

Saudi unemployment at 11.0%, overall unemployment at 6.9% in Q4/2021

Based on estimates of the General Authority for Statistics' (GASTAT) Labor Force Survey, the unemployment rate among Saudis was 11.0% in the fourth quarter of 2021, down 0.3 percentage points (pp) from Q3/2021, and lower by 1.6 pp when compared to a year ago in Q4/2020. Overall labor market conditions in Saudi Arabia changed slightly in Q4/2021 from the previous quarter. The overall unemployment rate increased slightly to 6.9%, compared to 6.6% in the previous quarter, while the participation rate edged up 0.3 pp to 61.5%, and the employment-to-population ratio was up slightly by 0.2 pp to 57.3%.

Saudi labor force participation increases to 51.5%

Key labor market indicators improved among Saudis in Q4/2021. More persons entered the workforce, with both male and female participation rates rising (66.8%, up 1.8 pp for males, and 35.6%, up 1.5 pp for females). Job growth, reflected by increases in employment-to-population ratios, occurred for both males and females (males: 63.3%, up 2.1 pp; females 27.6%, up 0.9 pp).

Among males the job growth kept pace with increases in the participation rate, pushing the unemployment rate down 0.7 pp to 5.2%. Among females, the job growth did not keep pace with the increase in the labor force participation, and the unemployment rate increased by 0.6 pp to 22.5%.

Unemployment rate decreases among Saudi males - youth and core working-age

Youth employment rose, as evidenced by an increase in the employment to population ratio of 2.1 pp to 22.5%. The gains were concentrated among male youth, whose employment ratio rose 3.7 pp to 32.7%, leading to a decrease in their unemployment rate by 2.6 pp to 12.3%. The unemployment rate of female youth rose 2.4 pp to 25.2%. These changes widened the gap in unemployment rates between male and female youth. In Q4/2021 the unemployment rate of female youth was over twice that of male youth.

Among the core working-age population aged 25-54, the male unemployment rate fell 0.5 pp to 4.3%, and the female rate increased 0.5 pp to 23.3%. The employment-to-population ratio increased by 1.6 pp to 83.2% for males, and by 1.1 pp to 38.2% for females.

Among persons 55 years and over, the employment-to-population ratio rose by 1.7 pp to 38.7% for males and by 1.6 pp to 12.8% for females. Labor force participation rates of persons aged 55 and over are much lower than those of the core working age population - 38.9% versus 87.0% for males, and 13.3% versus 49.8% for females. The unemployment rate of persons over 55 years remains very low at 1.3% in Q4/2021.

Multiple active job search methods used by Saudi unemployed

Unemployed Saudi job seekers used a variety and multiple methods of active job search, with an average of 4.4 active methods per job seeker. 55.0% of Saudi job seekers used the TAQAT fund to apply for specific jobs, follow-up on a previous application or ask about job opportunities. The Jadarah and Sa'ed platforms were similarly used by 47.1% and 12.6% of Saudi job seekers, respectively.

Other widely used active job-search methods included asking friends or relatives (used by 71.9% of job seekers), applying to employers directly (51.9%), and studying advertisements in newspapers, journals or online (47.7%).

Limited mobility of Saudi unemployed

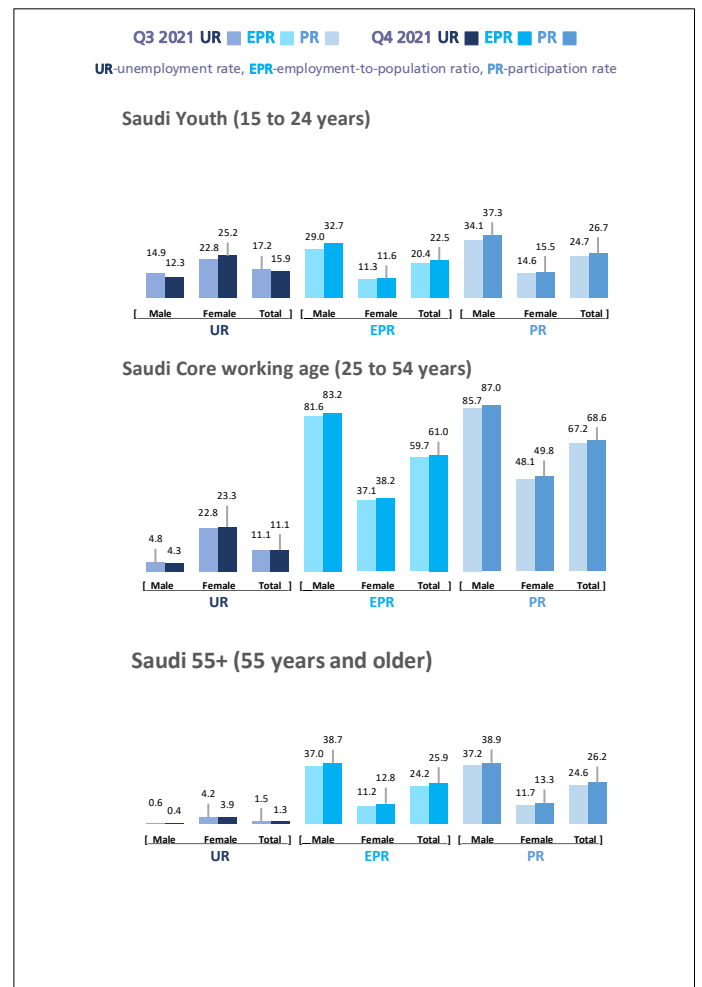
Among Saudi unemployed, 93.3% indicated they would accept a job in the private sector. Within the group of Saudi unemployed, 60.3% of females and 44.0% of males would not accept a commuting time

of more than an hour, and 28.5% of females and 8.8% of males would only accept six or less working hours per day.

Table 1. Principal Labor Market Indicators for Saudi Arabia by Quarter

Indicators	2020 Q4			2021 Q3			2021 Q4		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Unemployment rate	4.0	20.2	7.4	3.3	17.1	6.6	3.3	18.7	6.9
Saudi	7.1	24.4	12.6	5.9	21.9	11.3	5.2	22.5	11.0
Non-Saudi	1.7	9.1	2.6	1.5	7.4	2.4	2.0	9.0	2.9
Employment-to-population ratio	77.3	25.6	56.5	75.7	29.7	57.1	76.8	28.4	57.3
Saudi	63.6	25.1	44.7	61.2	26.7	44.2	63.3	27.6	45.8
Non-Saudi	90.8	26.6	72.6	90.0	37.1	75.0	90.2	30.3	73.2
Participation rate	80.6	32.1	61.0	78.3	35.9	61.2	79.5	34.9	61.5
Saudi	68.5	33.2	51.2	65.0	34.1	49.8	66.8	35.6	51.5
Non-Saudi	92.4	29.3	74.5	91.4	40.1	76.9	92.0	33.3	75.4

Figure 1. Principal Labor Market Indicators for Saudis by Age group and Quarter



Source: estimated data from LFS - General Authority for Statistics

A. Questionnaire changes

In Q4/2021 the following change was made to the LFS questionnaire regarding the Job search. Persons without a job or business are asked questions on what actions they have taken to look for work or start a business within the last 4 weeks. Beginning in Q4/2021, interviewers read a list of actions, and in turn the respondents answer yes or no to each. In the past, respondents were asked to list themselves what job search methods they engaged in. Both methods conform to ILO standards and definitions. The new method is designed to yield better data on the methods used which is of policy interest. LFS release Table 2.8 has been revised to reflect the new methodology for asking job search questions.

B. Sample redesign introduced

As part of a larger LFS Transformation, a sample redesign was introduced in Q4/2021. The sample redesign involved major changes to improve the sampling methodology. (Use the link below to access the Methodology document for details).

Several sample redesign measures have resulted in improved coverage of the target population of the survey. Improved coverage has the potential to introduce changes in the survey estimates, if characteristics differ between the population originally covered and that added through the design improvements.

Table 2 below summarizes the improvements in the efficiency and coverage of the new sample design.

Key design features	Impact / Rationale
• Deep stratification	• Reduced variance at both the national and regional levels
• Reduced clustering	• DU is a more stable sampling unit, and it provides better coverage
• DU as the sampling unit at the 2nd stage of sampling; all HHs within an occupied DU will be interviewed	• More efficient estimation of change between two consecutive quarters
• Rotating sample design with 75 percent overlap between consecutive quarters	• Enabled through cost efficiency gains due to sample rotation; Reduced variance (more reliable)
• Increase in sample size	• Impact due to CAPI light field operation (address canvassing)
• Increase in response rate (predicted)	

Links: All Tables

The Statistical Database is a unified portal to publish all statistical data produced by GASTAT. It provides access to an extensive set of LFS time series from Q2/2016.

<https://database.stats.gov.sa/beta/dashboard/landing>

C. Comparison of labor force survey and administrative data employment estimates

GASTAT releases Administrative Data (AD) based estimates of employment, compiled by the Ministry of Human Resource and Social Development. Prior to 2021, these estimates were released together with release of LFS results. Since the first quarter of 2021, they have been available as a separate release.

There are conceptual and coverage differences between the AD and the LFS-based estimates. In terms of coverage, the LFS covers the entire population except for the military and institutional populations. There are also differences in the reference periods.

As the scope of the LFS is wider than the one covered by administrative records, the absolute numbers of the two different sources are not identical.

The Administrative Data based Labor Market Statistics can be accessed at the following link: [https:// www.stats.gov.sa/en/814](https://www.stats.gov.sa/en/814).

Methodology

The Quarterly Labor Force Survey is a household survey with a sample of about 60,000 households. LFS estimates are subject to response and sampling variability. The LFS is the source of the following labor market indicators:

Unemployment rate: unemployed persons as a percentage of the labor force (employed and unemployed persons).

Employment-to-Population ratio: employed persons as a percentage of working-age population (15 years and over).

Labor Force Participation rate: persons in the labor force as a percentage of the working-age population.

Unemployed: persons (15 years and over) who were:

without a job in the week preceding the interview,

seriously looking for work during the four weeks preceding the interview,

available to work and start a job in the week preceding the interview or the next two weeks.

In addition to applying the standards of the International Labor Organization (ILO), GASTAT uses the standards of the Labor Market Policies Committee by cross-validating LFS information against administrative records. [Methodology](#)