

Introduction

Saudi Arabia is a country in the Middle East bordering the Persian Gulf and Red Sea. Extensive coastlines provide leverage on shipping, especially crude oil, through the Persian Gulf and Suez Canal. Neighboring countries include Iraq, Jordan, Kuwait, Oman, Qatar, United Arab Emirates, and Yemen. The geography of Saudi Arabia is primarily desert with rugged mountains in the southwest. The government system is a monarchy; the chief of state and head of government is the king and prime minister. Saudi Arabia is a member of the League of Arab States (Arab League) and the Gulf Cooperation Council (GCC).



Location: Western Asia

Capital City: Riyadh (+3 GMT)

Chief of State: King and Prime Minister Salman bin Abdulaziz Al Saud

Head of Govt.: King and Prime Minister Salman bin Abdulaziz Al Saud

Currency: Saudi riyal (SAR)

Major Languages: <p>Arabic (official)</p>

Primary Religions: <p>Muslim (official; citizens are 85-90% Sunni and 10-15% Shia), other (includes Eastern Orthodox, Protestant, Roman Catholic, Jewish, Hindu, Buddhist, and Sikh)</p>

Calling Code: 966

Voltage: 127/220

Key Websites

Main Government Page: saudi.gov.sa

Commerce Ministry: mci.gov.sa

Export Promotion Agency: csc.org.sa

Investment Promotion Agency: sagia.gov.sa

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developing
GDP, PPP (current international \$):	\$1,756.33 billion (2016)
GDP growth (annual %):	1.74% (2016)
GDP per capita, PPP (current international \$):	\$54,416.61 (2016)
Manufacturing, value added (% of GDP):	12.87% (2016)
Current account balance (BoP, current US\$):	-\$23.84 billion (2016)
Inflation, consumer prices (annual %):	3.52% (2016)
Labor force, total:	13,834,005 (2017)
Unemployment, total (% of total labor force) (modeled ILO estimate):	5.72% (2017)
Imports of goods and services (current US\$):	\$195.11 billion (2016)
Exports of goods and services (current US\$):	\$198.29 billion (2016)

GDP Composition %

Agriculture Industry Manufacturing Services



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

Index	Rank
Corruption Perceptions Index	57 / 178
EY Globalization Index	41 / 60
Global Competitiveness Index	29 / 137
Global Enabling Trade Index	67 / 136
Global Manufacturing Competitiveness Index (GMCI)	34 / 40
Index of Economic Freedom	98 / 180
International Logistics Performance Index (LPI)	52 / 160
Inward FDI Potential Index	28 / 139
KOF Index of Globalization	51 / 185
Networked Readiness Index (NRI)	33 / 139
Open Budget Index	109 / 115

Risk Assessment (Provided by Coface)

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

Business Climate rating: B - The business environment is mediocre. The availability and the reliability of corporate financial information vary widely. Debt collection can sometimes be difficult. The institutional framework has a few troublesome weaknesses. Intercompany transactions run appreciable risks in the unstable, largely inefficient environments rated B.

Strengths

- One quarter of world oil reserves and leading producer in OPEC
- Major regional economic and political player
- Increasing economic diversification advanced by Saudi Vision 2030 programme
- Solid financial situation thanks to low debt levels and sizeable assets
- Solid banking system

Weaknesses

- Level of dependence on oil and gas sector, poor job creator, and growing domestic energy demand
- High unemployment rate of local population
- Governance failings undermining business climate
- Unstable geopolitical context
- Low rate of participation of women in labor market
- Economy dependent on public spending

U.S. Embassy

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