

Investment Alternatives that Faced Saudi Arabia in the Seventies

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In this study the author dealt with specific case which involves Saudi Arabian Investment Program during the period from 1970–1980. The main source of income in Saudi Arabia in that period was almost derived from oil revenue, which ranges between 88–90 percent of the total revenue. These revenues are affected by two factors:

1. The price of oil is constantly changing
2. The production is going up causing the oil revenue to increase rapidly.

However, the government was partly concerned for growth development. With the limited program established, the revenue is still increasingly having a huge surplus, causing the revenue to become excessively greater than the expenditure.

The author looked at the various programs for which the government of Saudi Arabia used these surplus and he found that these are:

1. Domestic investment, which concentrates more on development program.
2. Investment abroad in developing countries and industrial countries as well.
3. Portfolio.
4. Euro-Dollar market.

As far as the organization of the study is concerned, the author divided it into three sections. The first one deals with economic development in Saudi Arabia during the study period. The second part is a survey of the income and expenditure, while the third part deals with the government investment programs.