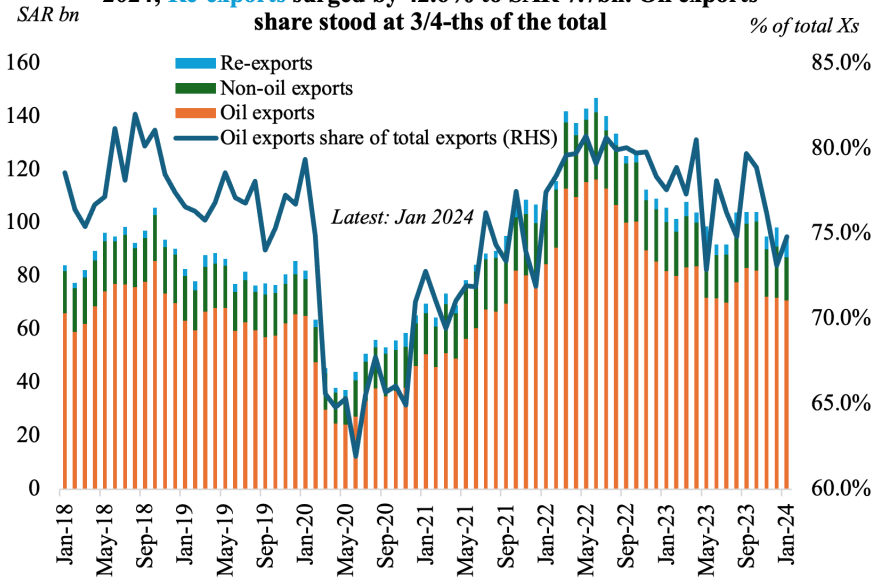
Saudi Exports, FDI, Unemployment & Monetary Indicators: an update

- *Saudi oil & non-oil exports fall in Jan while imports ticked up by 10.5% mom*
- *Saudi Arabia's net FDI inflows rose to SAR 13.2bn in Q4*
- *Deposit and credit growth match up in Saudi Arabia in Jan-Feb*
- *Unemployment rate of Saudi citizens declined to 7.7% in Q4*
- *Middle East renewable energy capacity rose in 2023, supported by Saudi gains*

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— & ASSOCIATES —

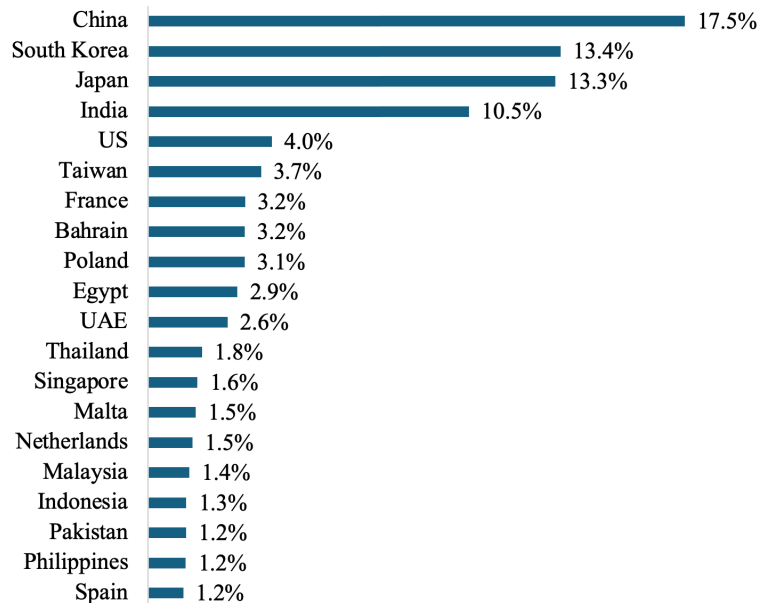
Saudi oil & non-oil exports fell by 13.5% and 11.5% yoy in Jan 2024; Re-exports surged by 42.6% to SAR 7.7bn. Oil exports share stood at 3/4-ths of the total



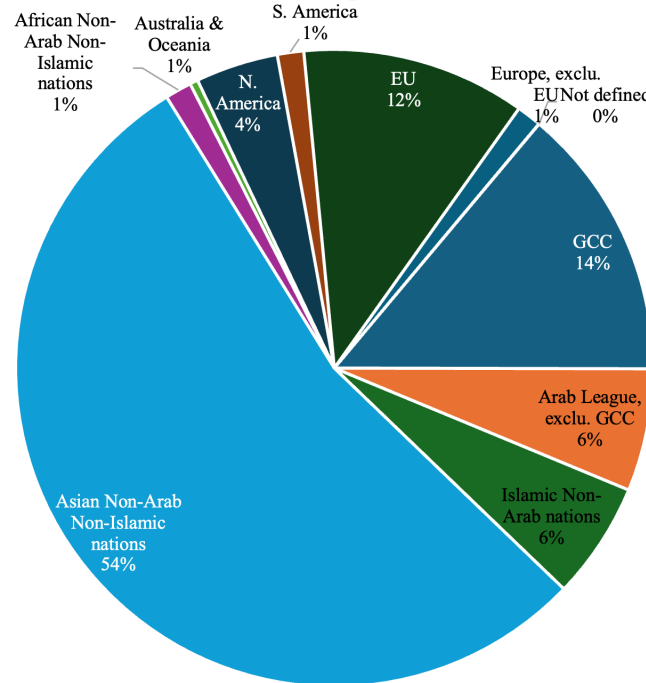
Saudi oil & non-oil exports fell in Jan; imports ticked up by 10.5% mom, narrowing surplus

- Saudi Arabia's exports declined by 10.3% yoy to SAR 94.9bn in the first month of 2024. **Oil exports fell** by 13.5% yoy and 1.4% mom to SAR 71.0bn.
- **Non-oil exports plunged** by 11.5% yoy and 15.1% mom to SAR 16.3bn. **Re-exports**, which accounts for 8.1% of total exports, **grew** by 42.6% yoy and 4.6% mom to SAR 7.7bn.
- **Share of oil exports in total exports nudged up** to 74.8% in Jan.
- **Imports grew by 10.5% mom** to SAR 66.7bn, thereby **narrowing trade surplus** to SAR 28.2bn.
- **China continues to be the top trade partner in Jan:** accounting for 15% of overall exports and 20.4% of total imports.

Saudi Arabia's top 5 (& 20) destinations for oil exports account for about 59% (& 90%) of total oil exports (% share, Jan 2024)



Asian Non-Arab Non-Islamic nations received more than 50% of Saudi exports in Jan 2024

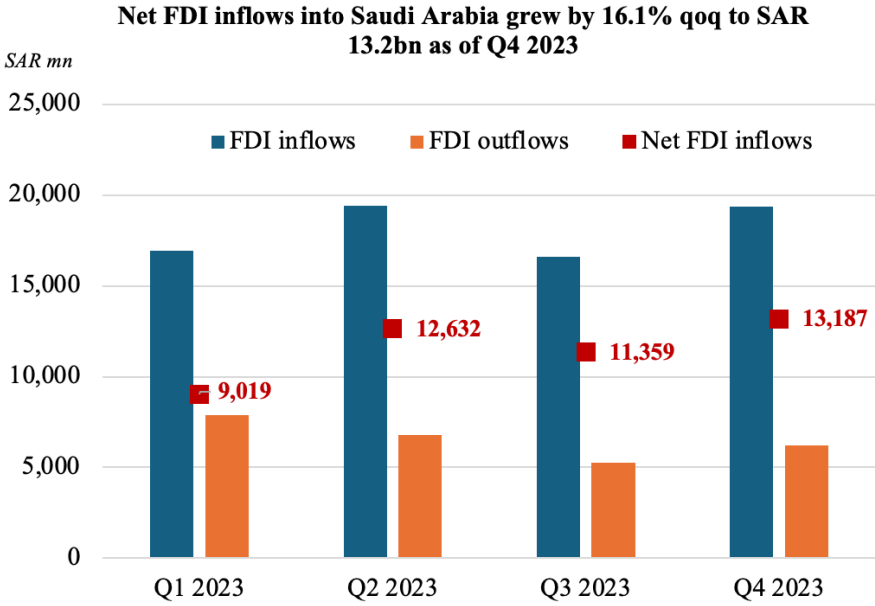


- **Oil exports to the top 5 destinations (China, South Korea, Japan, India & US) accounted for 58.7% of total oil exports in Jan; 94.8% for top 25.**
- **While Asian Non-Arab Non-Islamic nations received more than 50% of Saudi exports in Jan 2024, GCC received 14% of the total & Islamic nations' share stood at 26%.**

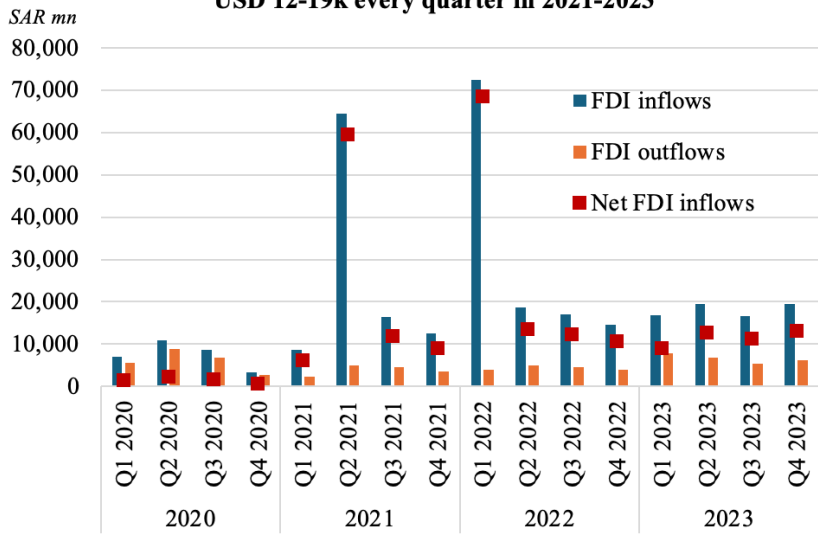
Source: GaStat. Charts by Nasser Saidi & Associates

Saudi Arabia's net FDI inflows rose to SAR 13.2bn in Q4. Summing quarterly values, 2023 FDI inflows totaled SAR 72.4bn.

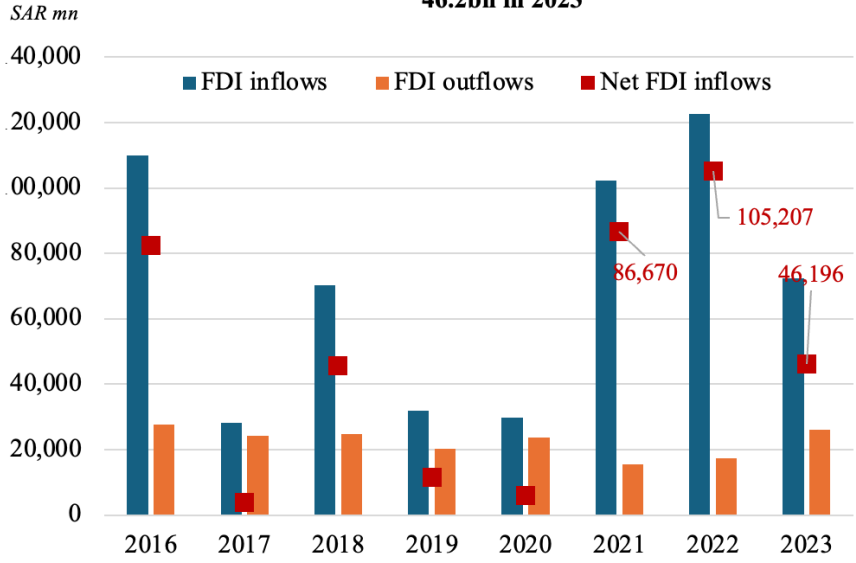
- FDI inflows into Saudi Arabia grew by 16.6% qoq and 32.2% yoy to SAR 19.4bn in Q4 2023 (Q3: SAR 16.6bn).
- Outflows were SAR 6.2bn in Q4 (Q3: SAR 5.3bn), leading to net FDI inflows of SAR 13.2bn in Q4 (16.1% qoq & 23.3% yoy).
- Summing up the quarterly data indicates that FDI inflows touched SAR 72.4bn in 2023. This compares to FDI inflow volume of SAR 123bn in 2022, which was in part due to a major SAR 58.1bn Aramco deal in Q1. Comparing the 2023 FDI inflow to 2022 value excluding the Aramco deal, it grew by 12.1%. But comparing the full amounts show a 41% drop.
- As per the National Investment Strategy (NIS) goals, Saudi Arabia FDI inflow needs to rise to SAR 388bn by 2030 from a total of SAR 109bn this year (2023: SAR 83bn).



One-off deals resulting in surges in Q2 2021 & Q1 2022 apart, FDI inflows into Saudi Arabia have ranged between USD 12-19k every quarter in 2021-2023



Net FDI inflows into Saudi Arabia fell by more than half to SAR 46.2bn in 2023

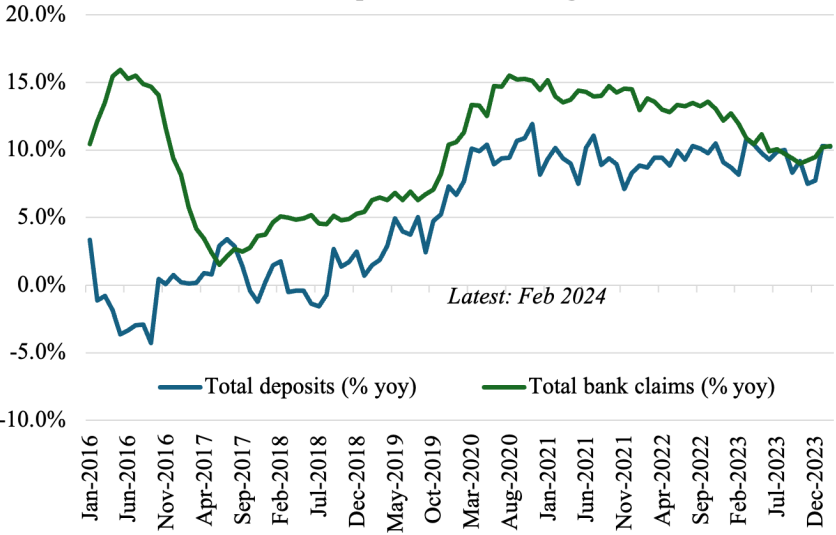


Source: General Authority for Statistics, Ministry of Investment Saudi Arabia (MISA). Chart by Nasser Saidi & Associates.

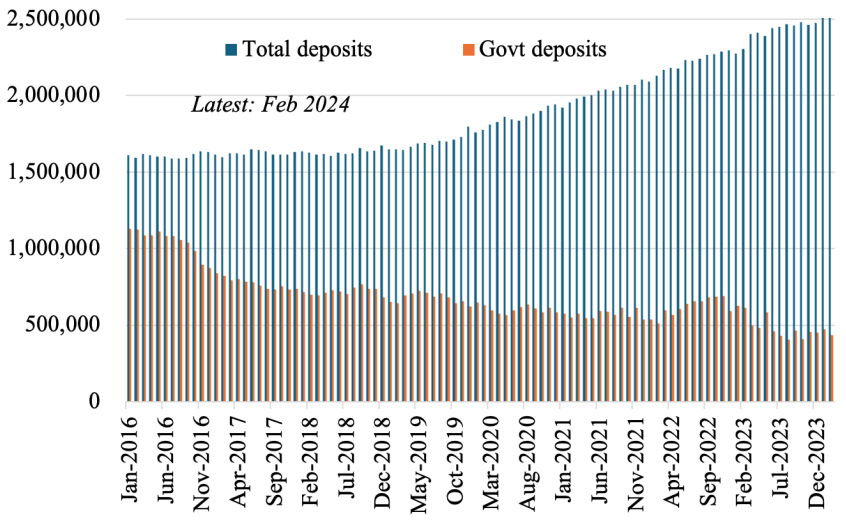


Deposit and credit growth match up in Saudi Arabia in Jan-Feb; overall deposits grow despite government deposits declining for the 12th month in a row; net foreign assets fall in Feb, after Jan's slight uptick

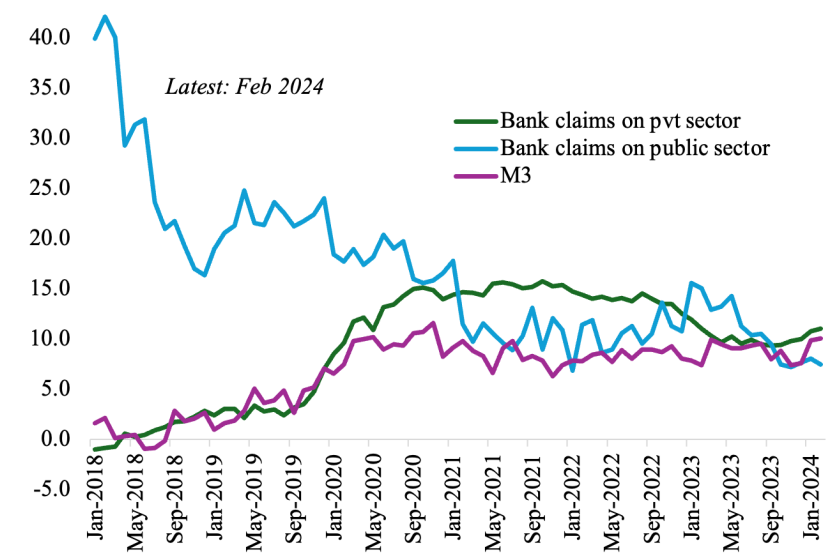
Saudi Arabia's total bank deposits grew by an average 10.3% yoy in Jan-Feb 2024. Credit growth was up 10.2%, with loan-to-deposit ratio exceeding 100%



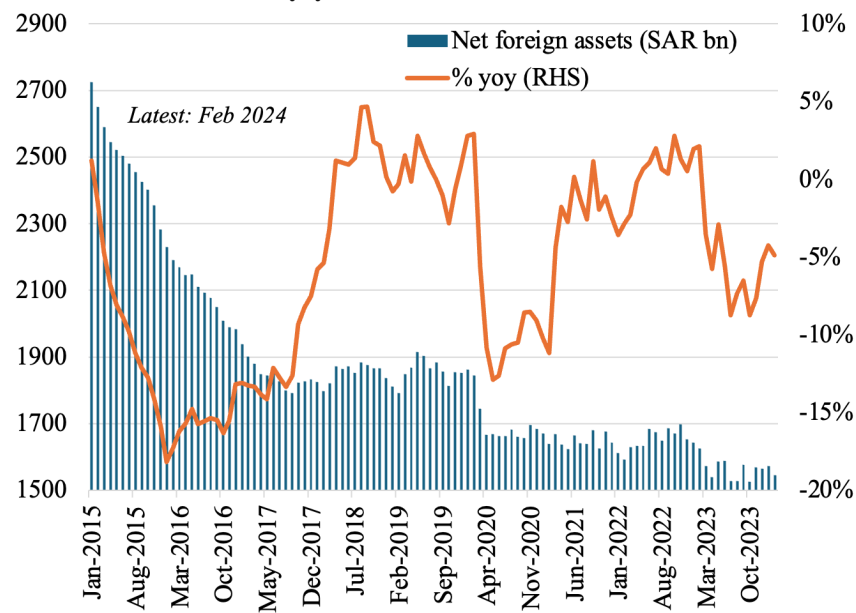
Government deposits in Saudi Arabia fell by 8.4% mom & 30% yoy in Feb 2024; total deposits, in contrast, grew by 1.2% mom & 10.3% yoy



Claims on private sector in Saudi grows at a faster pace in Jan-Feb 2024 (10.9% yoy) vs public (7.8%); M3 grew by 10%



SAMA's net foreign assets declined by 1.7% mom and 4.9% yoy to SAR 1.545trn in Feb



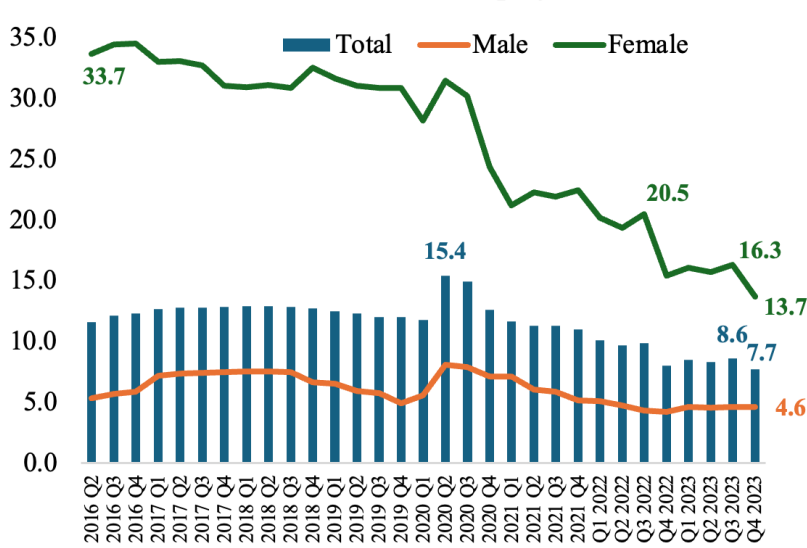
Source: Saudi Central Bank. Charts created by Nasser Saidi & Associates



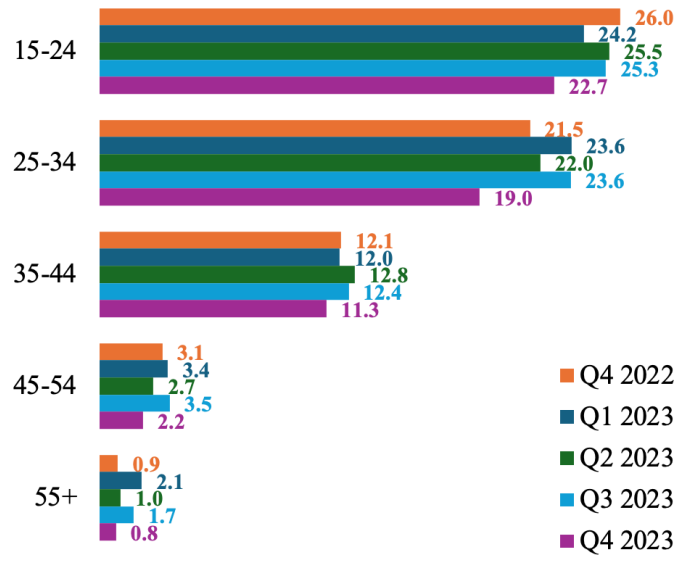
Unemployment rate of Saudi citizens declined to 7.7% in Q4

- Unemployment rate in Saudi Arabia (inclusive of expats) slipped to 4.4% in Q4 (Q3: 5.1%). Saudi citizens U rate also edged lower to 7.7% (Q3: 8.6%).
- Saudi female U rate fell to a record-low of 13.7% in Q4 (Q3: 16.3%), with all groups recording a decline in unemployment rate.
- Saudi female labour force participation eased slightly to 35.5% (Q3: 35.9%).
- Females' wages (for citizens) grew by 1.7% qoq to SAR 7,745 in Q4; only the wages of 55+ dropped (-3.2% qoq to SAR 7870). However, the male-female wage gap remains highest in 35-54 age groups: when men earn 1.5X vs women.

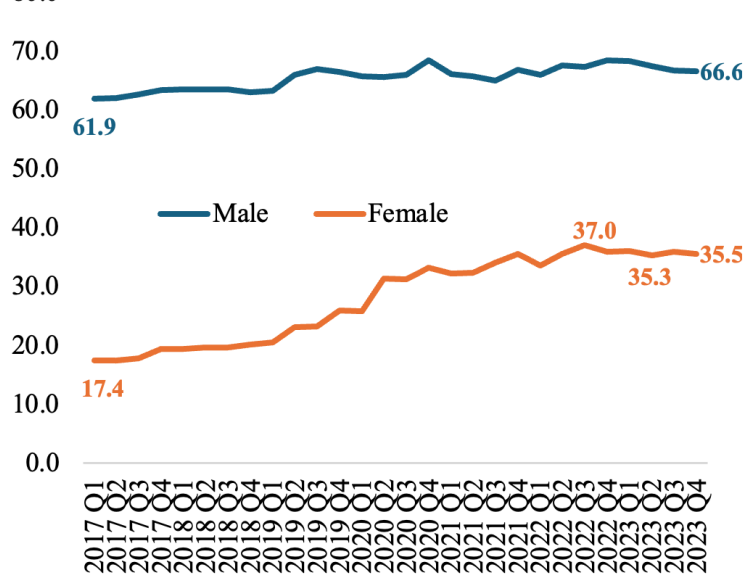
Unemployment rate of Saudi nationals edged lower to 7.7% in Q4 2023 (Q3 2023: 8.6%), thanks to a fall in female unemployment rate



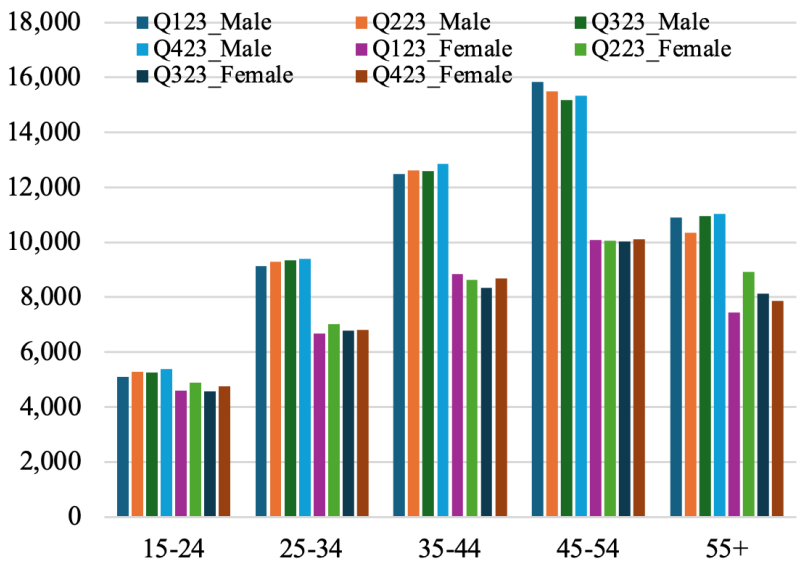
Saudi female unemployment rate fell sharply in Q4 2023, across all age groups



Saudi female labour force participation rate stood at 35.5% in Q4 2023 (vs Q3 2023: 35.9% & Q1 2017: 17.4%)



Average wages of Saudi nationals inched up by 1.7% qoq in Q4 2023, with wages rising across almost all Saudi female age groups (except 55+)

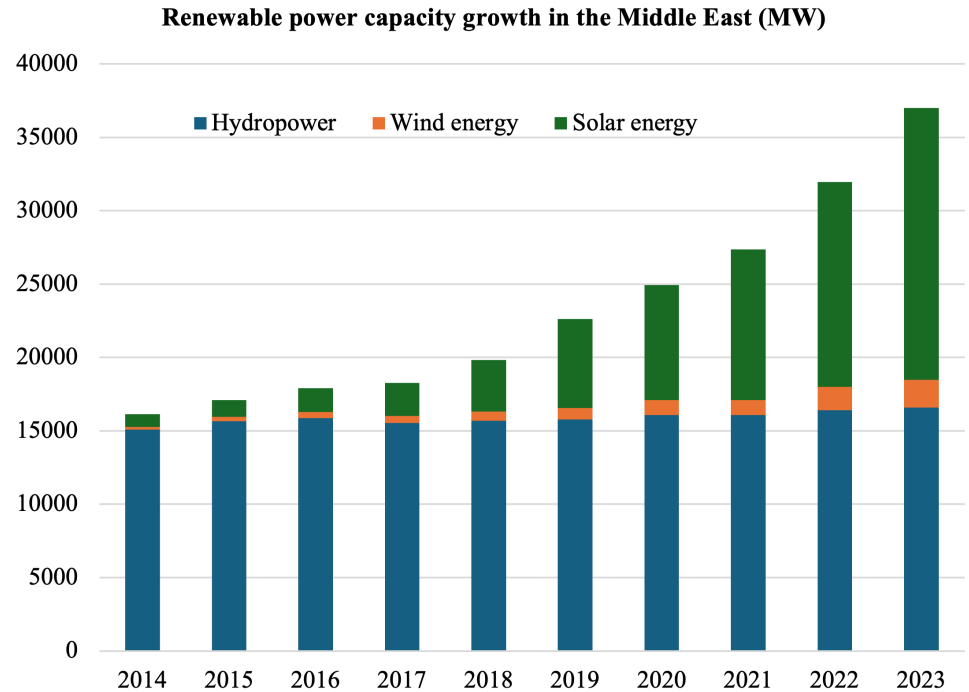
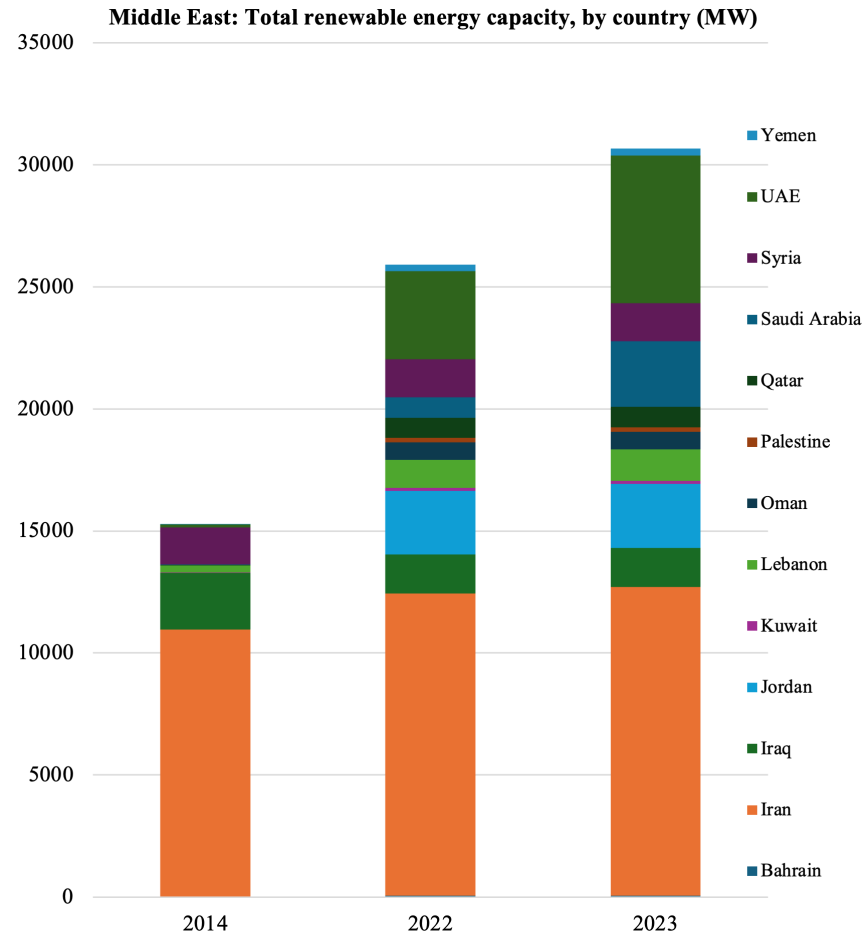


Source: Labour market survey Q4 2023, GaStat. Charts created by Nasser Saidi & Associates



Middle East Renewable Energy Capacity rose in 2023, supported by Saudi gains and driven by solar power.

- Globally, **renewable energy sources comprised 43% of the global installed power capacity in 2023**, according to IRENA.
- Renewables deployment grew by 473 gigawatts (GW) last year, taking global capacity to 3.87 terrawatts in 2023.
- There however **continues to be a disparity in the distribution of sustainable energy**: Asia saw the maximum growth (327GW capacity increase, led by China); in contrast, Africa's total capacity increased just 4.6% to 62GW.



Source: Renewable Capacity Statistics 2024, IRENA. Charts by Nasser Saidi & Associates.

- **Renewable energy capacity in the Middle East grew by 16.6% yoy in 2023**, adding 5.1GW to overall capacity. The region accounts for under 1% of total capacity globally.
- In the Middle East, **added capacity was mostly from solar energy, followed by wind.**
- **The fastest pace of growth was seen in Saudi Arabia**, where capacity surged by 219% yoy to 2689 MW, **followed by the UAE**, which recorded a 68.3% yoy jump to 6052 MW in 2023. Both nations increase in capacity can be **traced back to solar energy. Wind energy also contributed to UAE's capacity increase** (to 104 MW in 2023 from 0).

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