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Takamol Advisory Unit

Analysis of GASTAT Labor Force Survey Q4 2021
April 2022

INSIGHT PAPER

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INSIGHT PAPER



Fiscal and Economic Factors

- The GDP difference between Q3 and Q4, according to the General Authority for Statistics latest data release on GDP and National Accounts, is an increase of 4.22% compared to the change from Q2 to Q3 that measured to an increase of 11.51%.
- The GDP regarding government activities which were valued at 153,102 billion Saudi Riyals

in Q4 experienced a 7% increase in comparison with Q3, valued at 143,043 billion Saudi Riyals.

- A GDP increase of 3.27% was also found in the private sector's activities. This rate is a small difference in comparison to the rate between Q2 and Q3 which was an increase of 14.85%.
- For the crude petroleum and natural gas sector, the GDP growth rate experienced an increase of 36.33%. Conversely, the previous quarter experienced a GDP growth rate decline of -55.68% from Q2.

Jadwa Investment's 'Saudi Chartbook', published in April 2022 helps provide additional information and a wider economic context:

- Consumer spending experienced changes with consumer sentiment climbing to its highest level on record in March, and with a vast majority of Covid-19 restriction being lifted during the same month, we expect consumer spending to show strong levels of growth in the months ahead.
- In the industrial sector in February, the monthly value of licensed investments in new factories stood at SR1.2 billion.
- In terms of government finance, the net monthly change to government accounts with SAMA declined by SR11.5 billion in February.
- In the SAMA foreign reserve assets, SAMA FX reserves declined by \$5.3 billion month-on-month in February, to circa \$442 billion. Looking ahead,

we expect a sharp rebound in FX reserves in March as circa \$18 billion in Aramco dividends are transferred to government.

- Regarding inflation, prices in February rose by 1.6 percent year-on-year (the highest rise in eight months) and by 0.3 percent month-on-month. Looking ahead, we expect rises in global food prices, as a result of the Russian-Ukrainian conflict, to put upward pressure on food prices locally.
- Global oil prices climbed further during March as the economic and energy related fallout over the Russian-Ukrainian conflict intensified.
- Regional oil's latest available official data for January shows that Saudi crude oil exports rose to their highest level in 21 months.
- The revised full year 2021 fiscal data showed government revenue came in 4 percent higher, and expenditure 2 percent higher than provisional numbers.
- The recently released full year GDP data showed the Saudi economy recorded growth of 3.2 percent in full year 2021
- Finally, in the Saudi labor market, the unemployment rate for citizens declined to 11 percent in Q4 2021, compared to 11.3 percent in Q3. Moreover, participation rates rose to 51.5 percent during Q4 (versus 49.8 percent in Q3), primarily as a result of higher female participation.



Saudi Arabian Employment Trends

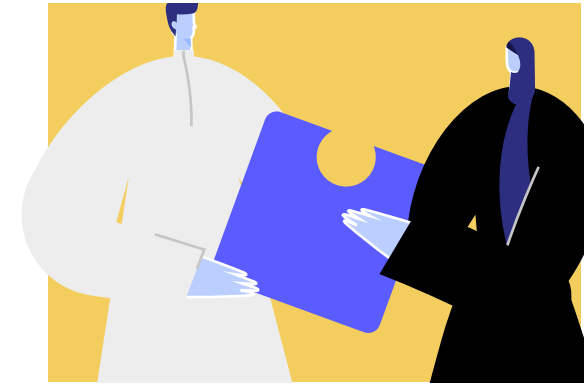
- The General Authority for Statistics Labor Force Survey for Q4 of 2021 shows that the unemployment rate for Saudi workers is 11.0%, a decrease of 0.3% from the previous quarter, Q3 2021, when the rate was 11.3%.
- When compared to Q4 2020, the unemployment rate decreased by 1.6% from 12.6% to 11.3%.
- The total Saudi female unemployment rate slightly increased by 0.6%, from 21.9% to 22.5% between Q3 and Q4 of 2021. Comparing Q4 2021 with Q4 2020 results, there was a substantial decrease of 5.8%, down from 30.2% to 24.4%.
- The total Saudi male unemployment rate slightly decreased by 0.7% between Q3 and Q4 2021.
- The working age group 25-34 had the highest rate of unemployment among all age groups at 17.1%. Saudi youth aged 15-24 recorded an unemployment rate of 15.9%.

- The employment rate for Saudi workers in Q4 2021 is 88.9%, a slight increase of 0.2% compared to Q3 2021. However, compared to Q4 2020, the Saudi employment rate has increased by 1.5% from 87.4% to 88.9%.
- Between Q3 and Q4 2021, data shows a slight increase in male Saudi workers, with a 0.7% increase in Saudi males. However, a slight decrease in female Saudi workers was recorded at 0.6% between Q3 and Q4 2021.
- Compared to same period last year, data shows that Saudi female employment recorded an increase of 5.8%, with a slight increase of 0.8% for Saudi male workers.
- Among age groups, the working age group 25-34 recorded the lowest percentage of Saudi employment at 82.9%, followed by Saudi youth aged 15 - 24 with a total rate of 84.1% in Q4 2021.
- The Saudi labor force participation rate increased in Q4 2021 to reach 51.5%, recording a 1.7% increase, up from 49.8% in Q3 2021.
- The Saudi male labor force participation rate increased by 1.8%, from 65% to 66.8% quarter on quarter, whilst the Saudi female labor force participation rate increased by 1.5%, from 34.1% to 35.6% quarter on quarter.
- The working age group 35 - 44 recorded the highest rate of Saudi labor force participation with a total of 72.2% in Q4 2021, whilst the youth group 15 - 24 and the 55 and over age group recorded the lowest Saudi participation rates with 26.7% for youth, and 26.3% for participants aged 55 and over same period.



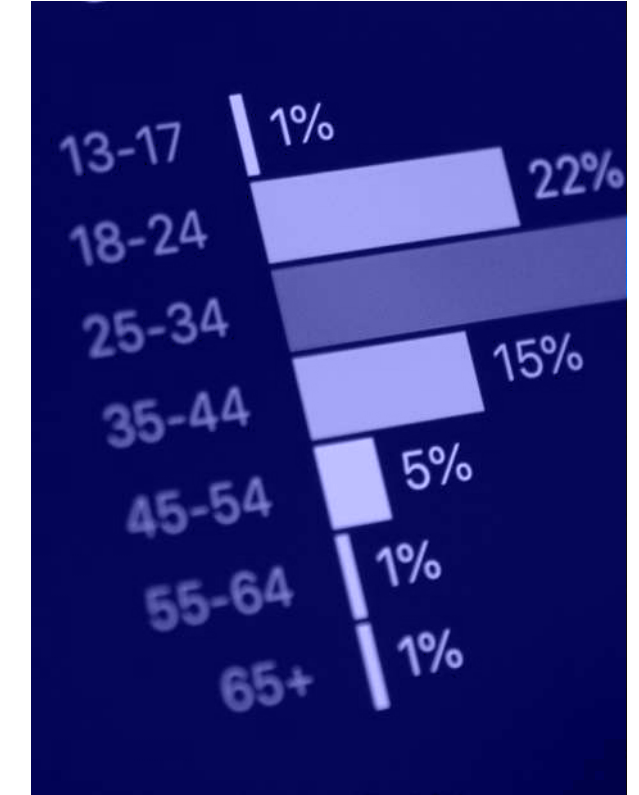
Non-Saudi Employment Trends

- The total unemployment rate for non-Saudi workers in Q4 2021 is 2.9%, a slight increase of 0.5% compared to the previous quarter Q3 2021, when the rate was 2.4%.
- When compared to Q4 2020, non-Saudi employment has increased by 0.3%.
- Data shows an increase of 1.6% in the non-Saudi female unemployment rate, from 7.4% to 9% quarter on quarter, whilst a slight increase has been recorded in non-Saudi male unemployment by 0.5%, from 1.5% to 2%.
- The highest unemployment rate for non-Saudi was among youth aged 15-24, with a total rate of 17.5% in Q4 2021.
- The total non-Saudi employment rate recorded a slight decrease of 0.5% in Q4 2021 from 97.6% to 97.1%. Non-Saudi female employment decreased by 1.6%, from 92.6% to 91% quarter on quarter. The non-Saudi male employment rate slightly decreased by 0.5%, from 98.5% to 98% between Q3 2021 and Q4 2021.



Gender Trends

- An increase of 1.7% in the Saudi participation rate in the labor market has been recorded, up from 49.8% to 51.5% between Q3 and Q4 2021, during which males fared better than females.
- Saudi female participation rate witnessed an increase of 1.5%, from 34.1% to 35.6%, in contrast with the Saudi male participation rate which witnessed a 1.8% increase from 65% to 66.8% during the same period.
- The total employment rate for Saudis recorded a slight increase of 0.3% from 88.7% to 89% compared with the previous quarter. Data shows a slight increase of 0.7% in the Saudi male employment rate from 94.1% to 94.8% between Q3 and Q4 2021. While a decrease of 0.6% was recorded for the Saudi female employment rate from 78.1% to 77.5% during the same period.
- In terms of the monthly average wage, a Saudi male earns more than a Saudi female worker. In Q4 2021, data shows that a Saudi male earns on average 10,801 SAR, whilst a Saudi female earns an average of 8,064 SAR.
- Overall, the wage rate for both Saudi males and females has decreased. Compared to the previous quarter, Saudi female average wage decreased by 123 SAR, whilst a decrease of 316 SAR was reported for Saudi male average wage.



Age Group Trends

- The highest rate of Saudi unemployment, male and female combined, was among the working age group 25 - 34, with a total of 17.1% in Q4 2021.
- For females, the working age group 25 - 34 recorded the highest unemployment rate at 34.7%, whilst the male unemployment rate was the highest among the youth age group 15 - 24 with a total rate of 12.3%.
- The highest Saudi employment rate, for males and females combined, was recorded in the 55 and over age group with a total of 98.7%. This was followed by the working age group 45 - 54 with a total employment rate of 97.2% in Q4 2021.
- In terms of male and female employment rates, both genders recorded the highest employment rate in the 55 and over group, with a total of 96.1% for females and 99.6% for males.

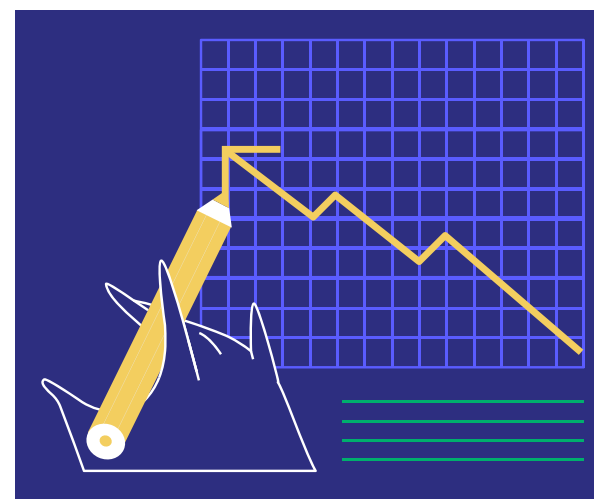
Educational Attainment Trends

- In Q4 2021, the highest unemployment rate for Saudis was among bachelor's degree or equivalent holders with a total of 14.9%. This was followed by upper secondary education with a total Saudi unemployment rate of 9.9%.
- The highest unemployment rate for Saudi females was found in bachelor's degree or equivalent holders with a total of 27.8% in Q4 2021. When compared to Q3 2021, data shows a slight increase of 0.9% from 26.9% in the Saudi female unemployment rate in this specific educational attainment group.
- In contrast, for male Saudis, the highest unemployment rate was found among upper secondary education with a total of 6.6%. Compared to Q3 2021, the highest unemployment rate for male Saudis was among early childhood education with a total of 10.6%.
- In terms of total Saudi employment, the highest employment rate for Saudis, males and females combined, was recorded among the doctoral degree or equivalent holders with a total of 98.4%.
- Doctoral degree or equivalent holders, represent the largest group of Saudi employment rates for females with a total of 98.3% in Q4 2021. When compared to the previous quarter, Q3 2021, a slight increase of 0.5% was reported from 97.8%.
- Master's degree or equivalent holders group represent the highest Saudi employment rate for males with a total of 99.4% in Q4 2021. When compared to the previous quarter, an increase of 1.1% was reported from 98.3%.

Regional Trends

- **Al-Jouf, Madinah, and Tabuk regions** recorded the highest Saudi unemployment rates, with 16.5%, 15.3% and 15% in Q4 2021. In contrast, in **Riyadh, Najran, the Eastern Province regions** recorded the lowest unemployment rates for Saudis, with 8.7%, 9.1% and 9.6% in Q4 2021.
- Highest unemployment increase was recorded in **Al-Baha region** with a total increase of 1.2%, up from 11.1% to 12.3% between Q3 and Q4 2021. This was followed by the **Eastern Province region** with a 1% increase, up from 8.6% to 9.6% during the same period. In contrast, **Najran region** recorded the highest decrease in Saudi unemployment with 2.2%, down from 11.3% to 9.9% between Q3 and Q4 2021. This was followed by **Asir Region** with a total decrease of 1.3%, down from 13.6% to 12.3% during same period.
- **Riyadh, Najran, and the Eastern Province regions** recorded the highest share of Saudi employment in Q4 2021, with 91.3%, 90.9%, and 90.4%. In contrast, **Al-Jouf, Madinah, and Tabuk regions** recorded the lowest rates of Saudi employment, with 83.5%, 84.7%, and 85% in the same quarter.
- **Najran region** recorded the highest increase of 2.2% in the total share of Saudi employment, up from 88.7% to 90.9% between Q3 and Q4 2021. This was followed by **Asir region** with a 1.3% increase, up from 86.4% to 87.7% within the same period.
- In contrast, **Al-Baha region** recorded the highest decrease in Saudi employment at 1.2%, down from 88.9% to 87.7% between Q3 and Q4 2021.

This was followed by the **Eastern Province region** with a decrease of 1%, down from 91.4% to 90.4% within the same period.

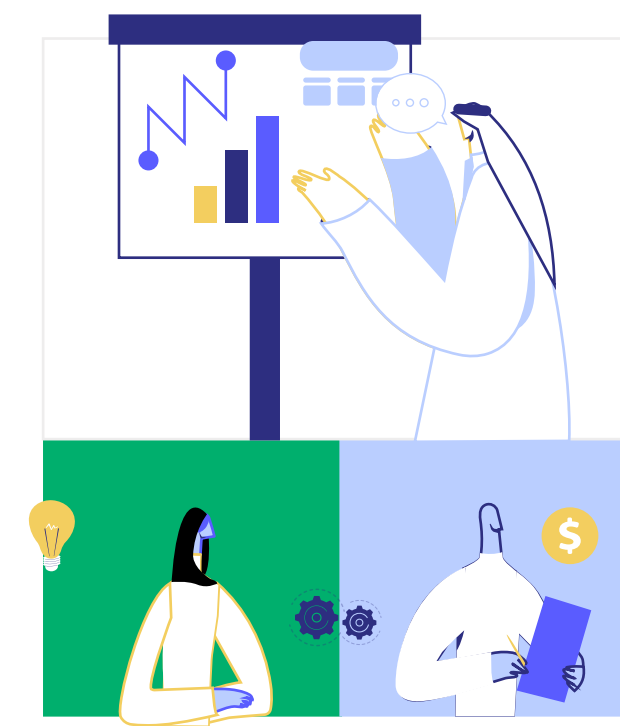


Wage Trends

- Data shows a total average monthly wage for all workers (both Saudi and non-Saudi) in Q4 2021 of 6,380 SAR. The total average wage for male workers decreased by 574 SAR, down from 7,156 SAR to 6,582 SAR quarter on quarter. While the total average wage for females increased by 308 SAR, from 5,035 SAR to 5,343 SAR during the same period.
- Compared to Q4 2020, data shows a decrease of 184 SAR in the total average wage for all workers, down from 6,564 SAR to 6,380 SAR. The total average wage for males decreased by 69 SAR, from 6,651 SAR to 6,582 SAR during the same period. The total female average wage decreased by 722 SAR, down from 6,065 SAR to 5,343 SAR between Q4 2020 and Q4 2021.
- In Q4 2021, the total Saudi average wage decreased by 288 SAR, from 10,474 SAR to 10,186 SAR quarter on quarter.

Data shows a decrease of 123 SAR in Saudi female average wage, down from 8,187 SAR to 8,064 SAR. A decrease of 316 SAR was reported in the Saudi male average wage, down from 11,117 SAR to 10,801 between Q3 2021 and Q4 2021.

- Data shows a non-Saudi average wage of 4,023 SAR in Q4 2021, down by 578 SAR, from 4,601 SAR to 4,023 SAR between Q3 and Q4 2021. A slight decrease of 7 SAR has been reported in the non-Saudi female average wage, from 2,285 SAR to 2,292 SAR between Q3 and Q4 2021, and a decrease of 737 SAR for non-Saudi male average wage, down from 5,006 SAR to 4,269 SAR during the same period.
- Compared to same period last year, data shows an average wage decrease of 55 SAR for non-Saudi (males and females), down from 4,078 SAR to 4,023 SAR between Q4 2020 and Q4 2021.



Sectoral Trends

Sectors

- On a sectoral basis, including Saudi and non-Saudi workers, the private sector recorded the highest percentage of total employment at 57.9% in Q4 2021. Whereas in the public sector, results show a percentage of 26.7% of total employment and 15.4% of total employment in other sectors.
- The Q4 2021 data recorded that the highest percentage of total Saudi workers were employed in the public sector with a total of 52.8%. Meanwhile, in the private sector, a total Saudi employment rate of 46.5% was reported in Q4 2021.
- In terms of gender, the majority of workers in the public sector are Saudi males, with a total of 59.2% for Saudi males and 37.5% for Saudi females in Q4 2021. Compared to the previous quarter, Saudi males employment in the public sector remains unchanged, however, Saudi females employment in the public sector decreased by 1.8% during the same period.
- In contrast, the majority of workers in the private sector are Saudi females with a total of 61.2% for female workers and 40.4% for male workers. Between Q3 and Q4 of 2021, the percentage of Saudi workers in the private sector increased by 2% for females, up from 59.2% to 61.2%, and 0.2% for males, up from 40.2% to 40.4%.

Economic Activity

- Between Q3 and Q4 of 2021, the Accommodation and Food Service Activities sector, the Public Administration and Defense, and the Transportation and Storage sector

recorded the highest increase as a percentage of Saudi employment.

- In terms of the highest decrease in the share of Saudi employment, the Manufacturing sector, Agriculture, forestry and fishing sector, and Human health and social work activities sector recorded the highest decreases in Saudi employment in Q4 2021.
- **Public Administration and Defense Sector:** An increase of 0.6% was recorded in the share of total Saudi employment, up from 27.8% in Q3 2021 to 28.3% in Q4 2021. The majority of workers in the Public Administration and Defense sector are males, with a total of 37.3% for males and 7.2% for females.
- **Construction Sector:** An increase of 0.1% has been reported in the share of total Saudi employment, up from 5.6% to 5.7% between Q3 and Q4 2021. Female workers represent 7.3% while male workers represent 5.0% of total Saudi employment.
- **Education Sector:** In Q4 2021, the share of Saudi employment in the Education sector is 16.3%, down by 0.2% compared to the previous quarter. A decrease of 1.7% has been reported for Saudi female workers, while a 0.4% increase was recorded for Saudi male workers.
- **Mining and Quarrying Sector:** A decrease of 0.1% has been reported in the share of total Saudi employment, down from 1.5% to 1.4% between Q3 and Q4 2021. Female workers represent 0.3% while male workers represent 1.9% of total Saudi employment.
- **Water supply; sewerage, waste management and remediation activities:** A decrease of 0.1% has been reported in the share of total Saudi employment, down from 0.7% to 0.6% between Q3 and Q4 2021.

Female workers represent 0.2% while male workers represent 0.8% of total Saudi employment.

- **Transportation and Storage Sector:** Data shows a total Saudi employment rate of 3.2%, up by 0.3% between Q3 and Q4 2021. Males represent the majority of workers in the sector with a 3.9% share of employment, and females represent 1.4%.
- **Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles Sector:** The Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles sector recorded a decrease of 0.1% in Saudi employment, down from 12.1% to 12% between Q3 and Q4 2021. The percentage of female workers remains unchanged at 18% between Q3 and Q4 2021. The percentage of male workers decreased by 0.2%, up from 9.7% to 9.5% during same period.
- **Real Estate Activities Sector: The Real Estate Activities sector** recorded a 0.8% share of Saudi employment in Q4 2021, down by 0.1% compared to the previous quarter. Male workers represent 0.8% and female workers represent 0.6% of total Saudi employment.
- **Agriculture, Forestry and Fishing Sector:** The share of total Saudi employment decreased by 0.4%, down from 2% to 1.6% between Q3 and Q4 2021. Female workers represent 0.7%, down by 0.1% from 0.8% in Q3 2021, whilst male workers represent 2%, down by 0.5% from 2.5% in Q3 2021.
- **Accommodation and Food Service Activities Sector:** Data shows a total Saudi employment rate of 4%, up by 0.9% between Q3 and Q4 2021. Females represent the majority of workers in the sector with a 6.1% share of employment, while males represent 3.1%.

- **Manufacturing Sector:** The highest decrease in terms of Saudi employment, based on economic activity is the manufacturing sector with a decrease of 0.5 down from 6.8% in Q3 2021 to 6.3% in Q4 2021. The majority of workers in the Manufacturing sector are females, with a total of 7.9% for females and 5.7% for males.
- **Financial and Insurance Activities Sector:** The financial insurance activities sector recorded total employment of 1.8% share of Saudi employment in Q4 2021, down by 0.1% compared to the previous quarter. Male workers represent 2% and female workers represent 1.3% of total Saudi employment.
- **Electricity, Gas, Steam and Air Conditioning Supply Sector:** In Q4 2021, the share of total Saudi employment in the electricity, gas, steam and air conditioning supply sector is 0.8%, up by 0.1% compared to the previous quarter.
- **Human Health and Social Work Activities Sector:** The Human Health and Social Work Activities sector recorded total employment of 6.9% share of Saudi employment in Q4 2021, down by 0.3% compared to the previous quarter. Male workers represent 5.6% and female workers represent 9.8% of total Saudi employment.
- In Q4 2021, the Information and communication, Professional, Scientific and Technical Activities, Arts, entertainment and recreation, and the Activities of extraterritorial organizations and bodies sectors remain unchanged between Q3 and Q4 2021 in terms of Saudi share of employment.

Sources

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General Authority for Statistics, Labor Force Survey Q2 2021.

General Authority for Statistics, Labor Force Survey Q3 2020.

Ministry of Health

Ministry of Interior

Arab News