

Total unemployment rate decreases to 4.8% in Q4 2022, and for Saudis decreases to 8.0%

Based on the estimates of the General Authority for Statistics' Labor Force Survey, the overall unemployment rate in Saudi Arabia (for Saudis and non-Saudis) was 4.8% in Q4/2022, decreased from last quarter by 1.0 percentage points (pp) and from a year ago by 2.1 pp. The unemployment rate of Saudis reached 8.0% in Q4/2022, a significant decrease of 1.9 pp compared to Q3/2022. The Labor force participation rate of Saudis remained unchanged at 52.5%, and the employment-to-population ratio of Saudis increased by 1.0 pp to 48.3%. Compared to one year ago, key Labor market indicators for Saudis improved, with rises in both the participation rate (up 1.0 pp) and the employment-to-population ratio (up 2.5 pp), while the unemployment rate declined (down 3.0 pp).

Decrease in the unemployment rate of Saudis

Among Saudi females, in Q4/2022 the unemployment rate decreased by 15.4%, down 5.1 pp from last quarter, and down 7.1 pp from a year ago. The impressive decrease in the unemployment rate was the result of a double effect of the decrease in Labor force participation and at the same time the growth in employment. The participation rate decreased by 1.0 pp to 36.0%, while the employment-to-population ratio rose by 1.0 pp reaching 30.4%. Among Saudi males, in Q4/2022 the unemployment rate fell to 4.2%, down 0.1 pp from last quarter, and down to 1.0 pp compared to a year ago. The Labor force participation rate and the employment-to-population ratio of Saudi males increased respectively by 1.2 pp and 1.1 pp to 65.7% and 68.5%.

Rising Employment-to-population ratio and declining unemployment rate of Saudi core working age population

In Q4/2022, among Saudi female youth (15-24 years), both labor force participation and the employment to population ratio declined, leading to a reduction in the unemployment rate. The participation rate decreased by 1.0 pp to 19.2%, the employment-to-population ratio decreased by 0.4 pp to 14.2% and the unemployment rate fell by 1.9 pp to 26.0%.

Among Saudi male youth, the unemployment rate increased, accompanied by an increase in labor market participation and employment stagnation. The participation rate rose by 0.7 pp to 38.3%, the employment-to-population ratio stabilized at 33.5% and the unemployment rate rose by 1.6 pp to 12.5%. Among Saudi core working age population (aged 25-54), Q4/2022 saw a decrease in the unemployment rate by 2.5 pp to 7.0%.

The decrease in the Unemployment rate was driven by employment growth, with the employment-to-population ratio rising 1.6 pp to 64.1%. While the labor force participation rate for Saudis decreased by 0.1 pp, reaching 68.9%. The decrease in the unemployment rate for Saudi core working age population (aged 25-54), was mainly driven by a big drop in the unemployment rate for females down 5.8 pp from 20.4% in Q3 2022 to 14.6% in Q4 2022.

For Saudis aged 55 years and over, Labor market indicators showed minor change in Q4 of 2022, compared to the previous quarter.

Active job search methods used by Unemployed Saudi

Saudi job seekers used a variety of active job search methods, with an average of 4.4 active methods per job seeker. In Q4/2022, the most frequently used active job search methods were: asking friends or relatives (used by 80.4% of job seekers), applying directly to employers (65.4%), and using the National employment platform (including Jadarah, TAQAT and Saad) used by 56.5% of job seekers.

Limited mobility of unemployed Saudis

94.1% of unemployed Saudis would accept employment in the private sector. Results of the survey showed that 57.8% of unemployed Saudi females and 43.6% of unemployed Saudi males would accept a maximum commuting time to work of one hour. Similarly, 73.0% of unemployed Saudi females and 89.1% of unemployed Saudi males indicated that they would accept work for eight hours or more per day.

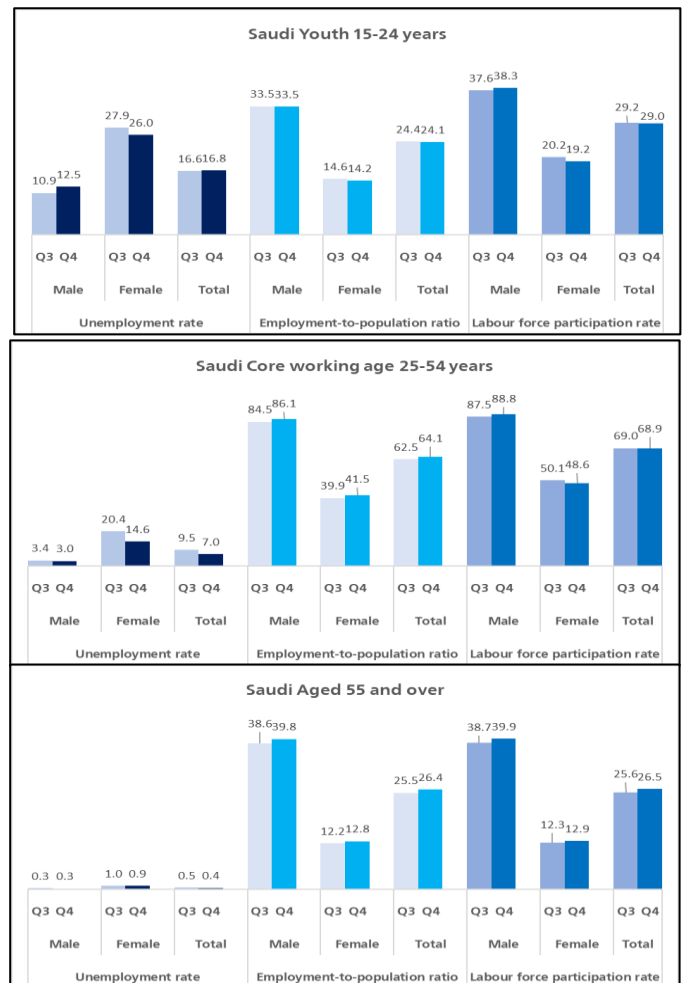
Table 1: Key Indicators of the Saudi Labor Market by Quarter

Indicators	Fourth Quarter 2021			Third Quarter 2022			Fourth Quarter 2022		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
Unemployment rate	3.3	18.7	6.9	2.4	16.6	5.8	2.3	12.9	4.8
Saudi	5.2	22.5	11.0	4.3	20.5	9.9	4.2	15.4	8.0
Non-Saudi	2.0	9.0	2.9	1.0	5.7	1.6	0.9	5.9	1.5
Employment-to-population ratio	76.8	28.4	57.3	78.0	29.6	58.0	78.6	30.1	58.5
Saudi	63.3	27.6	45.8	64.5	29.4	47.3	65.7	30.4	48.3
Non-Saudi	90.2	30.3	73.2	92.1	30.1	73.4	92.4	29.2	73.3
Participation rate	79.5	34.9	61.5	79.9	35.5	61.5	80.5	34.5	61.5
Saudi	66.8	35.6	51.5	67.4	37.0	52.5	68.5	36.0	52.5
Non-Saudi	92.0	33.3	75.4	93.0	31.9	74.6	93.2	31.1	74.5

Source: Estimated data from the Labor Force Survey - General Authority for Statistics

Figure 1: Main Labor Market Indicators for Saudis by Age Group

Third Quarter 2022 / Fourth Quarter 2022



Source: Estimated data from the Labor Force Survey - General Authority for Statistics

Notes

A. Methodology for population projections
In Q2/2022, a new methodology was introduced for population projections used in calibration of LFS estimates. The new projections are based on GASTAT's 2021 mid-year estimates as a base, projected forward to the current period. The adoption of the new projections has had negligible impact on the comparability of key LFS indicators for Saudis and for non-Saudis. Later, a new population projection will be prepared based on census 2022 results after their publication. (See LFS Methodology Report for further details).

B. Dissemination of Labor Force Survey Statistics Data through the Statistical Database Platform

The Statistical Database is a unified electronic portal for the dissemination of all statistical data produced by the General Authority for Statistics. It provides access to a wide range of time series for Labor Force Survey statistics, from the second quarter of 2016 to the present. Use link: <https://database.stats.gov.sa/beta/dashboard/landing>

C. Comparison between the estimates of the Labor Force Survey and the statistics of workers based on administrative data

General Authority for Statistics (GASTAT) publishes the main indicators of Labor market statistics based on the Labor Force Survey (LFS). In addition, GASTAT also publishes the number of workers based on administrative data, originating from the Ministry of Human Resources and Social Development, the General Organization for Social Insurance, and the National Information Center.

There are differences in concepts, methodology of calculation and coverage between administrative records and statistics based on the Labor Force Survey, estimated upon a representative sample of the whole society. Regarding coverage: Labor Force Survey estimates cover the entire population except institutions, whereas administrative records only cover registered employed people. There are also differences in reference periods concerning the work status between LFS data and administrative records.

Since the scope of the Labor Force Survey is wider than that covered by administrative records, the absolute numbers of the two diverse sources are not identical and there is a discrepancy between them.

Labor market information based on administrative records can be accessed at the following link: <https://www.stats.gov.sa/en/814>

Methodology

The Q4/2022 LFS sample was designed based on the 2022 Census of Population frame. Details of the sample redesign are provided in the Methodology report. [add Methodology link here].

The Labor Force Survey is a household survey with a sample size of about 96,000 dwellings per quarter. The survey provides estimates of populations within and outside the labor force. Among the main labor market indicators are the following:

Unemployment rate: The number of unemployed as a percentage of the Labor force (employed and unemployed) of working age (15 years and above).

Employment-to-population ratio: employed as percentage of the population of working age (15 years and older).

Labor force participation rate: Individuals in the labor force as a percentage of the population of working age (15 years and older).

Unemployed: Individuals (15 years and older) who were:

- Without work in the week before the interview.
- Actively looking for work during the four weeks prior to the interview.
- Available to join work or to start working the week before the interview or the next two weeks.

In addition to applying ILO standards, the General Authority for Statistics uses the standards of the Labor Market Policy Committee by validating the data of the Labor Force Survey against systematic administrative records. [methodology](#)