Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

A Comprehensive Exploration of Global Trends Impacting Financial Sustainability in the Middle East (Saudi Arabia)

Marim Alenezi[1]

Abstract

The main topic of this study is how the economies of the world and the Middle East are connected and impact each other. We use old data to look at how changes in world events, trade patterns, and foreign economic policy affect the economy here. If countries in the Middle East want to grow and expand their businesses, they need to pay attention to outside forces that have an impact on their money. This article's author carefully looks at statistics from the past, the present, and the future to show how money problems in the Middle East are linked to changes in the world economy.Recent events in geopolitics have an effect on investor trust, the security of the regional economy, and the long-term financial health of the area. This part will compare events from the past and the present to find trends that show how the area has affected the world over time.If you want to learn more about how trade trends affect countries in the Middle East, read this in-depth study. We use secondary sources to look at how customer tastes, new markets, and trade deals have changed the economies of the Middle East. Because trade around the world is always changing, these countries respect variety and being able to change.We want to know how money moves made in other countries have affected the Middle East's funds. That's what this study is all about. This research is mostly about how global banks, changes in the government, and group projects impact the US economy. Other sources can help us understand how governments in the Middle East have changed their economic policies, rules, and laws in response to outside forces and changes in global economic trends.This kind of research shows how changes in foreign banking affect the Middle East's ability to keep its money in the bank. Many outside sources are used in the study to see how well the area can handle and adjust to changes from outside. It's a great way for people who care about the Middle East's business, economists, and leaders to find out how things are going.

Keywords: *Global Economic Trends, Financial Sustainability, Geopolitical Events, Trade Dynamics International Economic Policies.*

Introduction

The world in the twenty-first century is shaped by many things working together. Some of these are the structure of the world economy, the ability to pay for things, events in geopolitics, the flow of trade, and the overall plan for the world economy(Opuala-Charles et al., 2023). These factors have a big impact on both country paths and the world economy as a whole. In this age of greater connectivity, it is important to fully understand the dynamic structure that is made up of the complex interactions between different parts in order to effectively handle challenges and take advantage of opportunities(Zhang et al., 2023).

The main goal of this study is to look closely at global economic trends, financial stability, military events, trade patterns, and economic policy at the international level. To reach this goal, a full study of the current economic system is carried out to find out how much it affects things.

Global Economic Trends

The trends that are beginning to show up may tell you everything you need to know about how strong and healthy the world economy is. There are many economic measures that can be used to figure out how important these changes are(Alhawamdeh et al., 2023). These range from more traditional ones, like GDP, to more modern ones, like changes in technology and population. More and more experts are saying how important it is to use both quantitative and qualitative methods together to fully understand how the economy works(Trivedi et al., 2023). We need to find out how various political and social factors impact economic growth in order to do this.

[1] Prince Mohammad Bin Fahad University, KSA, Email: marimalenezi@gmail.com

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

New technologies have had a big impact on how the world's markets have changed over time. AI (artificial intelligence) and blockchain are two technologies that have changed many businesses in big ways. Technology has changed us as people. It has changed our jobs, how fast we work, and how we see competition in the market(Uddin et al., 2024). Businesses and their leaders need to pay attention to how these new technologies are changing things if they want to do well in today's market, which is always changing(Alhawamdeh et al., 2023; Sergi et al., 2023).

Also, it has become clearer over the last few years how much foreign trade depends on each other. One thing became very clear during the 2008 financial crisis: small changes in the economy can have big effects on the whole world(Wippel, 2023). To stop the COVID-19 outbreak from spreading, people all over the world need to work together. In order to better understand these patterns and how they might affect national and global decisions, this article will look at other articles that have been written about global economic trends(Rahman et al., 2023).

Financial Sustainability

Also in of the studies by(Marra & Colantonio, 2023) given the present economic volatility and pressing environmental concerns, the notion of financial sustainability has garnered considerable momentum. Experts are currently examining financial strategy, social responsibility, and environmental stewardship in addition to the conventional focus on economic growth(Nica et al., 2023). Both academics and businesspeople are highly interested in sustainable finance, a developing discipline that seeks to combine environmentally conscious banking with ethical investment techniques(Chu et al., 2023).

Increasingly, top-level executives are urging corporations to include ESG (environmental, social, and governance) factors into their day-to-day activities. Research indicates that organizations that integrate ESG (Environmental, Social, and Governance) aspects into their strategy strive to strike a balance between purely economic considerations and wider social and environmental concerns(Karoui et al., 2023). Moreover, policymakers in charge of the economy are pondering how to balance the needs of current and future generations with those of the environment.

Because environmental sustainability is an evolving concept, this part of the study will analyze its history. Improving the global economy's resilience and sustainability is the goal of this research, which aims to analyze how different countries' economic policies have changed. It will also look at the ways in which banks and enterprises use sustainability ideas in their decision-making processes(Hoek, 2023).

The idea of financial sustainability is gaining traction, which is likely attributable, in large part, to the present economic uncertainty and critical environmental concerns(Peters et al., 2024). Along with the conventional emphasis on economic growth, experts are now looking at financial practices, social responsibility, and environmental stewardship as distinct areas of inquiry. A rising number of academics and corporate insiders are becoming interested in sustainable finance, which integrates ecologically conscious banking with ethical investment tactics(Chu et al., 2023; Peters et al., 2024).

ESG (environmental, social, and governance) concepts are becoming more and more demanded by business leaders to be integrated into company operations. According to the research, companies that include ESG metrics in their strategies attempt to strike a balance between economic objectives and more generalized social and environmental concerns. Authorities in charge of macroeconomics are today facing the difficult task of coming up with solutions that would allow for economic growth while also protecting the environment for future generations(Lee et al., 2023).

Since "environmental sustainability" is an evolving concept, this part of the study will analyze how it has evolved over time. The study's overarching objective is to fortify the global economy by analyzing the historical trajectory of various nations' economic policies. Furthermore, the article will investigate the decision-making processes of financial institutions with regard to environmental concepts(Alsakhnini & Almoaiad, 2024).

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

Geopolitical Events

It's been hard for scholars to figure out how to connect international events to how the global economy works for a long time. Conflicts, trade wars, and regional problems around the world are looked at in this study to see how they affect trade, investment, and economic security(Alsakhnini & Almoaiad, 2024; Behera & Sahoo, 2023). Recent events like Brexit and trade disputes between the US and China have given experts a lot of information they can use to study how changes in geopolitics affect the world economy.

The global economy is getting worse because of shifting geopolitical alliances and the growing power of regional countries. In this area of study, the main goal is to look at how changes in global power blocs and institutions affect different economic players(Dhahri et al., 2024). The study will also look at how complicated geoeconomic methods are. These are examples of moves made by politicians that affect nations through the economy.

It will also be talked about how international groups help lessen the effects of global disasters. Regional and foreign groups are mostly in charge of keeping the peace and resolving conflicts. An important thing to know is how much these institutions might help with growth and security(Širec et al., 2023).

Trade Dynamics

The flow of goods and services across international borders, known as trade dynamics, is a vital component of the global economy. Various subjects are covered in the literature on trade dynamics, including the factors that influence trade patterns, the goals of trade agreements, and the effects of protectionist policies on international trade(Nyga-łukaszewska, 2024; Ramadan & Farah, 2020).

Research on the elements that influence comparative advantage and the ways in which nations specialize in the production of certain commodities and services is undertaken with the goal of improving the overall efficiency of national economies. Market access, trade flows, and regulatory harmonization are the three main areas that regional and global trade agreements affect, according to this study(H. Liu et al., 2023; Schembri et al., 2024).

Also they(Acheampong et al., 2024; Y. Liu & Lin, 2024)as events like tariffs and trade barriers show, there is a lot of information on protectionism and trade wars in the literature that is relevant to this study. Economists study the effects of protectionist policies on supply networks, consumer pricing, and economic growth at home and abroad(Alexandro, 2024).

Additionally, the research will look into how the business sector is undergoing digital transformation. Electronic commerce, blockchain technology, and other digital platforms have revolutionized cross-border trade. The possible benefits and drawbacks of this technological revolution, as well as the effects of online commerce on traditional trading patterns, will be thoroughly investigated.

International Economic Policies

There will be a big effect on the growth and change of the global economy in the future because of government and international group economic strategies. This part of the study paper talks about a lot of important topics, such as foreign financial institutions, exchange rate regimes, and fiscal and monetary policies(Tachega et al., 2023).

Policies for money and taxes have a big impact on the health and growth of a business. The study's main goal is to find out how well the government and central bank deal with economic problems. These parts explain how currency policy and exchange rate systems impact trade balances, capital flows, and the general safety of the economy.

We need to look at the World Bank and the International Monetary Fund (IMF) in terms of what they do. Researchers are interested in how well these groups give money, change laws, and stop financial disasters.

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236
In a world with several countries, this study will look at both how international economic unity is changing and the pros and cons of making policy together(Khan, 2024).

Economic diplomacy, which seeks to unite governmental and corporate objectives, will also be a part of it. With the world's politics constantly shifting, this research will examine international initiatives aimed at raising awareness about global concerns, facilitating discussions about trade accords, and fostering economic cooperation among nations(Salam & Jahed, 2023).

The overarching goal of this research is to clarify the interplay between geopolitical events, worldwide economic patterns, trade patterns, issues with financial sustainability, and policies pertaining to international economics(Luo & Hu, 2024). Because these issues are linked, it is important to know how they have worked together to change the way the economy works now. This paper aims to help you understand the opportunities and risks that make up the world economy in the twenty-first century. It does this by reading a lot of related books on all the important points. In order to get around in our complex, linked world, academics, businesses, and governments need to fully understand these systems.

This article will try to figure out what's going on with the economy right now by looking at how international economic policies, trade patterns, geopolitical events, financial sustainability, and global economic trends all affect each other.

Literature Review

Interconnectedness of Global Economic Trends, Financial Sustainability, Geopolitical Events, Trade Dynamics, and International Economic Policies:

Global Economic Trends and Financial Sustainability

There is a clear link between global economic trends and financial sustainability because the state of the global economy has a big effect on the financial stability of different countries. Use sustainable financial methods to reduce risks of economic instability and promote long-term security(Abdel-Halim et al., 2023). However, it may be argued that current global economic conditions do not necessarily align with notions regarding the continuation of money. Negative consequences for society and the environment may result from a conflict between short-term financial aims and long-term sustainability aspirations.

Financial Sustainability and Geopolitical Events

A banking system's long-term security is vulnerable to geopolitical developments. Stock market volatility, consumer distrust, and the inability to commit to long-term financial goals are all symptoms of political instability, war, and other global crises(Ullah et al., 2023). Some argue that political events in other nations have less of an impact on a country's economy than the policies and practices of that country's own government. A key part of a strong and long-lasting financial system is its ability to handle unplanned events(Wang & Yang, 2024).

Geopolitical Events and Trade Dynamics

When there are changes in events, they affect business patterns and trends right away. When geopolitical problems affect business ties and agreements, they can cause supply chains to break down, trade limits to change, and economic partnerships to be reorganized(Mirza et al., 2023). Commerce dynamics are heavily influenced by market forces and economic concerns, regardless of whether they coincide with geopolitical trends or not. There will be times when economic considerations take priority over political ones.

Trade Dynamics and International Economic Policies

The dynamics of business are significantly impacted by international economic policy. Trade agreements, tariff policies, and government regulatory frameworks all have a role in how goods and services move across

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

international borders(Bhattacherjee et al., 2023). Because of this, trade patterns and access to markets are affected. Future developments in consumer tastes, industry rivalry, and technology have the potential to alter the nature of global trade. Because of these factors, it will be more difficult to determine the true results of policy measures(Meng et al., 2023; Qin et al., 2024).

International Economic Policies and Global Economic Trends

Economic policies at the international level affect monetary policy, fiscal policy, and coordinated efforts to solve global problems, all of which have an effect on global economic patterns. Sustained expansion and financial equilibrium can be possible outcomes of synchronized strategy implementation(Sahdev et al., 2023).

Technological developments, shifts in population makeup, and national economic policies are other factors that impact worldwide economic patterns. The degree to which these elements impact international financial ties and accords is debatable(Le et al., 2024; Sakariyahu et al., 2023).

Arguments for and Against in the Context of Saudi Arabia

Global Economic Trends

The Saudi government is capitalizing on the worldwide surge in the energy industry. If the price of energy goes up, people might be able to make more money, which would be good for the business of the country. Because Saudi Arabia depends so much on oil exports, changes in the price of oil around the world can have big effects on the country's income. Potential problems could arise when trying to grow the economy if fossil fuel use drops sharply(Haq et al., 2024; Omran & Yaaqbeh, 2023).

Financial Sustainability

Building a strong business in Saudi Arabia is one of the major goals of Vision 2030. With this goal in mind, it's even more important to follow strict rules, make money in other ways, and rely less on oil money. To quickly balance the budget, making changes to the economy could face opposition from people inside and outside the country, which could put national security at risk(Alqsass et al., 2023; Asfahani, 2023).

Geopolitical Events

The administration has effectively resolved global challenges and established strategic alliances, resulting in increased stability in the Middle East. The ongoing fights, especially between Iran and Yemen, pose a significant threat to Saudi Arabia's foreign security and may weaken investor trust in the government(Bukhari et al., 2012).

Trade Dynamics

The Saudi government has a lot of power over world trade because of its large oil supplies. The group's main goals are to boost its sales in other countries and gain more power in fields other than the oil business(Abedelrahim & Alharbi, 2022). Because the country depends so much on oil exports, its gross domestic product (GDP) changes a lot when the price of oil changes around the world. This susceptibility has a direct influence on both economic stability and business dynamics(Alamoudi & Alharthi, 2021).

International Economic Policies

The Saudi government asserts its intention to collaborate with other nations and expand its economy on account of its participation in global economic initiatives such as Vision 2030. It can be hard to make changes to the economy while keeping society safe, and some people say that global economic policies don't do enough to fix problems in their own countries. This criticism is aimed squarely at Saudi Arabia(Albahlal et al., 2017; Alrwais, 2024).

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

There are many moving parts in the complex web of relationships between international economic policy, trade dynamics, geopolitical events, financial sustainability, and global economic trends. All of these relationships are interrelated and complicated. Saudi Arabia must address the difficulties specific to its economic structure and geopolitical position if it is to handle these linkages efficiently(Reyhanoğlu & Yılmaz, 2022). In a world where everything is changing at a rapid pace, the country should likewise put its money into prospects for growth and diversity.

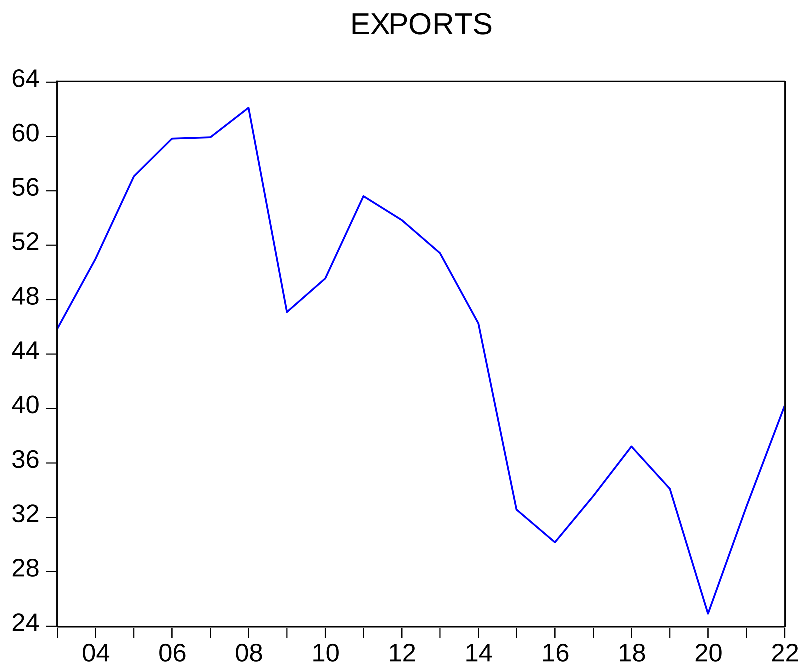

Fig:1

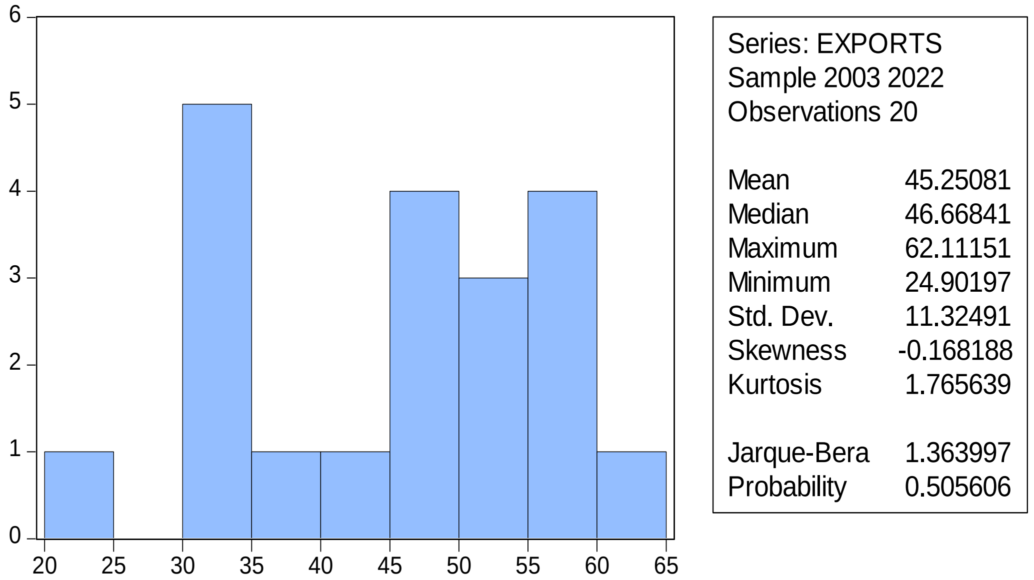

Fig:2

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

Table. 1 Unit Root Exports

Null Hypothesis: EXPORTS has a unit root				
Exogenous: Constant				
Lag Length: 0 (Automatic based on SIC, MAXLAG=4)				
			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-1.20236	0.6508
Test critical values:	1% level		-3.83151	
	5% level		-3.02997	
	10% level		-2.65519	
*MacKinnon (1996) one-sided p-values.				

In light of the available data, it is safe to assume that the null hypothesis stating that EXPORTS have a unit root is not supported. Although the p-value is more than 0.05, the ADF test statistic is still below the essential limits at 1%, 5%, and 10%. This proves that the test statistic accurately represents the data. This test's findings do not lend credence to the idea that EXPORTS has reached a stagnant state.

It may be difficult to conduct statistical analyses with non-stationary time series data, even though stationary data is commonly used for accurate modeling. Additional analysis or adjustments can resolve the likely non-stationary feature of the EXPORTS time series data, which might be useful for further investigation if needed(Berz & Amherd, 2007).

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

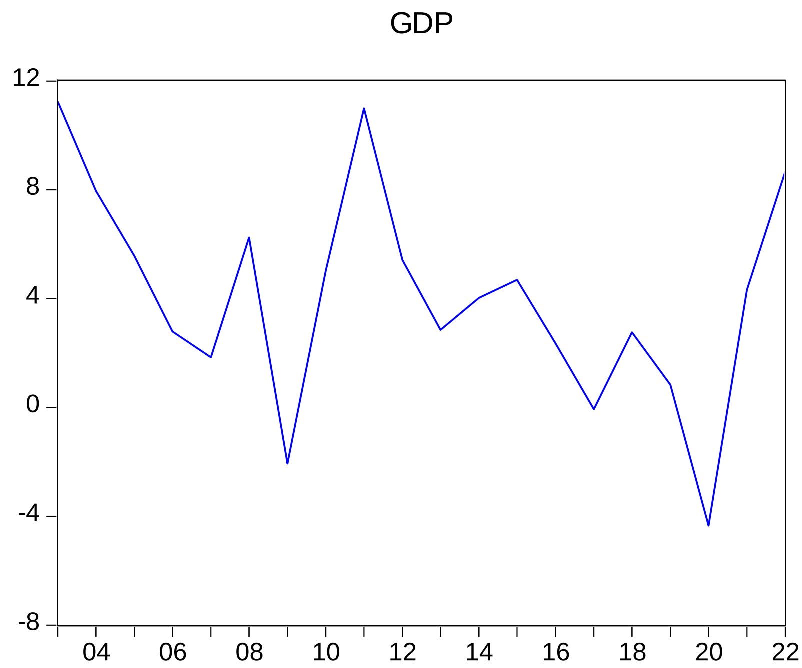

Fig. 3

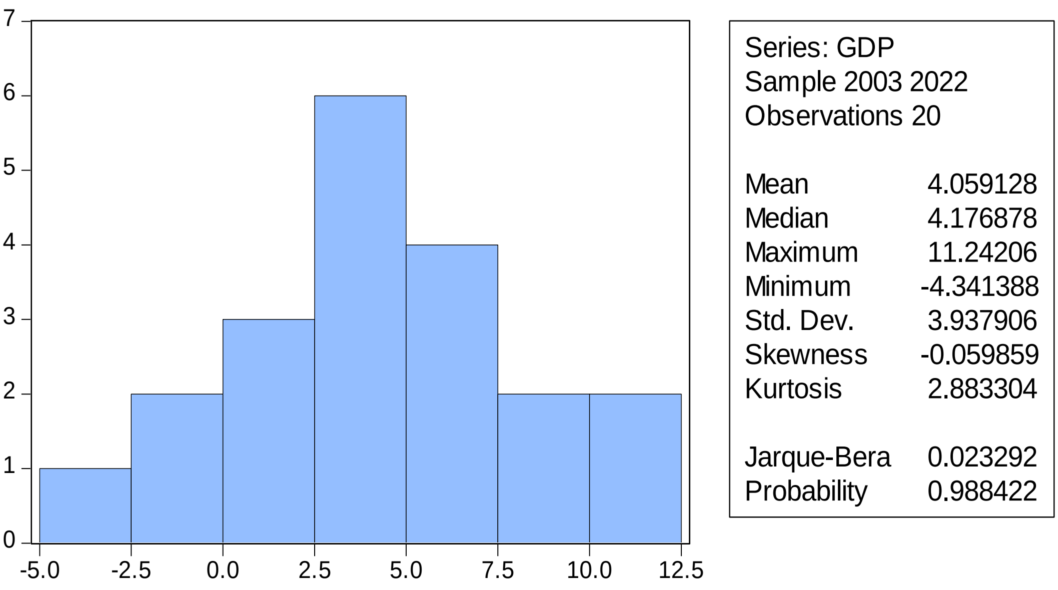

Fig. 4

Normality Test Gdp

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

Table: 1

Unit Root Gdp

Null Hypothesis: GDP has a unit root				
Exogenous: Constant				
Lag Length: 0 (Automatic based on SIC, MAXLAG=4)				
			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-3.45273	0.0217
Test critical values:	1% level		-3.83151	
	5% level		-3.02997	
	10% level		-2.65519	
*MacKinnon (1996) one-sided p-values.				

We may conclude from the statistics that GDP does not have a unit root, thereby rejecting the null hypothesis. After using the 0.05 level of significance, the p-value becomes statistically significant. Crucial values at the 1%,5%, and 10% significance levels are much more rigorous, according to the ADF test statistic. Thus, it may be concluded that the GDP remains constant.

Time series analysis relies heavily on stationarity, which ensures that the data's statistical properties, including variance and mean, are consistent during the study. If GDP is indeed a stable time series, then rejecting the null hypothesis must be a strong indicator of this. As a result, statistical modeling and analysis will have a stronger foundation(Lestari & Ellyawati, 2019).

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

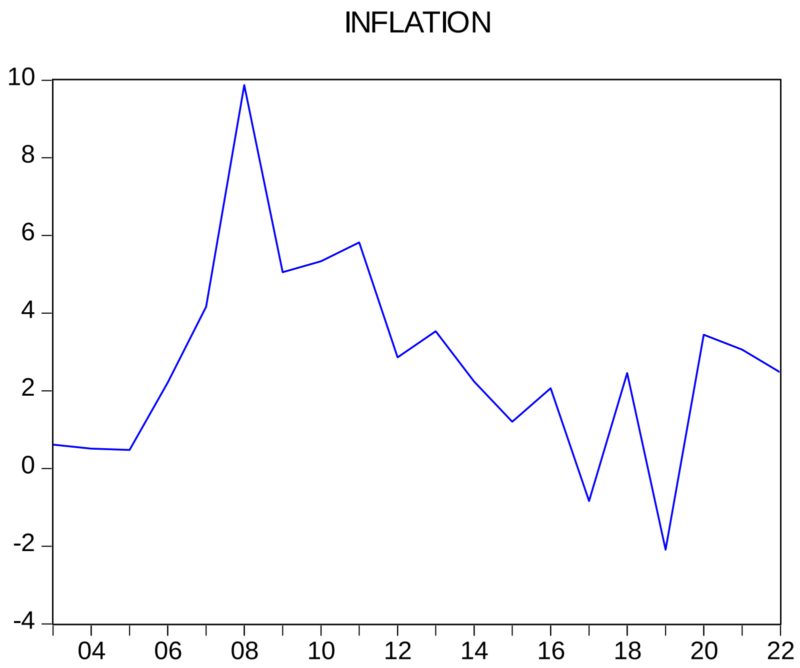

Fig. 5

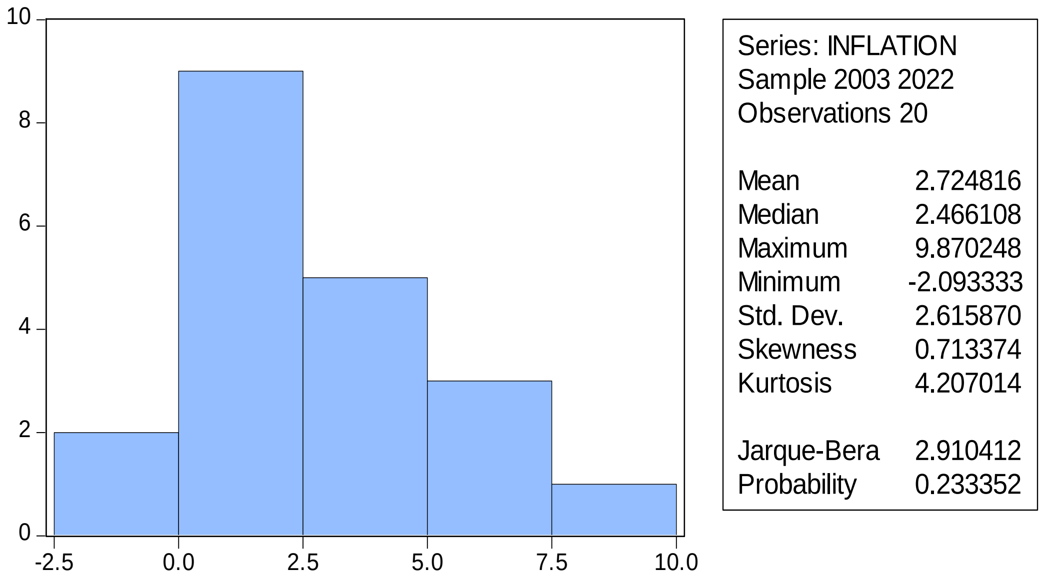

Fig. 6

Normality Test Inflation

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

Table. 2 Unit Root Inflation

Null Hypothesis: INFLATION has a unit root				
Exogenous: Constant				
Lag Length: 0 (Automatic based on SIC, MAXLAG=4)				
			t-Statistic	Prob.*
Augmented Dickey-Fuller test statistic			-2.69953	0.0924
Test critical values:	1% level		-3.83151	
	5% level		-3.02997	
	10% level		-2.65519	

The statistics that have been collected do not provide enough evidence to reject the idea that inflation has a unit root. At both the 1% and 5% significance thresholds, the ADF test statistic is within the essential range, but it does not go beyond them. The p-value is also higher than 0.05. So, there isn't enough evidence to prove that inflation is stable at traditional levels of significance; so, the unit root null hypothesis remains unproven.

Non-stationary time series data can pose challenges in statistical analyses, and stationarity is often desirable for accurate modeling. If needed, you may want to consider differencing or other transformations to make the series stationary before further analysis.

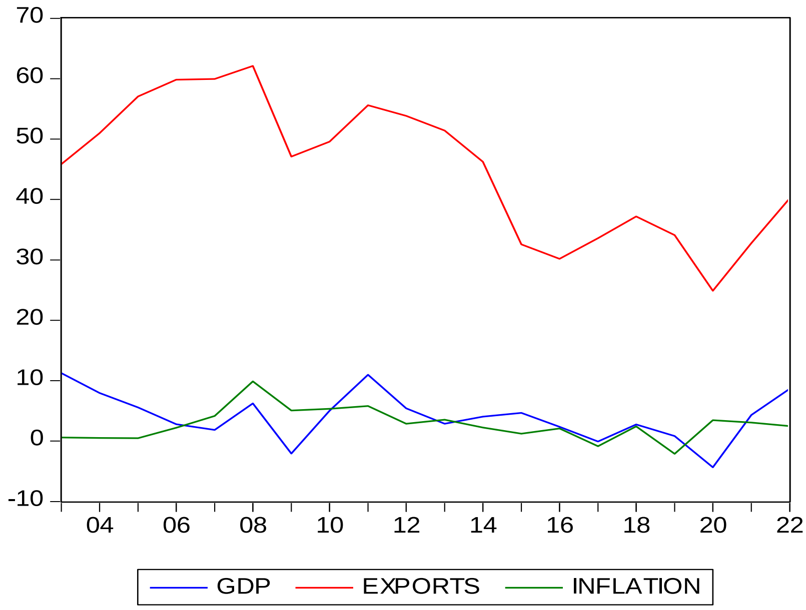

Fig. 7

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

Table. 3 Ols Model

Dependent Variable: GDP
Method: Least Squares
Sample: 2003 2022
Included observations: 20

Variable	Coefficient	Std. Error	t-Statistic	Prob.
EXPORTS	0.165401	0.085327	1.938428	0.0694
INFLATION	-0.182921	0.369409	-0.49517	0.6268
C	-2.926977	3.617562	-0.8091	0.4296
R-squared	0.188411	Mean dependent var		4.059128
Adjusted R-squared	0.09293	S.D. dependent var		3.937906
S.E. of regression	3.75047	Akaike info criterion		5.619121
Sum squared resid	239.1225	Schwarz criterion		5.76848
Log likelihood	-53.19121	Hannan-Quinn criter.		5.648277
F-statistic	1.973281	Durbin-Watson stat		1.363833
Prob(F-statistic)	0.169573			

The provided regression output utilizes the Least Squares method to model Saudi Arabia's Gross Domestic Product (GDP) as a function of three independent variables: EXPORTS, INFLATION, and a constant term (C). The analysis covers the period from 2003 to 2022, with a total of 20 observations.

The coefficient for EXPORTS is 0.165401 with a standard error of 0.085327, resulting in a t-statistic of 1.938428. Although the coefficient is positive, indicating a positive relationship between exports and GDP, the t-statistic suggests that this relationship is not statistically significant at the conventional significance level (p-value = 0.0694).

The coefficient for INFLATION is -0.182921 with a standard error of 0.369409, leading to a t-statistic of -0.49517. This negative coefficient implies a potential negative impact of inflation on GDP, but, similar to EXPORTS, the result is not statistically significant (p-value = 0.6268).

The constant term (C) has a coefficient of -2.926977 with a standard error of 3.617562, resulting in a t-statistic of -0.8091. The constant term does not show statistical significance in predicting GDP (p-value = 0.4296).

The R-squared value is 0.188411, indicating that the model explains approximately 18.84% of the variation in GDP. The adjusted R-squared is 0.09293, considering the number of variables and observations in the model.

Based on this regression analysis, the provided model does not yield statistically significant results for the impact of EXPORTS, INFLATION, and the constant term on Saudi Arabia's GDP. Further exploration and refinement of the model, potentially incorporating additional relevant variables or considering alternative specifications, may be necessary to provide more meaningful insights into the factors influencing Saudi Arabia's economic output during the specified period.

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

The regression results, when linked to financial sustainability in the context of Saudi Arabia, provide insights into the factors influencing the country's economic viability. In this analysis:

EXPORTS: The positive coefficient for EXPORTS suggests that an increase in exports is associated with higher GDP. In the context of Saudi Arabia, which heavily relies on oil exports, this result aligns with the importance of the oil sector to the country's economic health. However, the lack of statistical significance implies caution in drawing definitive conclusions.

INFLATION: The negative coefficient for INFLATION implies that higher inflation is associated with lower GDP. In the context of financial sustainability, elevated inflation rates can erode purchasing power and disrupt economic stability. But since the conclusion didn't reach statistical significance, it suggests that there could be more complexity to the link between Saudi Arabia's GDP and inflation, which would have far-reaching effects on the industry.

C (Constant): The non-significant constant term indicates that, even when other variables are held constant, the intercept does not provide a statistically significant impact on GDP. This may suggest that, during the analyzed period, the initial economic conditions (captured by the constant) did not significantly contribute to explaining changes in GDP.

The findings provide insight on the complex framework of Saudi Arabia's economic dynamics by connecting these discoveries to the country's capacity to maintain budgetary stability. Understanding financial sustainability necessitates taking into account additional elements including geopolitical events, global market situations, and government fiscal policies, as the inflation variable and constant term are insignificant. Since the inflation variable and constant term are irrelevant, it is clear that exports—specifically oil exports—are the main engine of economic growth. However, other factors may also have a substantial influence.

Better research and deeper insights into the company's financial health would result from more investigation of elements including government spending, fiscal policies, and foreign debt. An enhanced understanding of the factors impacting Saudi Arabia's long-term financial sustainability may be achieved by increasing the number of variables and lengthening the time series. Therefore, this information will be useful for the nation.

Discussion

Three exogenous variables—exports, inflation, and a constant term—make up the regression result. It is possible to statistically analyze Saudi Arabia's GDP using the Least Squares method. According to the findings, from 2003 to 2022, not a single variable showed statistical significance at the standard levels. More research is needed to determine the consequences for financial sustainability in Saudi Arabia.

Exports

There appears to be a positive relationship between exports and GDP, as indicated by the positive coefficient for EXPORTS. In light of Saudi Arabia's current economic situation, it is reasonable to assume that oil exports constitute the backbone of the Saudi economy. A stronger association between increased exports, especially from the oil industry, and GDP growth is suggested by the positive correlation between the two variables. The association does not meet the frequently recognized criteria for statistical significance (p-value = 0.0694), which raises concerns about its trustworthiness.

As an oil-dependent nation, Saudi Arabia has to know how its exports relate to GDP if it wants to keep its finances in order. It is important to exercise caution when drawing inferences from a single variable, even when the coefficient indicates a positive influence, because the p-value does not show statistical significance. Additional elements, such as changes in global demand, changes in oil prices, and geopolitical events affecting the oil industry, should be included for a more thorough study. A more complete picture of Saudi Arabia's economic viability could emerge from these sources.

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

Inflation

It appears that inflation may have a negative impact on GDP, as indicated by the negative inflation coefficient. Reduced buying power, lost investor and consumer confidence, and disruptions to economic stability are some of the negative outcomes that can arise from higher inflation rates. However, there is no statistical evidence to support the finding (p-value = 0.6268), ruling out the possibility of any meaningful relationship between the two sets of data. The operation of exporting is similar to this.

The precise steps taken by Saudi Arabia to ensure the integrity of their financial system are called into question due to the absence of statistical significance in the association between GDP and inflation. It prompts a closer examination of whether other factors, such as government policies, external shocks, or unique economic conditions, contribute to the observed lack of significance. Further exploration may involve considering alternative measures of inflation or assessing how inflation interacts with other macroeconomic variables to impact financial sustainability.

C (Constant)

The constant term, represented by the coefficient of -2.926977, captures the intercept or the baseline effect on GDP when all other variables are held constant. The non-significant p-value (p-value = 0.4296) suggests that, during the analyzed period, the initial economic conditions (captured by the constant) did not significantly contribute to explaining changes in GDP.

From a financial sustainability perspective, the non-significance of the constant term emphasizes that the initial economic conditions may not be a dominant factor influencing Saudi Arabia's GDP during the specified period. This result prompts further exploration into what factors, beyond the ones considered in the model, contribute to changes in the economic output of Saudi Arabia.

Overall Insights and Implications for Financial Sustainability

The R-squared value of 0.188411 indicates that the model explains approximately 18.84% of the variation in GDP, highlighting the complexity of factors influencing Saudi Arabia's economic performance. The adjusted R-squared, considering the number of variables and observations, is 0.09293, suggesting that the model's explanatory power is limited.

Linking these results to financial sustainability in Saudi Arabia underscores the intricate nature of the country's economic dynamics. The absence of statistical significance in important components like exports, inflation, and the constant term implies that other factors are to blame, despite the vital role that exports—particularly oil—play in maintaining the economy. Crucial external effects for comprehending the concept of financial sustainability may include government fiscal policies, the condition of the global market, geopolitical events, and other similar variables.

Conclusion

Applying these findings to the concept of economic viability in the Saudi context yields new and valuable insights and recommendations for more research. For a country like Saudi Arabia, where the oil industry is vital, the link between GDP and exports makes perfect sense. However, as there is no statistical significance, other factors, such as changes in oil prices, geopolitical events, and patterns of global demand, should be included to better understand the nation's ability to maintain financial stability.

Another proof of how diversified inflation's effects on Saudi Arabia's economic activity are is the fact that the association between GDP and inflation is not statistically significant. This is because GDP and inflation do not show any statistically meaningful link. Knowing all the ins and outs of what causes inflation is crucial to a company's long-term financial health. To fully understand the impact of inflation, government policies, external shocks, and global economic circumstances on the economy as a whole, it is necessary to conduct a thorough investigation of the relationships between these variables.

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236

The complex mechanisms affecting Saudi Arabia's economic sustainability defy clear answers provided by regression analysis, despite the tool's usefulness. But it's more of an introductory point. The majority of the time, regression analysis is used as a first step. When looking at the findings that didn't meet the major components' statistical significance criteria, it's important to do a thorough study that takes into account a wider range of conditions and complexity. A holistic strategy that incorporates new critical variables, investigates alternate model parameters, extends the time series, and performs thorough testing to guarantee the results' dependability is required to secure the Saudi economy's long-term viability. Assuring the economy's sustainability over the long run depends on this. The only way to have a better understanding of the factors affecting Saudi Arabia's economic sustainability in the long run is to use these metrics. The complexities of the Kingdom's capacity to maintain financial stability can only be understood after a thorough and extensive inquiry. This is because this situation has several policies, geopolitical, and economic implications.

References

Abdel-Halim, A., Al Khars, M., & Alnasser, A. (2023). Evaluating the technical efficiency of Saudi Arabian telecommunications companies using window DEA and AHP techniques. International Journal of Islamic and Middle Eastern Finance and Management, 16(6), 1306–1325. https://doi.org/10.1108/IMEFM-02-2023-0043

Abedelrahim, S. S., & Alharbi, S. H. (2022). THE IMPACT OF COVID-19 ON ACADEMIC STAFF'S PERFORMANCE ON SAUDI ARABIA UNIVERSITIES. Corporate Governance and Organizational Behavior Review, 6(4), 87–99. https://doi.org/10.22495/cgobrv6i4p8

Acheampong, A. O., Boateng, E., & Annor, C. B. (2024). Do corruption, income inequality and redistribution hasten transition towards (non)renewable energy economy? Structural Change and Economic Dynamics, 68, 329–354. https://doi.org/10.1016/j.strueco.2023.11.006

Alamoudi, H., & Alharthi, M. (2021). Antecedents and consequences of customer engagement: A case study of saudi airline industry. Innovative Marketing, 17(3), 30–44. https://doi.org/10.21511/im.17(3).2021.03

Albahlal, A., Alqahtani, S., & Al-Muqri, A. L.-H. (2017). Sustainability awareness in Saudi Arabia. In Green Energy and Technology (Vol. 0, Issue 9783319570686, pp. 339–351). https://doi.org/10.1007/978-3-319-57070-9_13

Alexandro, R. (2024). The influence of macroeconomic infrastructure on supply chain smoothness and national competitiveness and its implications on a country's economic growth: evidence from BRICS countries. Uncertain Supply Chain Management, 12(1), 167–180. https://doi.org/10.5267/j.uscm.2023.10.007

Alhawamdeh, H., Al-Saad, S. A., Almasarweh, M. S., Al-Hamad, A. A.-S. A., Bani Ahmad, A. Y. A., & Ayasrah, F. T. M. (2023). The Role of Energy Management Practices in Sustainable Tourism Development: A Case Study of Jerash, Jordan. International Journal of Energy Economics and Policy, 13(6), 321–333. https://doi.org/10.32479/ijeep.14724

Alqsass, M., Jaradat, H., Rexhepi, B. R., Zureigat, B. N., Al-Gasawneh, J., & Maali, H. (2023). The Impact of Dividends Per Share and Retained Earnings Per Share on Share Price: A Study Based On Jordanian Companies. Quality - Access to Success, 24(197), 67–74. https://doi.org/10.47750/QAS/24.197.08

Alrwais, O. (2024). Assessing GIS education and GIS workforce in Saudi Arabia. Arab Gulf Journal of Scientific Research, 42(1), 103–113. https://doi.org/10.1108/AGJSR-05-2022-0063

Alsakhnini, M., & Almoaiad, Y. (2024). A Review of Applications of Blockchain Technology in the Middle East. Kurdish Studies, 12(1), 118–145. https://doi.org/10.58262/ks.v12i1.009

Asfahani, A. M. (2023). Link between job burnout antecedents and consequences: an empirical study on higher education faculty members in the Saudi context. Journal of Applied Research in Higher Education. https://doi.org/10.1108/JARHE-03-2023-0125

Behera, J., & Sahoo, D. (2023). Does globalization spur human development at income-group and regional levels? evidence from cross-country data. Asia-Pacific Journal of Regional Science, 7(4), 1395–1436. https://doi.org/10.1007/s41685-023-00298-3

Berz, G., & Amherd, M. (2007). The power of recorded flight data analysis to support ILS sustainment studies. AIAA/IEEE Digital Avionics Systems Conference - Proceedings, 4D31-4D311. https://doi.org/10.1109/DASC.2007.4391915

Bhattacherjee, P., Mishra, S., & Kang, S. H. (2023). Does market sentiment and global uncertainties influence ESG-oil nexus? A time-frequency analysis. Resources Policy, 86. https://doi.org/10.1016/j.resourpol.2023.104130

Bukhari, S., Ghoneim, A., & Dennis, C. (2012). Understanding the factors that attract travellers to buy airline tickets online in Saudi Arabia. In S. H., G. A., K. M., & K. R. (Eds.), Proceedings of the European, Mediterranean and Middle Eastern Conference on Information Systems, EMCIS 2012 (pp. 619–628). Brunel University London Press. https://www.scopus.com/inward/record.uri?eid=2-s2.0-84962647269&partnerID=40&md5=c617c11ae625bc28ab003a93f64a0335

Chu, L. K., Doğan, B., Dung, H. P., Ghosh, S., & Alnafrah, I. (2023). A step towards ecological sustainability: How do productive capacity, green financial policy, and uncertainty matter? Focusing on different income level countries. Journal of Cleaner Production, 426. https://doi.org/10.1016/j.jclepro.2023.138846

Dhahri, S., Omri, A., & Mirza, N. (2024). Information technology and financial development for achieving sustainable development goals. Research in International Business and Finance, 67. https://doi.org/10.1016/j.ribaf.2023.102156

Journal of Ecohumanism
2025
Volume: 4, No: 1, pp. 3853 – 3869
ISSN: 2752-6798 (Print) | ISSN 2752-6801 (Online)
https://ecohumanism.co.uk/joe/ecohumanism
DOI: https://doi.org/10.62754/joe.v4i1.6236
Haq, Z. U., Mehmood, U., Tariq, S., & Mariam, A. (2024). The Impacts of Globalization and GDP on CO2 Emissions: Do Technological Innovation and Renewable Energy Lower Some Burden in SAARC Countries. Journal of the Knowledge Economy. https://doi.org/10.1007/s13132-023-01704-z

Hoek, M. (2023). Tech for good: Imagine solving the world? Greatest challenges. In Tech For Good: Imagine Solving the World? Greatest Challenges. https://doi.org/10.4324/9781003392064

Karoui, S., Belaid, S., & Khemakhem, R. (2023). Islamic religiosity and consumer ethnocentrism in post-Arab Spring countries. International Journal of Emerging Markets, 18(12), 6102–6124. https://doi.org/10.1108/IJOEM-07-2021-1012

Khan, I. (2024). Economic and governance drivers of global remittances: a comparative study of the UK, US, and UAE to India. Journal of Financial Economic Policy. https://doi.org/10.1108/JFEP-08-2023-0230

Le, T.-A. T., Vodden, K., Wu, J., Bullock, R., & Sabau, G. (2024). Payments for ecosystem services programs: A global review of contributions towards sustainability. Heliyon, 10(1). https://doi.org/10.1016/j.heliyon.2023.e22361

Lee, C.-C., Yuan, Z., & Lee, C.-C. (2023). A nonlinear analysis of the impacts of information and communication technologies on environmental quality: A global perspective. Energy Economics, 128. https://doi.org/10.1016/j.eneco.2023.107177

Lestari, V. T., & Ellyawati, J. (2019). Effect of E-Service quality on repurchase intention: Testing the role of e-satisfaction as mediator variable. International Journal of Innovative Technology and Exploring Engineering, 8(7C2), 158–162. https://doi.org/10.35940/ijitee.g5400.0881019

Liu, H., Alharthi, M., Zafar, M. W., Tahir, M. S., & Asghar, M. M. (2023). Understanding the Role of Technology in Asian Economies: The Environmental Impact of Remittances and Economic Complexity. Evaluation Review, 47(6), 951–982. https://doi.org/10.1177/0193841X221120483

Liu, Y., & Lin, Z. (2024). Impact of regional trade integration and energy transition on natural resources footprints in Asian Countries. Resources Policy, 89. https://doi.org/10.1016/j.resourpol.2023.104545

Luo, H., & Hu, Q. (2024). A re-examination of the influence of human capital on urban-rural income gap in China: College enrollment expansion, digital economy and spatial spillover. Economic Analysis and Policy, 81, 494–519. https://doi.org/10.1016/j.eap.2023.12.018

Marra, A., & Colantonio, E. (2023). On public policies in the energy transition: Evidence on the role of socio-technical regimes for renewable technologies. Energy Economics, 128. https://doi.org/10.1016/j.eneco.2023.107126

Meng, K., Zhong, K., Abbas, S., Sofuoğlu, E., Kaosarat Olawunmi, I., & Sinha, A. (2023). To import or not to import: A global comparative study of energy and natural resource policies for sustainable development. Journal of Cleaner Production, 421. https://doi.org/10.1016/j.jclepro.2023.138490

Mirza, N., Naqvi, B., Rizvi, S. K. A., & Umar, M. (2023). Fiscal or monetary? Efficacy of regulatory regimes and energy trilemma of the inflation reduction act (IRA). International Review of Financial Analysis, 90. https://doi.org/10.1016/j.irfa.2023.102821

Nica, E., Poliakova, A., Popescu, G. H., Valaskova, K., Burcea, S. G., & Constantin, A.-L. D. (2023). The impact of financial development, health expenditure, CO2 emissions, institutional quality, and energy Mix on life expectancy in Eastern Europe: CS-ARDL and quantile regression Approaches. Heliyon, 9(11). https://doi.org/10.1016/j.heliyon.2023.e21084

Nyga-łukaszewska, H. (2024). Economics of Energy Security: Perspectives of Natural Gas Exporters. In Economics of Energy Security: Perspectives of Natural Gas Exporters. https://doi.org/10.4324/9781003052241

Omran, M. S. Y., & Yaaqbeh, M. N. S. (2023). Climate change and business accountability, empirical evidence on the roles of environmental strategy and environmental accounting. Business Ethics, the Environment and Responsibility, 32(4), 1592–1608. https://doi.org/10.1111/beer.12591

Opuala-Charles, S., Omoke, P. C., & Uche, E. (2023). The Dynamic Role of Financial Development in Analyzing the N-Shaped Tourism-Led Growth Hypothesis in Mauritius. Journal of the Knowledge Economy, 14(4), 4903–4928. https://doi.org/10.1007/s13132-022-01048-0

Peters, R., Berlekamp, J., Kabiri, C., Kaplin, B. A., Tockner, K., & Zarfl, C. (2024). Sustainable pathways towards universal renewable electricity access in Africa. Nature Reviews Earth and Environment. https://doi.org/10.1038/s43017-023-00501-1

Qin, L., Aziz, G., Hussan, M. W., Qadeer, A., & Sarwar, S. (2024). Empirical evidence of fintech and green environment: Using the green finance as a mediating variable. International Review of Economics and Finance, 89, 33–49. https://doi.org/10.1016/j.iref.2023.07.056

Rahman, M. M., Rahman, M. M., Rahman, M., & Masud, M. A. K. (2023). The impact of trade openness on the cost of financial intermediation and bank performance: evidence from BRICS countries. International Journal of Emerging Markets, 18(10), 3550–3587. https://doi.org/10.1108/IJOEM-04-2021-0498

Ramadan, Z. B., & Farah, M. F. (2020). Influencing the influencers: The case of retailers' social shopping platforms. International Journal of Web Based Communities, 16(3), 279–295. https://doi.org/10.1504/IJWBC.2020.108626

Reyhanoğlu, M., & Yılmaz, H. (2022). The Importance of Organizational Behavior Model Applications in Air Transportation Industry. In Accounting, Finance, Sustainability, Governance and Fraud (pp. 213–234). Springer Nature. https://doi.org/10.1007/978-981-16-9276-5_11

Sahdev, S. L., Krishna, C., & Hassan, A. (2023). Promoting sustainable management through technological innovation. In Promoting Sustainable Management Through Technological Innovation. https://doi.org/10.4018/978-1-6684-9979-5

Sakariyahu, R., Lawal, R., Etudaiye-Muhtar, O. F., & Ajide, F. M. (2023). Reflections on COP27: How do technological innovations and economic freedom affect environmental quality in Africa? Technological Forecasting and Social Change, 195. https://doi.org/10.1016/j.techfore.2023.122782

Salam, M. A., & Jahed, M. A. (2023). CSR orientation for competitive advantage in business-to-business markets of emerging economies: the mediating role of trust and corporate reputation. Journal of Business and Industrial Marketing, 38(11), 2277–2293. https://doi.org/10.1108/JBIM-12-2021-0591

Schembri, P., Yan, H., & Radja, K. (2024). Does disaggregated renewable energy stimulate economic growth? The role of spatial effect. Applied Economics, 56(2), 213–232. https://doi.org/10.1080/00036846.2023.2167917

Sergi, B. S., Popkova, E. G., & Makarenko, E. N. (2023). Economic asymmetries and the new "markets of tomorrow." Business Strategy and Development, 6(4), 748–763. https://doi.org/10.1002/bsd2.275

Širec, K., Samsami, M., & Schøtt, T. (2023). Born Globals and Born Sustainables: Motives of Accumulating Wealth and of Making a Difference in the World. Organizacija, 56(4), 342–351. https://doi.org/10.2478/orga-2023-0023

Tachega, M. A., Biao, P. S., Yao, X., & Agbanyo, G. K. (2023). The mediating role of renewable energy, sectoral output and economic growth on greenhouse gas emissions: African regional perspective. Environmental Science and Pollution Research, 30(51), 110779–110804. https://doi.org/10.1007/s11356-023-29959-8

Trivedi, J., Chakraborty, D., & Nobanee, H. (2023). Modelling the growth dynamics of sustainable renewable energy – Flourishing green financing. Energy Policy, 183. https://doi.org/10.1016/j.enpol.2023.113846

Uddin, M. M. M., Sharif, T., Islam, A. R. M., & Abedin, M. Z. (2024). Moderating impact of FDI on the growth-environment nexus in the pre-COVID-19 eras. Research in International Business and Finance, 67. https://doi.org/10.1016/j.ribaf.2023.102114

Ullah, A., Dogan, M., Topcu, B. A., & Saadaoui, H. (2023). Modeling the impacts of technological innovation and financial development on environmental sustainability: New evidence from the world's top 14 financially developed countries. Energy Strategy Reviews, 50. https://doi.org/10.1016/j.esr.2023.101229

Wang, S., & Yang, L. (2024). Mineral resource extraction and resource sustainability: Policy initiatives for agriculture, economy, energy, and the environment. Resources Policy, 89. https://doi.org/10.1016/j.resourpol.2024.104657

Wippel, S. (2023). Branding the middle east: A review of regional manifestations of a global phenomenon. In Branding the Middle East: Communication Strategies and Image Building from Qom to Casablanca (pp. 55–160). https://doi.org/10.1515/9783110741100-006

Zhang, L., Jiang, C., Cai, X., & Wu, J. (2023). Dynamic linkages between China's OFDI, transport, and green economic growth: Empirical evidence from the B&R countries. Energy and Environment, 34(7), 2642–2667. https://doi.org/10.1177/0958305X221115094