## Unemployment rate for Saudis slightly increases to 9.9% and total population remains unchanged at 5.8% for Q3 2022

Based on the estimates of the General Authority for Statistics' Labor Force Survey, the unemployment rate of Saudis reached 9.9% in Q3/2022, a slight increase of 0.2 percentage points (pp) compared to Q2/2022. The Labor force participation rate of Saudis increased by 0.7 pp to 52.5%, and the employment-to-population ratio of Saudis increased by 0.5 pp to 47.3%. Compared to one year ago, key Labor market indicators for Saudis improved, with rises in both the participation rate (up 2.7 pp) and the employment-to-population ratio (up 3.1 pp), while the unemployment rate was changed (down to 1.4 pp).

The overall unemployment rate in Saudi Arabia (for Saudis and non-Saudis) was 5.8% in Q3/2022, unchanged from last quarter and changed from a year ago (down 0.8 pp).

### Expanded Labor Market Participation of Saudi females

Among Saudi females, in Q3/2022 the unemployment rate rose to 20.5%, up 1.2 pp from last quarter, and down 1.4 pp from a year ago. The increase in the unemployment rate was accompanied by an expansion of Labor force participation that outpaced growth in employment. The participation rate rose by 1.4 pp to 37.0%, while the employment-to-population ratio rose by 0.7 pp reaching 29.4%. Among Saudi males, in Q3/2022 the unemployment rate fell to 4.3%, down 0.4 pp from last quarter, and down to 1.6 pp compared to a year ago.

### Rising Labor Market Participation of Saudi female youth and core working age population

In Q3/2022, among Saudi female youth (15-24 years), there was an expansion of labor force participation together with employment growth, leading to a reduction in the unemployment rate. The participation rate rose 1.4 pp to 20.2%, the employment-to-population ratio rose 1.5 pp to 14.6% and the unemployment rate fell 2.6 pp to 27.9%.

Among Saudi male youth, the unemployment rate fell, accompanied by a contraction in labour market participation and employment losses. The participation rate fell 1.3 pp to 37.6%, the employment-to-population ratio fell 0.8 pp to 33.5% and the unemployment rate fell 0.8 pp to 10.9%.

Among Saudi core working age population (aged 25-54), Q3/2022 saw job growth outpaced by expansion of labour force participation, leading to an increase in the unemployment rate. The participation rate rose 1.3 pp to 69.0%, the employment-to-population ratio rose 0.9 pp to 62.5%, and the unemployment rate rose 0.5 pp to 9.5%.

For Saudis aged 55 years and over, Labor market indicators showed minor change in Q3 of 2022, compared to the previous quarter.

### Active job search methods used by unemployed Saudis

Saudi job seekers used a variety of active job search methods, with an average of 4.3 active methods per job seeker. In Q3/2022, the most frequently used active job search methods were: asking friends or relatives (used by 75.2% of job seekers), applying directly to employers (57.3%), studying advertisements in newspapers, magazines or online (used by 50.0% of job seekers) and using the Jadarah platform (48.2%). Two other government platforms (TAQAT and Saad) were used by 44.5% and 8.1% of Saudi job seekers respectively.

### Limited mobility of unemployed Saudis

93.3% of unemployed Saudis would accept employment in private sector. Results of the survey showed that 58.4% of unemployed Saudi females and 42.6% of unemployed Saudi males would accept a maximum commuting time to work of one hour. Similarly, 73.7% of unemployed Saudi females and 90.3% of unemployed Saudi males indicated that they would accept work for eight hours or more per day.
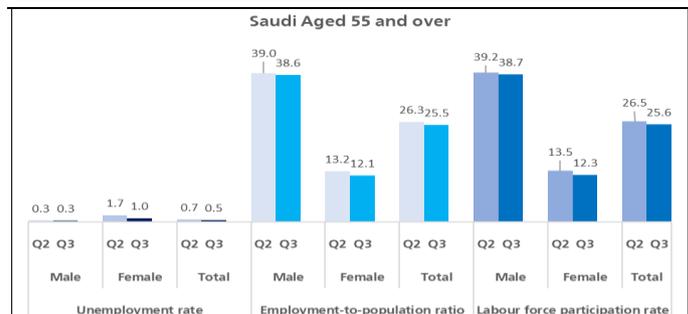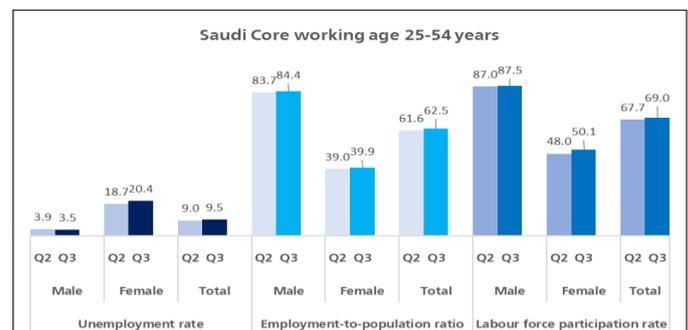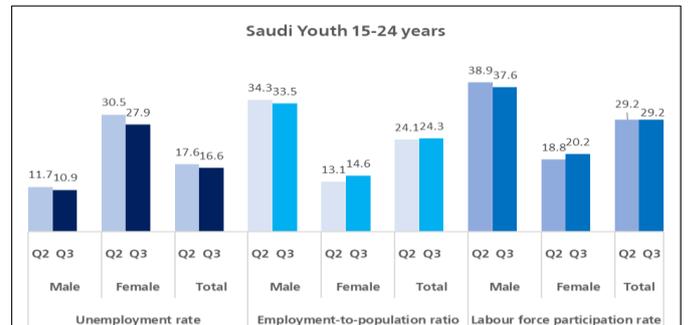
**Figure 1: Main Labor Market Indicators for Saudis by Age Group**

Second Quarter 2022 / Third Quarter 2022



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

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

| Indicators | Third Quarter 2021 | | | Second Quarter 2022 | | | Third Quarter 2022 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Males | Females | Total | Males | Females | Total | Males | Females | Total |
| **Unemployment rate** | 3.3 | 17.1 | 6.6 | 2.8 | 15.8 | 5.8 | 2.4 | 16.6 | 5.8 |
| Saudi | 5.9 | 21.9 | 11.3 | 4.7 | 19.3 | 9.7 | 4.3 | 20.5 | 9.9 |
| Non-Saudi | 1.5 | 7.4 | 2.4 | 1.3 | 6.2 | 1.9 | 1.0 | 5.7 | 1.6 |
| **Employment-to-population ratio** | 75.7 | 29.7 | 57.1 | 77.3 | 29.0 | 57.3 | 78.0 | 29.6 | 58.0 |
| Saudi | 61.2 | 26.7 | 44.2 | 64.3 | 28.7 | 46.8 | 64.5 | 29.4 | 47.3 |
| Non-Saudi | 90.0 | 37.1 | 75.0 | 90.9 | 29.6 | 72.4 | 92.1 | 30.1 | 73.4 |
| **Participation rate** | 78.3 | 35.9 | 61.2 | 79.5 | 34.4 | 60.8 | 79.9 | 35.5 | 61.5 |
| Saudi | 65.0 | 34.1 | 49.8 | 67.5 | 35.6 | 51.8 | 67.4 | 37.0 | 52.5 |
| Non-Saudi | 91.4 | 40.1 | 76.9 | 92.0 | 31.6 | 73.8 | 93.0 | 31.9 | 74.6 |

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

### Notes

**A. New 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 GASTATs 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 non-Saudis. (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

Labor Force Survey is a household survey with a sample size of about 80,000 households per quarter. Labor Force Survey estimates are subject to variation in response rate between quarters. 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 a 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.
- They are 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.

See link: [add Methodology link here]