

COUNTRY PROFILE



Saudi Arabia

GLOBAL RANK: 45th= of 104



Tied at 45th with Botswana, Saudi Arabia ranks 62nd and 30th in Economic Competitiveness and Comparative Liveability respectively. The country's Comparative Liveability rank is boosted by high levels of social trust and satisfaction with personal health.

● BACKGROUND

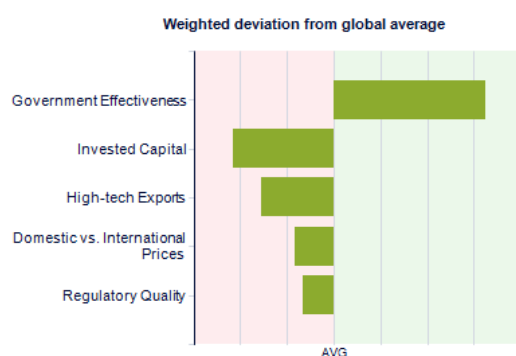
This largely desert country covers the majority of the Arabian Peninsula. Its economy is dominated by the petroleum industry, and thus diversification is a key challenge. An Islamic monarchy, Saudi Arabia is home to Islam's two most holy cities, Mecca and Medina. Its legal system is based on Sharia law, and capital punishment and amputations are frequent judicial sentences. Although there are signs of a relaxing of government attitudes, women still face severe restrictions on their dress and freedom of movement.

FAST FACTS

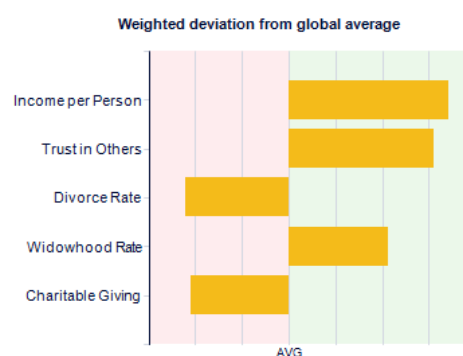
Population:	28.2 million (2008 est.)	FDI (net inflow):	No data
Life Today	7.2 (2007 est.)	Exports	60.52% (2006 est.)
GDP (PPP)	\$564.6 billion (2007 est.)	Imports	19.99% (2006 est.)
GDP (Growth)	4.1% (2007 est.)	Unemployment:	13% among Saudi males only (2004 est.)
GDP (per Capita)	\$23,200 (2007 est.)	Life Expectancy	76.09 years (2008 est.)
Political System:	Monarchy		
Foreign Aid:	0.00% (2006 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Saudi Arabia possesses approximately a quarter of the world's oil reserves, and is the world's leading oil producer and exporter. Oil revenues account for 90% of export earnings. Increased revenue from high oil prices has enhanced growth, raised government income, and fostered increasing capital investment, while enabling Riyadh to pay domestic debt and increase infrastructure expenditure. However, this dependence on oil harms the level of competitiveness in the economy as a whole, because it makes diversification difficult.

Much of the young population lack the education and technical skills the private sector needs. Mass education is weak, and on average Saudis have only 1.45 years of secondary education. At the elite

Saudis benefit from relatively good incomes and an extensive social welfare infrastructure. Contentment with personal health is high, with 92%⁹ of respondents to the Gallup World Poll reporting satisfaction with their health. However, few employment opportunities outside highly-specialised work sectors exist, and there are high levels of unemployment.

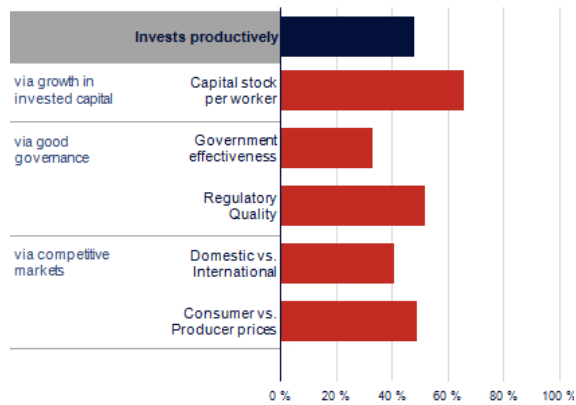
Although family life is strong, in particular the low levels of widowhood (2.3%⁹ of the population), Saudi Arabia suffers from a considerable inequality of opportunity, notably in restrictions on the political and economic role that can be played by women. Female earnings are only 16% of the level of male earnings.

level as well, a dearth of human capital severely limits levels of innovation, particularly in terms of the number of patents filed. The human capital weaknesses in turn create a reliance on foreign workers, particularly in the oil and service sectors.

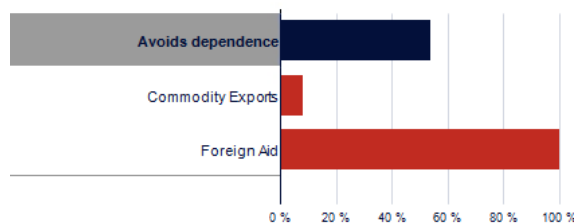
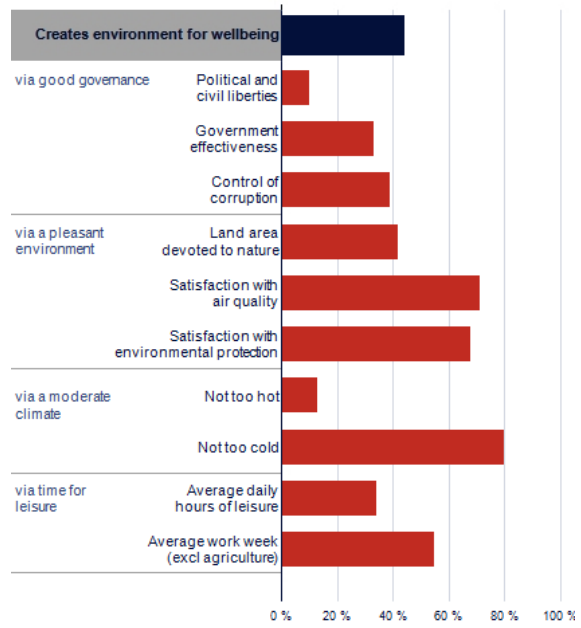
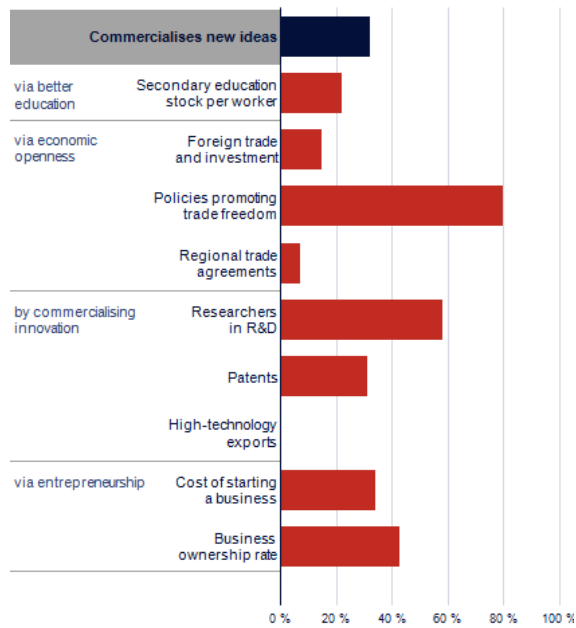
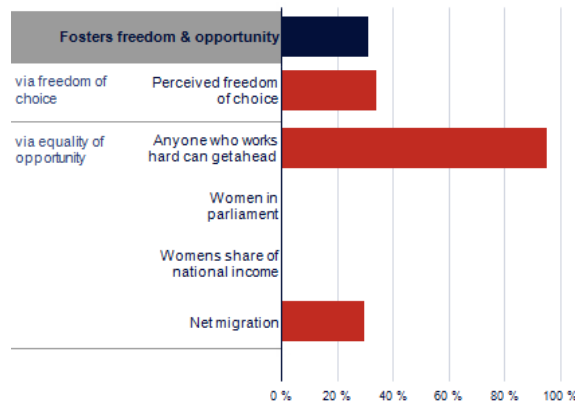
The government exercises strong controls over major economic activities, which then suffer from the weaknesses in government effectiveness, as they use subsidies and other policies to distort domestic prices. However, accession to the World Trade Organization in 2005 has led to gradual economic reforms, and the Saudi government has sought to attract foreign investment to reduce dependence on oil revenues.

As an absolute monarchy ruled by the same family since the inception of the state in 1932, Saudi Arabia has no elections. Freedom of choice is further constrained by a strict and conservative social infrastructure based around religious law. 98%^w of people report that God is important to them. This strong religious faith appears to increase wellbeing, but must be understood in the context of an exceptionally low degree of religious freedom. For example, the public practice of religions other than Islam is outlawed.

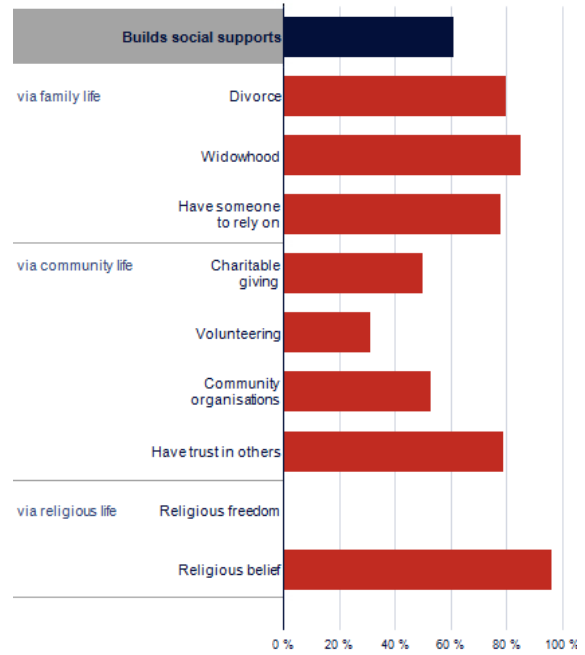
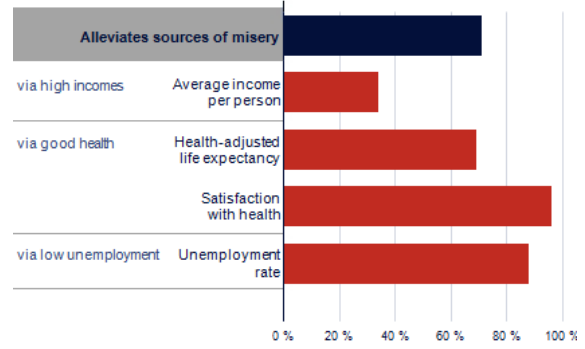
ECONOMIC COMPETITIVENESS: SCORECARD



COMPARATIVE LIVEABILITY: SCORECARD



All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.