

SAUDI ARABIA

At glance: The Kingdom of Saudi Arabia is the largest Arab country of the Middle East, occupies about four-fifths of the Arabian Peninsula, the original homeland of the Arabs, the place of origin of the Arabian language and the historic center of Islam. Saudi Arabia is bounded by the Red Sea in the west and the Persian Gulf in the east. It is bordered by Jordan and Iraq on the north and northeast, Kuwait, Qatar, Bahrain and the United Arab Emirates on the east, Oman on the southeast, and Yemen on the south. Saudi Arabia is a country with a predominantly Muslim population. The country is home to Mecca, Islam’s holiest city and the birthplace of the Prophet Muhammad. The kingdom is ruled by the house of Saud along traditional Islamic lines. With a population of around 35.93 million (2023) and nearly 20 per cent of the world's conventional oil reserves, Saudi Arabia is the largest oil producer and economy in the Middle East. Saudi Arabia is a member of the Gulf Cooperation Council (GCC), Arab League, the G20, the United Nations, World Trade Organization (WTO), and the

Organization of Petroleum Exporting Countries (OPEC). Riyadh is the capital and the largest city of Saudi Arabia.

Country Risk Classification: A2* (ECGC Country Risk Classification List with effect from 31st March 2023)

Political system: Saudi Arabia is an absolute monarchy and an Islamic theocracy. There are no political parties or national elections. The royal family dominates the political system. The King performs legislative, executive and judicial functions. He is chief of state and head of the government. Islamic law (Shari‘ah) is the main source of legislation.

Demographic Indicators

S No.	Particulars	Details
1.	Ethnic groups	Arab 90%, Afro-Asian 10%
2.	Languages	Arabic (official)
3.	Religions	Muslim (official; citizens are 85-90% Sunni and 10-12% Shia)

Geographic Indicators

S No.	Particulars	Details
1.	Location of Country	The Kingdom of Saudi Arabia is a country situated in Southwest Asia. It is bordered by Jordan, Iraq, and Kuwait to the north; by the Persian Gulf, Qatar, the United Arab Emirates, and Oman to the east; by Yemen to the south and southwest; and by the Red Sea and the Gulf of Aqaba to the west.
2.	Area Covered	2,149,690 sq km
3.	Total Population	35,939,806 (2023 est.)
4.	Climate	Dominated by equatorial and tropical climates, northern and central Brazil receives frequent rainfall and experiences higher temperatures
5.	Area	Total: 2,149,690 sq km Land: 2,149,690 sq km Water: 0 sq km
6.	Natural resources	Petroleum, Natural gas, Iron ore, Gold, Copper

S No.	Particulars	Details
1.	GDP (Purchasing Power Parity)	\$1.594 trillion (2021)
2.	GDP (Per Capita)	\$44,300 (2021)
3.	Inflation, consumer prices (annual %)	3.06% (2021)
4.	GDP – Composition, by sector of origin	Agriculture: 2.6% Industry: 44.2% Services: 53.2% Industries: The major industries in Saudi Arabia are crude oil production, petroleum refining, basic petrochemicals, ammonia, industrial gases, sodium hydroxide (caustic soda), cement, fertilizer, plastics, metals, commercial ship repair, commercial aircraft repair, construction
5.	Currency	The Saudi Riyal (SAR, SR), 1 Riyal (SAR, SR), = 21.82 INR (May, 2023) 1 Riyal (SAR, SR) = 0.27 USD (May, 2023)
6.	Total global exports of Saudi Arabia	\$286.502 billion (2021 est.)
7.	Major export partners	China 20%, India 11%, Japan 11%, South Korea 9%, United States 5% (2019)
8.	Total global imports of Saudi Arabia	\$213.016 billion (2021 est.)
9.	Major import partners	China 18%, United Arab Emirates 12%, United States 9%, Germany 5% (2019)
10.	India-Saudi Arabia Bilateral Trade (2021-2022)	India's exports to Saudi Arabia: 8,758.94 USD Million India's Handicrafts exports to Saudi Arabia: 65.21 USD Million India's imports from Saudi Arabia: 34,100.58 USD Million India's trade deficit: -25,341.64 USD Million (2021-22) (Source: Ministry of Commerce & Industry, GOI)

Source: worldbank.org
cia.gov

Strengths & Weaknesses

Strengths

- Rich natural resources (notably oil & gas)
- Strong foreign exchange reserves
- Financial partner and lender to number of countries
- Strategic importance as an oil exporter
- Long standing and stable exchange rate system

Weaknesses

- Conflict with neighboring countries for regional supremacy
- Dependence on international oil prices and shipping routes
- Data transparency is below average for a high income economy
- High unemployment and under-employment encourage militancy among the minority shia population

***Country Risk Classification List as of 31st March 2023 (Medium & Long Term)**

Country Classification Legend

ECGC Classification	Risk Category
A1	Insignificant
A2	Low Risk
B1	Moderately Low Risk
B2	Moderate Risk
C1	Moderately High Risk
C2	High Risk
D	Very High Risk