



المركز الوطني
لإدارة الدين
NATIONAL DEBT
MANAGEMENT
CENTER

Kingdom of Saudi Arabia

October 2024

   @SaudiNDMC
www.ndmc.gov.sa

Executive summary



Vision 2030 Overview

Vision 2030 aims to reduce the kingdom's reliance on oil and diversify its economy. Launched in 2016, it centers on three key pillars:

A VIBRANT SOCIETY



Prioritizing physical, psychological, and social wellbeing translates to a strong and productive society with strong foundations that serves a thriving economy and an ambitious nation

A THRIVING ECONOMY



Improving the business environment, creating special zones, unleashing promising new sectors and privatizing government services to diversify revenues will serve a vibrant society and ambitious nation

AN AMBITIOUS NATION



Increasing transparency & accountability and efficiency & agility (especially in our finances) encourages all to play a more active role in the shaping of our evolving needs to build a vibrant society with a thriving economy

The vision continues to make significant progress on its key metrics (1/3)

Selected Metrics - Thriving Economy				
Key Metric	Baseline	2023 Actual	2023 Target	2030 Target
Global ranking by GDP (billion)	\$716	\$790	\$809	\$1,730
Non-oil GDP (billion)	\$405	\$505	\$515	\$1,327
Private Sector Contribution to GDP (%)	40.3	45	45	65
SME's loans as percentage of bank loans (%)	2	8.3	8.6	20
Total value of exports from the industries related to oil and gas (billion)	\$34.4	\$161	\$132	\$564
Percentage of women's participation in labor market	22.8	34	-	30
Percentage of unemployment rate among Saudis	12.3	7.7	8	7
Total value of PIF AUM (billion)	\$192	\$749	\$720	\$2,670





The vision continues to make significant progress on its key metrics (2/3)

Selected Metrics – Ambitious Nations				
Key Metric	Baseline	2023 Actual	2023 Target	2030 Target
Government effectiveness index (Score)	63	70.8	60.7	91.5
The Kingdom's rank in E-Government Development Index (Rank)	36	31	-	5
Percentage of major companies that provide corporate social responsibility programs	30	64.8	57	90
Non-Profit sector contribution to GDP	0.2	0.87	0.51	5
Percentage of non profit sector employees as a proportion of the total workfares	0.13	0.55	0.39	3.1

The vision continues to make significant progress on its key metrics (3/3)

Selected Metrics - Vibrant Society				
Key Metric	Baseline	2023 Actual	2023 Target	2030 Target
Total annual umrah pilgrims from outside the kingdom (millions)	6.2	13.56	10	30
Number of Saudi landmark on UNESCO World Heritage List (Site)	4	7	6	8
Average life expectancy (years)	77.06	78.10	-	80
Percentage of Saudi families that own a housing unit (%)	47	63.74	63	70
Percentage of beneficiaries with subsidies who can work and are empowered	1	32.3	32	36.3

Key highlights

<p>1</p> <p>Exceptional macro-fiscal profile</p>		<ul style="list-style-type: none">▪ Macro-fiscal dynamics allow for strong fiscal and external buffers, e.g. one of the lowest gross debt levels and the largest FX reserves in the G20, standing respectively at 26.2% of GDP and 15.8 months of imports in 2023▪ The Kingdom is using its oil windfall to foster sustainable growth and develop the non-oil private sector
<p>2</p> <p>Vision 2030: strong track record and momentum</p>		<ul style="list-style-type: none">▪ Unprecedented structural reforms supporting economic diversification away from oil, with the non-oil revenue increasing from 9.6% to 36.4% of total revenue between 2010 and 2023▪ Vision 2030 to remain the Kingdom's policy anchor, building on its track record and success stories from private sector development to improved quality of life
<p>3</p> <p>KSA fiscal policy: strong buffers and predictable</p>		<ul style="list-style-type: none">▪ KSA follows clear fiscal principles, including predictability and fiscal sustainability▪ Vision 2030 has allowed for fiscal stabilization since 2016 and to rebuild policy buffers▪ The medium-term outlook includes increased transformational expenditure to fully reap Vision 2030 benefits, While deficits are targeted and will remain at stable levels between 2-3% of GDP
<p>4</p> <p>NDMC debt strategy: proactive & transparent</p>		<ul style="list-style-type: none">▪ The Kingdom's current cost of debt stands at 3.6% p.a., among the lowest in emerging markets, and has a low risk profile▪ This is thanks to a diversified financing strategy, the on-going development of the domestic market and conservative and transparent risk thresholds to manage the debt portfolio
<p>5</p> <p>Sustainability: at the heart of KSA's national strategy</p>		<ul style="list-style-type: none">▪ KSA has updated its Nationally Determined Contributions (NDCs) under the Paris Agreement and confirmed its commitment to reach net zero emissions by 2060▪ ESG targets are anchored in KSA's ambitious reform agenda and underpin long-term growth prospects▪ The Kingdom is undertaking highly ambitious investments for its energy transition, including in renewable energy, energy efficiency and circular carbon economy related technologies

1 Exceptional macro-fiscal profile

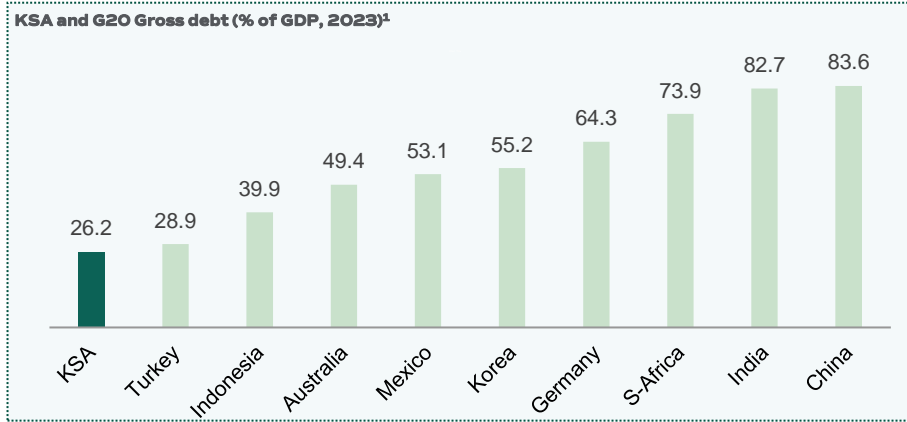
Building on the oil windfall to build broad based, diversified growth

Real GDP is expected to grow by **0.8%** in FY2024, driven by an estimated **3.7%** growth in non-oil activities
 Real GDP growth is expected to accelerate to **4.6%** in FY2025

Sustainable fiscal policy leading to high fiscal buffers

Key highlights

26.2% gross debt to GDP in 2023
-4.8 p.p. debt to GDP decrease since 2020
NDMC smooth operations on international and local markets

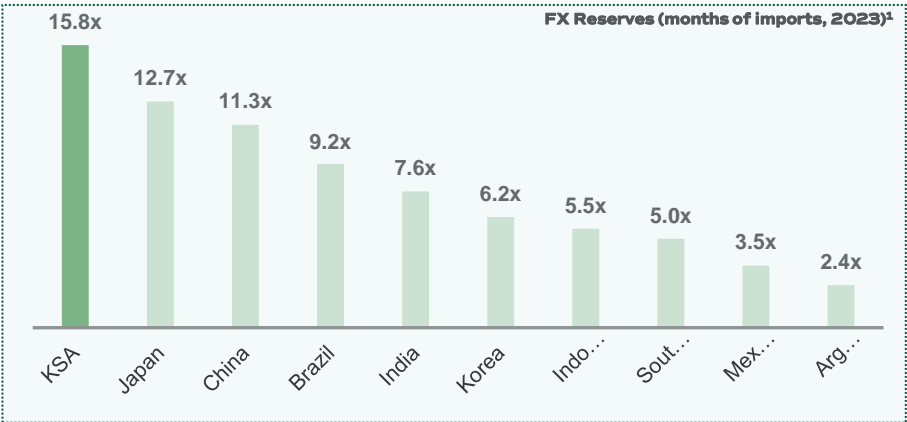


Sources: Annual Borrowing Plan 2024, Pre-Budget Statement FY2025, IMF (WEO April 2024), Fitch, NDMC
 Note 1. Excluding Russia

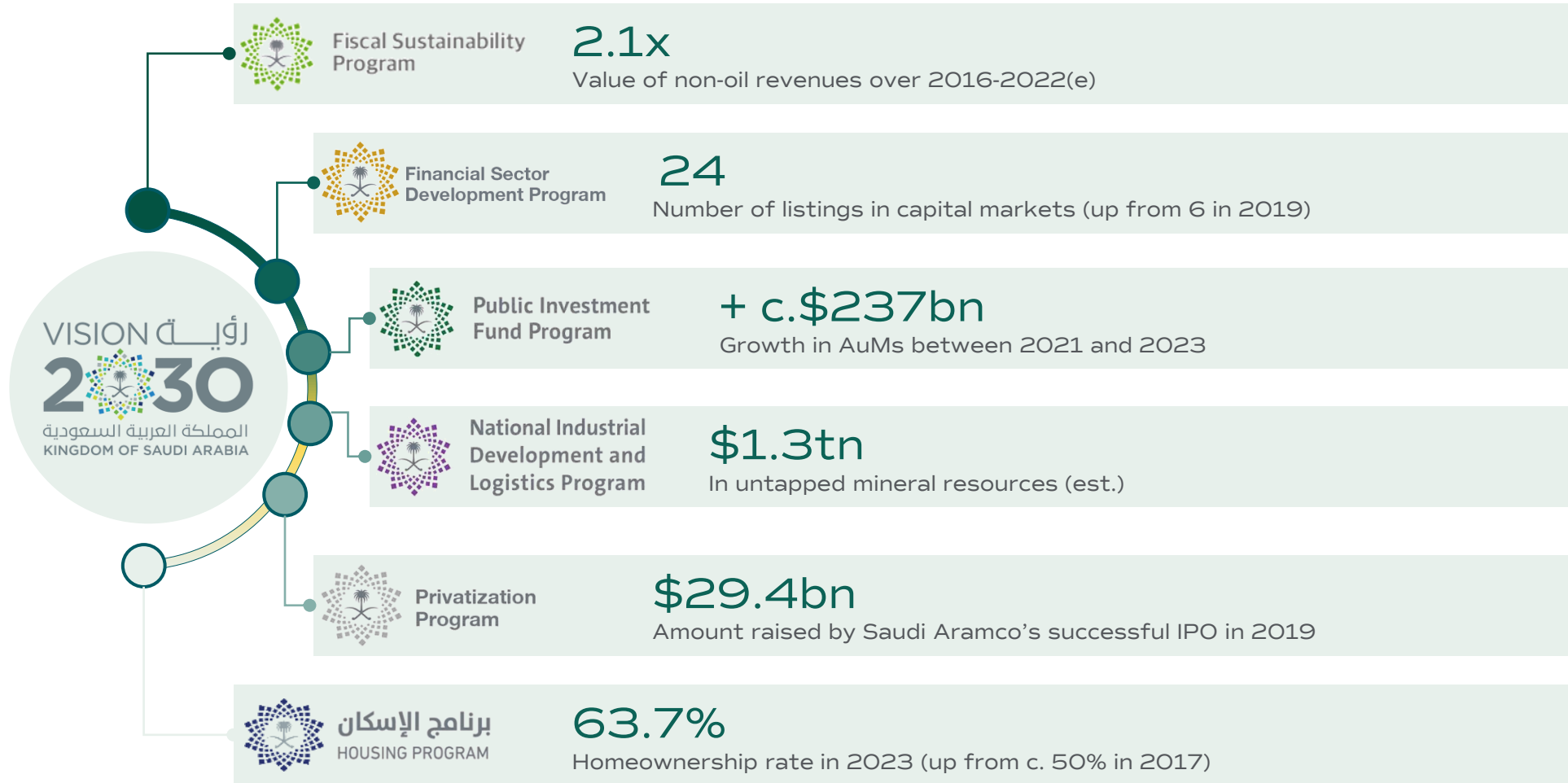
The G20's largest policy buffers

Key highlights

3.2% current account surplus estimated in 2023
15.8x FX reserves in months of imports estimated in 2023



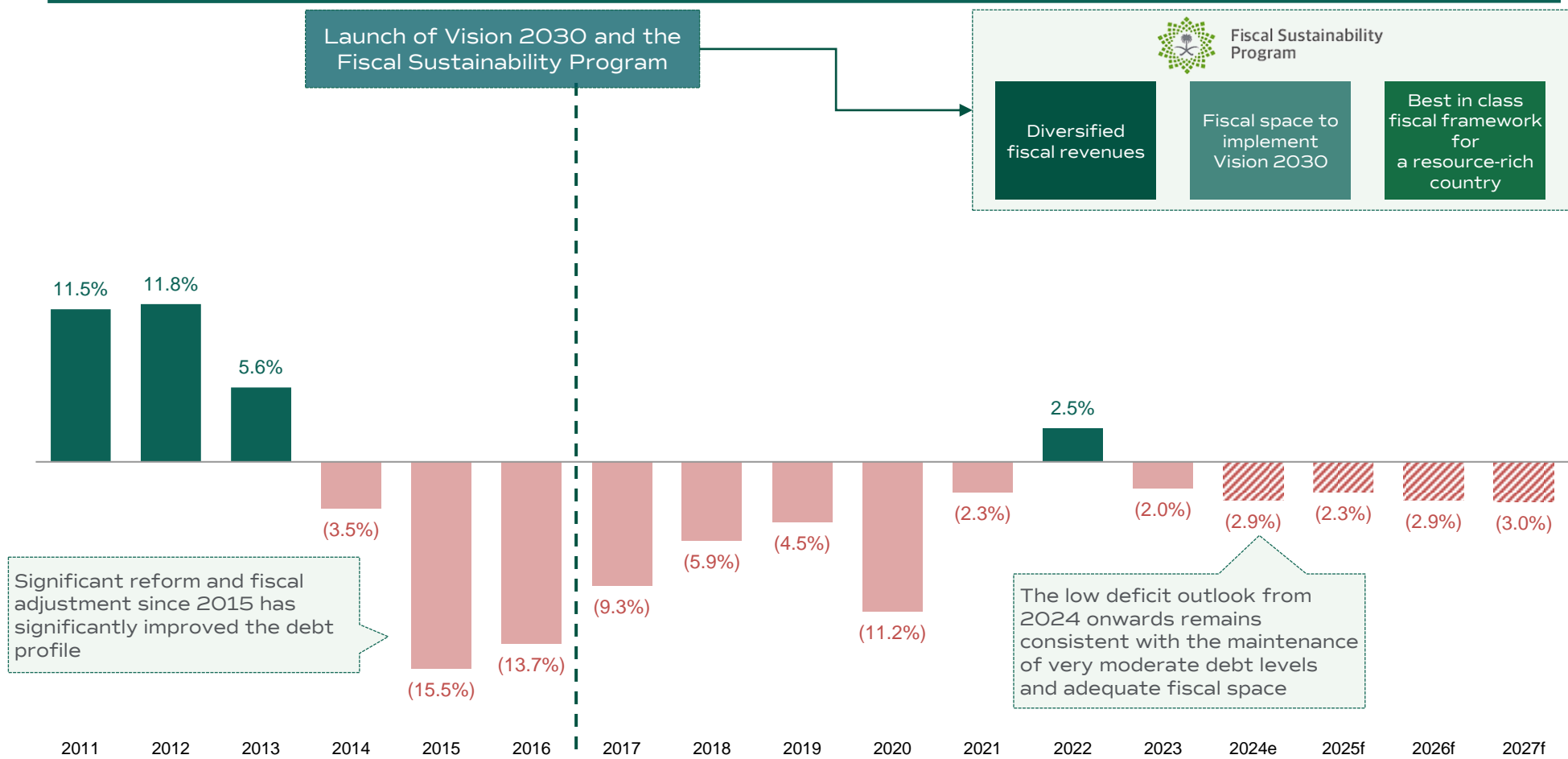
2 Vision 2030: strong track record and momentum



Sources: Vision 2030 programmes, PIF

3 Fiscal policy: strong buffers and predictable

KSA fiscal balance (2011-2027, % GDP)



Sources: KSA Budget Statements, IMF, Pre-Budget Statement 2025

4 NDMC debt strategy: proactive & transparent

Proactive debt management policy allowing for smooth funding operations on both local and international markets, illustrated by a well-populated yield curve

2024 Annual Borrowing Plan highlights

26.2% gross debt to GDP estimated in 2023

of which

- **61%** of SAR-denominated debt

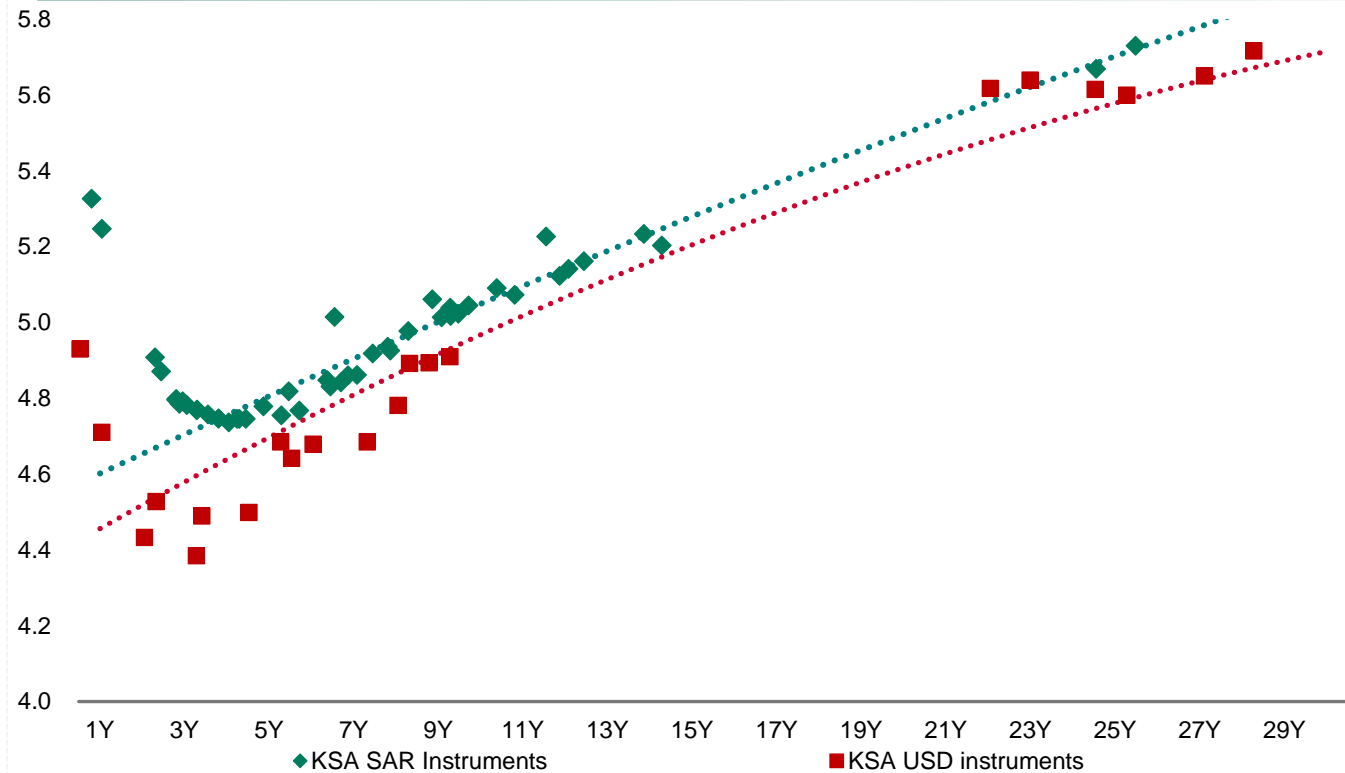
SAR 14bn of 2024 financing needs pre-funded in 2023

SAR 138bn 2024 total funding needs (excluding pre-funding)

of which up to

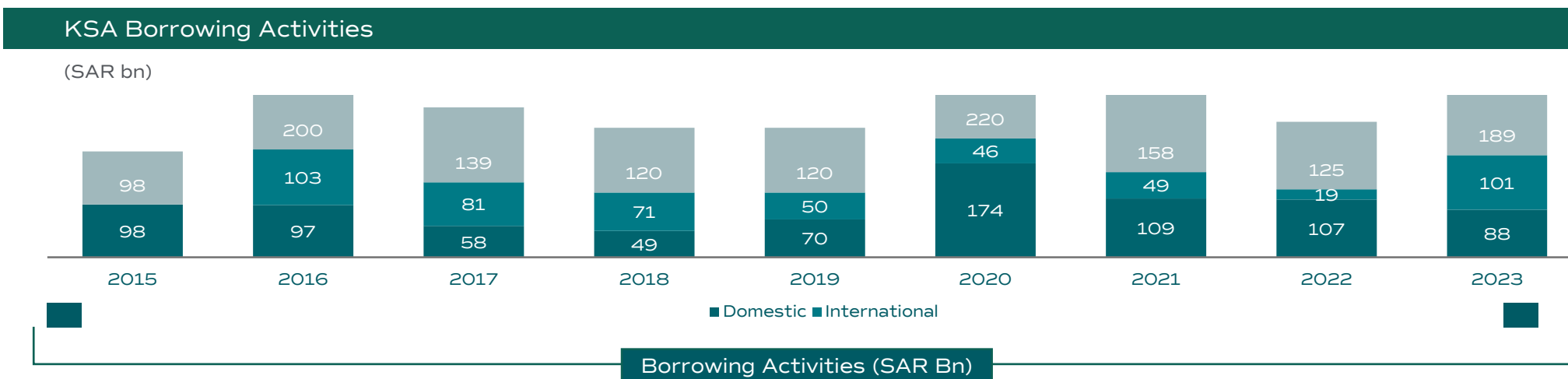
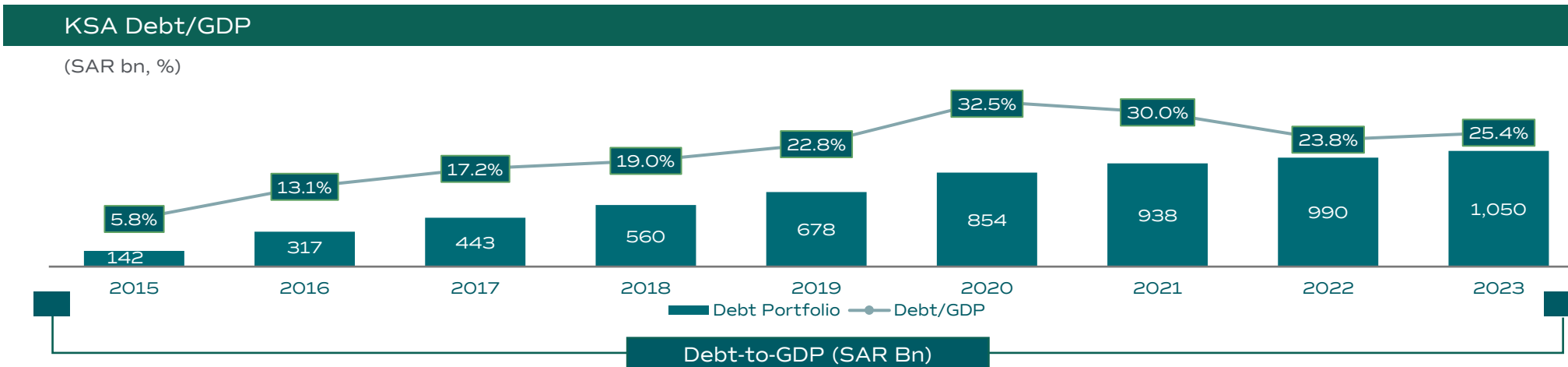
- **35%** financed through domestic bond issuances
- **40%** financed through international bond issuances
- **50%** financed through Government Alternative Funding channel

KSA yield curves² (October 2024)



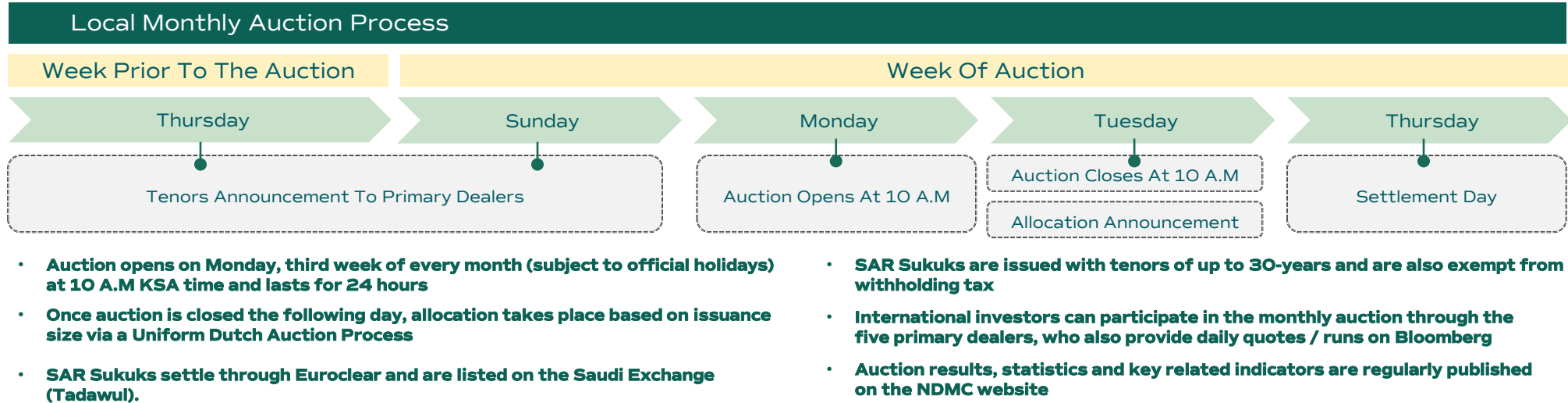
Sources: NDMC Website, 2024 Annual Borrowing Plan, Bloomberg as of October 2024
 Notes: 1. Medium Term Debt Strategy, 2. Constructed by interpolation of KSA selected bonds

KSA Debt / GDP and Borrowing Activities

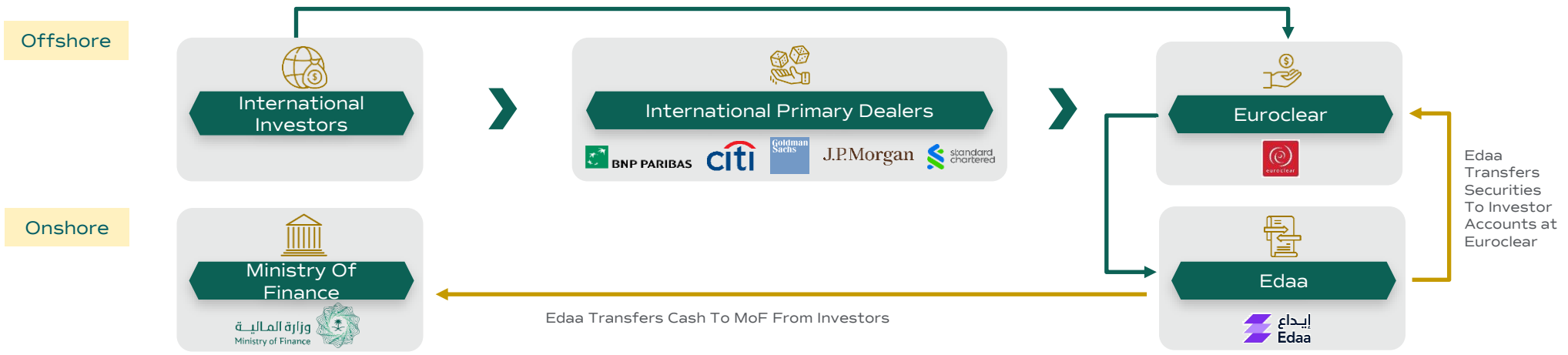


Data Source : NDMC Website.
 1. As per official budget statement for fiscal year 2024.

Local Currency Debt Capital Markets Auction Process



Key Players of The Local Currency Market – Flow Diagram



5 Sustainability: at the heart of KSA's national strategy



Green Bond Framework – Overview

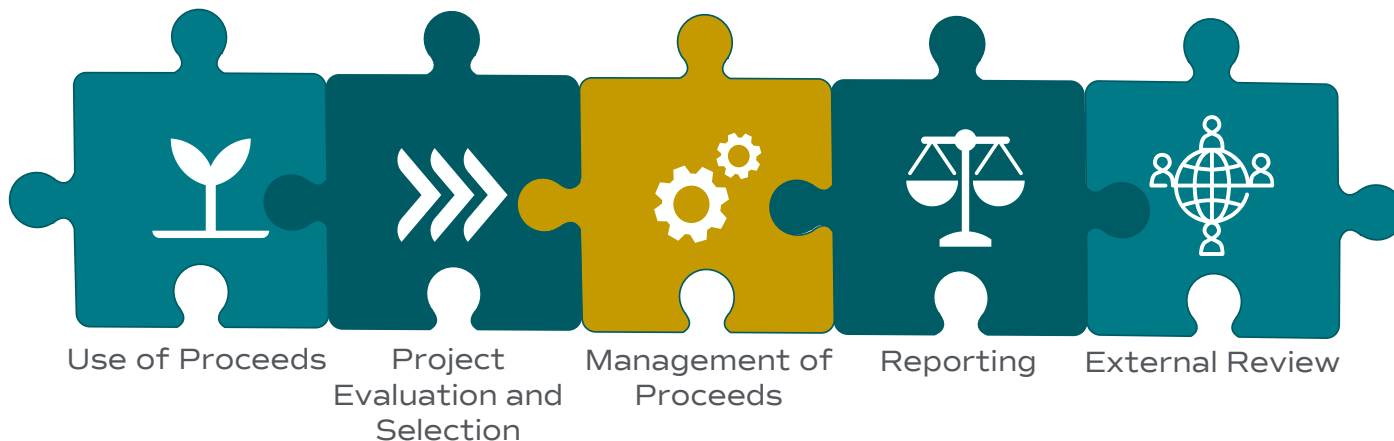
The Kingdom of Saudi Arabia is fully committed to creating a better environment for future generations and to long term economic prosperity for the nation through:

Demonstrating leadership in sustainable finance within the region

Encouraging more public and private initiatives towards climate and environmental finance

Enabling the management of emissions while utilizing resources in a sustainable manner

Five components of Saudi Arabia’s Green Bond Framework



Saudi Arabia’s Green Bond Framework is aligned with the 2021 version of the Green Bond Principles (with June 2022 Appendix) as published by the International Capital Market Association (ICMA)



Appendices



NDMC investors' relations

Outreach information

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Important links

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[KSA Green Financing Framework](#)

[Press Releases](#)

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2024 Calendar Of Local Sukuk Issuances

January						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

March						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				















National Day	Eid Holidays	Settlement Day	Offer Day	Founding Day
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Green Bond Framework – Use of Proceeds

Excluded Projects

For each Green Bond/Sukuk issued, the Kingdom of Saudi Arabia asserts that it will not use the proceeds for any activities related to alcohol, weapons, tobacco, gaming or palm oil industries as well as child labor or forced labor

Use of Proceeds

<p>③</p> 	<p>Environmentally sustainable management of living natural resources and land use</p>	<ul style="list-style-type: none"> • One of the key objectives under the ‘Ambitious Nation’ pillar of Saudi Vision 2030 is “Being responsible in business and protecting vital resources” • Overall objective of increasing total protected areas to over 20% by 2030 and to 30% over the coming decades • Rehabilitation of millions of hectares of land over the coming decades will also act as natural carbon sink and help to improve air quality, reduce sandstorms, combat desertification, and lower temperatures in adjacent areas 	  
<p>①</p> 	<p>Energy efficiency</p>	<ul style="list-style-type: none"> • Implementing a wide range of policies, measures and initiatives to actively reduce energy use across the various sectors • Saudi Energy Efficiency Program is a key component for all sectors to achieve NDC commitments in line with the country’s Net Zero ambition • Heavy emphasis on improving the energy efficiency of buildings, with an emphasis on helping buildings to be more resilient and efficient with regards to extreme weather conditions faced by the Kingdom 	  
<p>①</p> 	<p>Renewable energy</p>	<ul style="list-style-type: none"> • Target to derive 50% of its domestic electricity generation from renewable energy sources by 2030 • The public and private sector will invest SR380bn (c.\$101bn) into renewable energy production by 2030 • Target to install 70GW of renewable energy by 2030, of which 40GW will come from solar power 	 
<p>①</p> 	<p>Clean transportation</p>	<ul style="list-style-type: none"> • Transport is the third-largest CO2 emitting sector in the Kingdom • The Kingdom is promoting the adoption of electric vehicles (EVs) as part of its efforts to increase the use of clean energy • Launched various initiatives to support the development of the EV market, including the establishment of charging infrastructure and the promotion of EVs through financial incentives and subsidies • Saudi Electric Vehicle Alliance promotes the use of electric vehicles and has taken steps to encourage the use of public transportation, bike-sharing, and other sustainable transportation options • Ministry of Energy and Ministry of Economy and Planning are employing Behavioral Economics strategies through various initiatives to assist electricity customers in enhancing their consumption habits 	 

Sources: KSA Green Framework

① Emission Avoidance (Reduction)

② Emission Abatement (Reuse, Recycle or Store)













③ Emission Removal

Green Bond Framework – Use of Proceeds

Excluded Projects

For each Green Bond/Sukuk issued, the Kingdom of Saudi Arabia asserts that it will not use the proceeds for any activities related to alcohol, weapons, tobacco, gaming or palm oil industries as well as child labor or forced labor

Use of Proceeds

<p>②  Pollution prevention and control</p>	<ul style="list-style-type: none"> • Circular Carbon Economy Approach adopted by the Kingdom is driven by the 4Rs (Reduce, Reuse, Recycle, and Remove) of its Circular Carbon Economy (CCE) Framework • Committed to reducing emissions through energy efficiency and renewables, but also to reuse, recycle and remove carbon emissions entirely from its economy • Also aiming to become a leading hydrogen producer and exporter by 2030 • National Hydrogen Strategy envisages a number of measures including the construction of a green hydrogen plant in NEOM 	  
<p>① ②  Sustainable water and wastewater management</p>	<ul style="list-style-type: none"> • Saudi National Water Strategy 2030 aims to address all the key water challenges in the Kingdom, and reform the water and wastewater sector to ensure sustainable development of water resources while providing affordable high-quality services • The Kingdom is taking a number of steps in deploying desalination technologies to minimize the GHG emissions 	
<p>① ②  Climate change adaptation</p>	<ul style="list-style-type: none"> • The Kingdom is investing in activities that help protect and renew its natural environment including biodiversity of land, seas and coastlines • The Kingdom has identified both measures aimed at adaptation and raising resilience and adaptation measures with mitigation co-benefits • Adaptation measures also contribute to economic diversification 	  
<p>③  Terrestrial and aquatic biodiversity</p>	<ul style="list-style-type: none"> • Continuously investing considerable efforts and resources in activities that help protect and renew its natural environment (biodiversity of land, seas and coastlines) • Will implement coastal management strategies that are designed to reduce coastal erosion, increase the sinks for blue carbon, maintain related ecosystems and address the threats that climate change poses for marine livelihoods 	

Sources: KSA Green Framework

① Emission Avoidance (Reduction)

② Emission Abatement (Reuse, Recycle or Store)

③ Emission Removal

Green Bond Framework – Management of Proceeds

Management of Proceeds



Net proceeds

- Will be allocated to eligible budgetary programmes in the General Budget



Total expenditure required for the eligible programmes

- Will be equal or exceed the net Green Bond/Sukuk proceeds



Pending allocation to Eligible Green Projects

- Will temporarily hold an amount equal to the unallocated proceeds of any Green Bond/Sukuk issuance in line with Treasury Policy



Expenditure withdrawn from eligible expenditure portfolio

- Will reallocate on a best effort basis the proceeds to other eligible expenditures compliant with the Eligibility Criteria

Reporting

- Annual allocation report publicly available within 1-year of issuance
- At least biennial impact reporting on the expected environmental impacts of the Eligible Green Projects

Allocation Report contains

- Total amount allocated to Eligible Green Projects
- Total amount allocated per Eligible Green Project Category
- Total amount allocated per region
- Breakdown of expenditure by the type of expenditure
- Breakdown of refinancing versus new financing
- The amount remaining unallocated

- The Kingdom of Saudi Arabia's annual reporting will also be subject to external verification which will cover:
 - The compliance of assets financed by the Green Bond/Sukuk proceeds with eligibility criteria defined in the use of proceeds section in the Framework
 - Allocated amount related to the eligible Green projects financed by the Green Bond/Sukuk proceeds
 - The management of proceeds and unallocated proceeds amount



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