

KSA
Ministry of Economy and Planning
The General Authority for Statistics
Production Sectors Statistics




Annual Economic Establishments Survey
1429AH (2008)

1 Economic Establishments S

1429AH (2008)

In the name of Allah, the Most
Merciful, the Most Compassionate

Contents

	Contents	5
	Analytic Tables Index	7
	Charts Index	8
	Publishing Table Index	9
	Introduction	11
	Survey general objectives	13
	Survey methodology	14
	Glossary	17
	Economic activities	20
	Data analysis	22
	Analytic tables	29
	Charts	41
	Publishing Tables	59

Analytic Tables Index

Table No.	Title	Page No.
A.	Relative distribution of workers by economic activity	31
B.	Relative distribution of Saudi workers by economic activity	32
C.	Relative distribution of non-Saudi workers by economic activity	33
D.	Relative distribution of remunerations by economic activity	34
E.	Relative distribution of salaries and wages by economic activity	35
F.	Relative distribution of benefits and allowances by economic activity	36
G.	Relative distribution of expenditure by economic activity	37
H.	Relative distribution of revenues by economic activity	38
I.	Relative distribution of operating surplus by economic activity	39
J.	Relative distribution of purchased fixed assets by economic activity	40

Charts Index

Chart No.	Title	Page No.
1	Workers (Saudi and non-Saudi) by economic activity	43
2	Distribution of Saudi workers by economic activity	45
3	Distribution of non-Saudi workers by economic activity	47
4	Remunerations of workers by economic activity	49
5	Expenditure by economic activity	51
6	Revenues by economic activity	53
7	Operating surplus by economic activity	55
8	Fixed assets purchased throughout the year by economic activity	57

Publishing Table Index

Table No.	Title	Page No.
1	Number of workers (Saudi and non-Saudi) by economic activity	61
2	Saudi workers by economic activity and manpower size category	64
3	Non-Saudi workers by economic activity and manpower size category	67
4	workers by economic activity and manpower size category	70
5	Remunerations of workers by economic activity	73
6	Salaries and wages by economic activity and manpower size category	76
7	Benefits and allowances by economic activity and manpower size category.	79
8	Remunerations of workers by economic activity and manpower size category.	82
9	Expenditure and revenues by economic activity	85
10	Revenues by economic activity and manpower size category.	88
11	Expenditure by economic activity and manpower size category.	91
12	Other expenditure by economic activity and manpower size category	94
13	Operating surplus by economic activity and manpower size category	97
14	Fixed assets purchased throughout the year by type and economic activity	100

Introduction

By virtue of Royal Decree No. 23, issued on Dhul-Hijjah 7, 1379 AH, The General Authority for Statistics (GASat) has the right to collect economic, social, and demographic data about the Kingdom and to publish them periodically. Being the competent authority, GASat has drawn up programs for statistical surveys that aim to enhance the economic database.

One of the programs that GASat is entrusted with is the economic surveys program, on top of which comes the Annual Economic Establishments Survey; it is considered one of the most important economic surveys carried out by GASat. The objectives of this program are concentrated in providing statistical data on the establishments that practice various economic activities. These data comprise numbers of workers, their remunerations, expenditure and revenues, as well as capital formation.

The implementation of the Annual Economic Establishments Survey complements a series of surveys which were implemented at intervals, in accordance with the economic frameworks

(economic censuses), over the period from 1995 – 2007.

This survey is the third annual economic survey implemented using a sample of establishments drawn from the establishment census carried out in 1424 AH. The establishment census is considered a comprehensive framework for specialized economic surveys, through which a comprehensive listing of all establishments practicing various economic activities all over KSA cities and governorates is provided.

The sample size of this survey amounts to 25,000 establishments, chosen through using a scientific method to cover all administrative regions in the Kingdom. These establishments have been classified in accordance with the International Standard Industrial Classification of All Economic Activities (ISIC)

On this occasion, GAsStat extends special thanks and profound gratitude to all those who contributed to the completion of this project, particularly the establishments included in the sample of this survey for their cooperation in providing the required data.

As GAsStat aspires that the results of this survey would contribute to enhancing the statistical economic information database, it welcomes all suggestions that would develop this survey.

May Allah grant success,

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Survey general objectives

- « Providing detailed data on all economic activities to prepare the indexes that help in identifying growth rates of each economic activity;
- « Providing economic data on the level of the institutional sectors to prepare the economic indexes that help in identifying growth rates of these sectors;
- « Measuring the share of each economic activity in the economic development process.
- « Identifying the relative importance of each economic activity and sector;
- « Updating economic data of each economic activity;
- « Studying the diversification of national income sources and providing the necessary data for the preparation of national accounts and their formation;
- « Getting indexes on the numbers of workers in each economic activity;
- « Measuring change in remunerations paid to the workers according to the different economic activities;
- « Measuring change in capital additions (capital formation) of each economic activity annually;

- ◀ Identifying the value added and the revenue for the investors in each economic activity;
- ◀ Providing the needed statistical data and information on all economic activities for government bodies and entities as well as researchers; and
- ◀ Using such data to make local, regional and international comparisons and carry out studies and analyses.

Establishment economic survey methodology

Data collection method:

The data of the Annual Economic Establishments Survey were collected by qualified and trained researchers and under direct supervision of GStat employees all over KSA, using face-to-face interviews method.

GStat has adopted this method with the aim to update the economic database in order to get detailed, accurate and recent data, in accordance with the statistical concepts, on the economic establishments.

Scope and range:

The survey examines all public and private sectors profit-seeking establishments working in KSA in 1428 AH (2008).

Sample Framework:

The data of establishment census conducted by GStat in 1424 AH were used as a framework of all economic field surveys implemented using the sampling method, in accordance with GStat field surveys plan.

Establishment census of 1424 AH covered all economic activities in all administrative regions in KSA which amount to 13 regions.

The comprehensive structure of Annual Economic Establishments Survey sample:

According to establishment census (the sample framework), the statistical unit of this survey is defined as the establishment, the single establishment, the head office, or a branch with bookkeeping, i.e. the sample framework covered all single establishments, head offices and branches with bookkeeping. This definition meets the international standards on economic field surveys.

According to the required results by the administrative regions (13 regions) and applying (ISIC2) (according to national accounts), the administrative regions and economic activities on this level are considered key fixed factors in the sample categorical division.

To get the most possible accurate estimation, the establishments have been classified into three categories by numbers of workers, namely:

- « Establishments hiring 1-9 workers
- « Establishments hiring 10-49 workers
- « Establishments hiring 50+ workers.

Accordingly, the survey sample was drawn in accordance with the following:

1. Covering all establishments operating within the scope of the survey which hire 50 or more workers, by certain probability (integer number).
2. Using stratified multi-stage sampling methodology, as well as the probability method proportionate with the workers in the establishments with less than 50 workers by the economic activity practiced by these establishments to select a sample that represents such category.

Geographic Scope:

It means that data collection covers all establishments operating within the sample of the survey in all cities of the survey, as the survey covered all KSA administrative regions through a representation by municipalities and a number of main cities in the region.

In this survey, stratified random sampling method was used. The sample was drawn through several stages based on the general framework of establishment census 1424 AH, after the preparation of the main lists.

In the first stage, 13 cities were chosen as certain examples due to their economic importance in KSA, each of these cities is deemed to be the metropolis of its respective region.

In the second stage, the rest of survey cities were drawn using random sampling method on the level of each administrative region (43 cities) so as to represent all KSA populated localities after categorizing the establishments by cities, ISIC, number of workers.

Annual Economic Establishments Survey Form

For the purposes of the Annual Economic Establishments Survey, a form comprising all economic activities was designed. It covers all economic changes of all tackled activities, in the light of the survey objectives and hypotheses as well as the analysis methods followed and the nature of the statistical unit. It also meets the need of the basic data required for the preparation of KSA national accounts and suits the nature of the establishments operating in KSA.

To fulfill the aforementioned objectives, the following considerations have been taken into account when designing the survey form:

- ◆ The data completed in the form shall be reflected on the main economic activity of the establishment.
- ◆ The forms shall fit all the establishments drawn from the establishment census according to the defined category of workers, so that the data

provider would be able to complete all form items whatever the size of the establishment is.

Glossary

There are general statistical terms and concepts used in the studies and surveys of GStat, such as the administrative region, city, lane, and sector. These terms are introduced to serve all statistical operations. On the other hand, there are terms which are dedicated to the economic surveys. Still, there are certain terms used only for specialized economic surveys.

Economic survey terms:

▢ **Establishment:**

It is an economic entity with legal personality. It has a fixed location and carries out a certain economic activity. It is owned by one or a group of individuals, company or a semi-government sector. The establishment is the smallest economic unit that may have data on workers, their remunerations, expenditure, income and capital formations, **etc.**

▢ **Economic activity:**

It is defined as all business activities or services provided by the establishment in return for a revenue. Sometimes, the establishment does not get a financial revenue, such as charity organizations which are financed by donations. Establishment economic activity classification is based on ISIC (Rev. 3).

▢ **Workers:**

All individuals, Saudis and non-Saudis, who already work for the establishment with or without pay, as well as the owners, their relatives and employees, whether they are full-timers or part-timers, permanently or temporarily employed, males or females, and whether they are paid on a daily, weekly or monthly basis. They also include partners, members of joint-stock companies, board chairmen and members, as well as workers on paid leave.

☐ **Wages and salaries:**

Cash payments and fixed allowances that are regularly paid by the establishment to workers in return for normal working hours.

☐ **Benefits and allowances:**

Cash and in-kind payments that are paid to the workers except salaries and wages. Such payments include all sorts of bonuses and benefits, such as scholarships, education payments for the workers or his /her dependents, food and housing allowances, social security fees, transport allowances and overtime.

☐ **Remunerations:**

It includes wages and salaries as well as additional benefits and allowances.

☐ **Other expenditure:**

They include the commodities and services used by the establishment during the fiscal year as a result of practicing the economic activity, whether they were purchased in the

same year or drawn from a stock purchased in earlier years. Besides, they include the sums of money due to be paid by the establishment during the year which are not included within commodity or service requirements, but are related to the current activity.

▢ **Expenditure:**

It refers to the total of remunerations and other expenditure.

▢ **Revenues:**

The cash revenues gained as a result of the activity practiced by the establishment. They also include the daily revenues received for the operation as well as the revenues due to be collected as an investment revenue and the like.

▢ **Operating surplus:**

It is the expenditure subtracted from the revenues.

▢ **Fixed assets purchased throughout the year:**

Fixed assets owned by the establishment and purchased during the year to be used in realizing the objectives not to be sold or to be used as a raw material in the production operations, such

as buildings, lands, means of transport,
equipment, machines, and furniture.

(ISIC2)

The general structure of ISIC (Rev. 3) based on the activity bilateral classification is shown in the following table:

No.	Category	Section	Description
1	Agriculture, fishing,	01	Agriculture, fishing and related services activities
		02	Forests, wood craft and related activities
	Fishing	05	Fishing and related services activities
2	Mining and quarrying	10	Coal mining
		11	Oil and gas extraction
		12	Uranium ores mining
		13	Metal ores mining
		14	Other mining and quarrying
3	Manufacturing	15	Manufacture of food products and beverages
		16	Manufacture of tobacco products
		17	Manufacture of textiles
		18	Manufacture of wearing apparel and fur
		19	Leather tanning and manufacture of footwear
		20	Manufacture of wood, wood products and cork
		21	Manufacture of paper and paper products
		22	Printing and publishing
		23	oil refinery products
		24	Manufacture of chemicals and chemical products
		25	Manufacture of rubber and plastics
		26	Manufacture of other non-metallic minerals products
		27	Primary metals industries
		28	Manufacture of fabricated metals products
		29	Manufacture of other machinery and equipment
		30	Manufacture of office equipment and computers
		31	Manufacture of other electrical equipment
		32	Manufacture of radio, TV, and telecommunication equipment
		33	Manufacture of medical and optical equipment
34	Manufacture of motor vehicles		
35	Manufacture of other transport equipment		
36	Manufacture of furniture and other products		
37	Remanufacturing		

No.	Category	Section	Description
4	Electricity, gas and water	40	Electricity, gas, steam, and hot water supply
		41	Water supply, purification, and distribution.
5	Construction	45	Construction
6	Wholesale and retail trade	50	Cars and motorbikes maintenance and selling, and fuel selling
		51	Wholesale and commission trade (except of cars and motorbikes)
		52	Retail trade (except of cars and motorbikes) and repair of household commodities
7	Hotels and restaurants	55	Hotels and restaurants
8	Transport, storage and telecommunications	60	Land transport and transport via pipelines
		61	Water transport
		62	Air transport
		63	Transport supportive activities
		64	Post and telecommunication
9	Financial intermediation	65	financial intermediation (except of insurance)
		66	Insurance
		67	Financial intermediation supportive activities
10	Real estate and commercial projects	70	Real estate activities
		71	Rent of machines, equipment and personal and household commodities.
		72	Computer activities
		73	Research and development (R&D) activities
		74	Other commercial activities
11	Education	80	Education
12	Health	85	Health and social activities
13	Collective and personal services	90	Sewerage, cleaning and public health activities
		91	Activities of membership establishments n.e.c.
		92	Amusement and sports activities
		93	Other service activities
14	International authorities and organizations	99	International authorities and organizations

Survey data analysis

The Annual Economic Establishments Survey implemented in 1429 AH (2008 AD) is the third economic survey after the last establishment census (2003), as the first survey was conducted in 1427AH (2006) and the second in 1428AH (2007). The economic survey covers all the economic activities practiced by private sector establishments and for profit public sector establishments in KSA. The sample size of this survey amounted to 25.000 establishments drawn from the establishment census of 1424 AH which comprised 697.000 establishments, and which covered all populated localities in KSA. Moreover, it covered all the economic activities including the agricultural activity which used to be excluded in previous censuses.

This survey provides data on the year 1428 AH (2007 AD) concerning numbers of workers, remunerations, expenditure, revenues, in addition to the assets purchased during the year.

It is worth mentioning that the results of this survey do not include the government sector, but they include the governmental and semi-governmental establishments practicing for profit economic activities.

First: Workers

- Total number of workers in the establishments included in the survey amounted to 3.946.295 at an increase of 4.7% compared to 2006 AD. Number of workers in establishment agricultural activity covered in this survey for the third time amounted to 6.3% of total number of workers in all economic activities.

Wholesale and retail trade had the greatest percentage of workers 29.9%, followed by manufacturing activity 17.4%, and construction 14.6%.

The finance and insurance activity had the least percentage of workers which amounted to 12%, followed by electricity, gas and water activity 1.9%, and oil and minerals activity 2%.

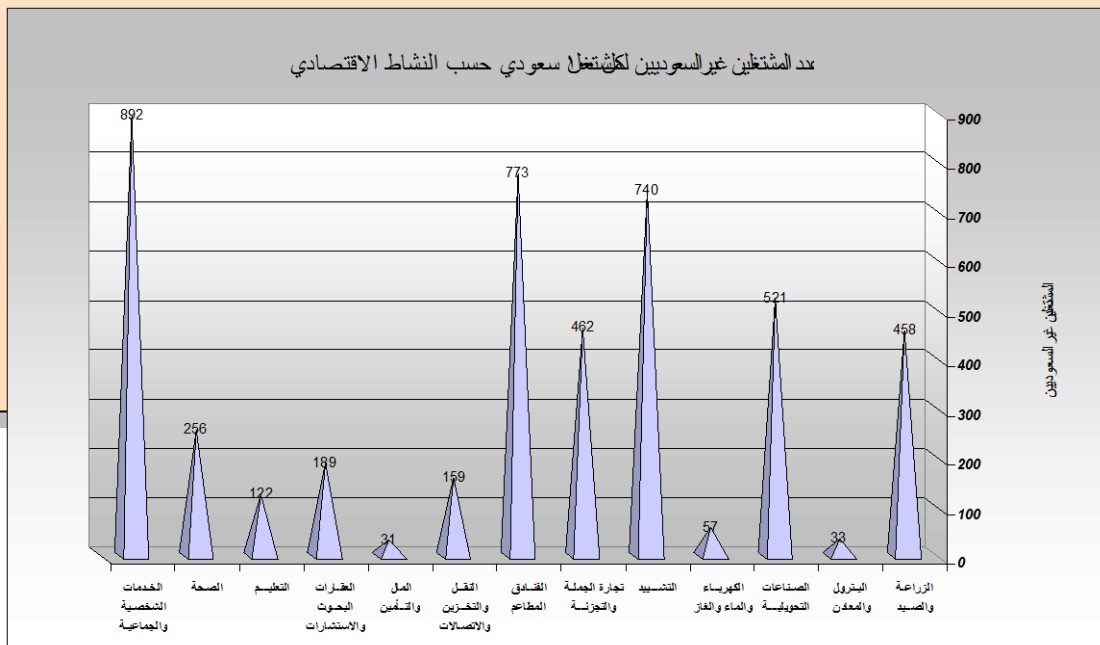
- Total number of Saudi workers in the establishments covered in the survey amounted to 846.300 persons, at a percentage of 4% compared to 2006 AD. This number represented 21.4% of total number of workers in all economic activities in 2007 AD, and 23.5% of total Saudi employees in that year.
- Wholesale and retail activities had the greatest percentage of Saudi workers 24.8%, followed by manufacturing activity 13.1%, and real estate, rent, and commercial activities 9.1%.

However, personal and collective services activities had the least percentage of Saudi workers 1.4%, followed by health and social services activities 3.6%, and insurance activity 4.3%

- Total number of non-Saudi workers in the establishments covered in the survey in 2007 AD amounted to 3,099,995 persons at an increase of 4.9% compared to 2006 AD.

Concerning the number of non-Saudi workers compared to the Saudis, the percentage of the Saudis were greater in the finance and insurance activities, followed by oil and minerals activities, and finally electricity, gas and water activities.

On the contrary, the percentage of non-Saudi workers was greater than that of the Saudis in the rest of the economic activities, particularly in the personal and collective services activities, followed by hotels and restaurants, and finally the construction activity.



In general, there are 366 non-Saudi workers to 100 Saudis in all economic activities, compared to 363 persons in 2006AD.

Second: Revenues

Total revenues amounted to SAR 1.908.422 million, at an increase of 7% compared to 2006AD. The contribution of petroleum and minerals activities played a key role in archiving these revenues.

The oil and minerals activities had 42.1% of these revenues, followed by wholesale and retail trade activities 17%, and manufacturing activity 16.6%. The other economic activities had the remaining percentage of revenues which amounted to 24.3% of total revenues.

Third: Expenditure:

Total operation and manufacturing expenditure, including remunerations and internal and external purchases, amounted to SAR 821,534 million, at an increase of 9.9% compared to 2006AD.

The wholesale and retail activity is considered the largest economic activity concerning the percentage of expenditure to total expenditure of all economic activities, as it amounted to 30.7%, followed by manufacturing activity 27.2%, and oil and minerals activity 10.1%

The economic activities with the least percentage of expenditure to total expenditure were education activity, followed by collective and personal services activities, and health and social services activities, at a joint percentage of about 1% for each activity.

Fourth: Operating surplus:

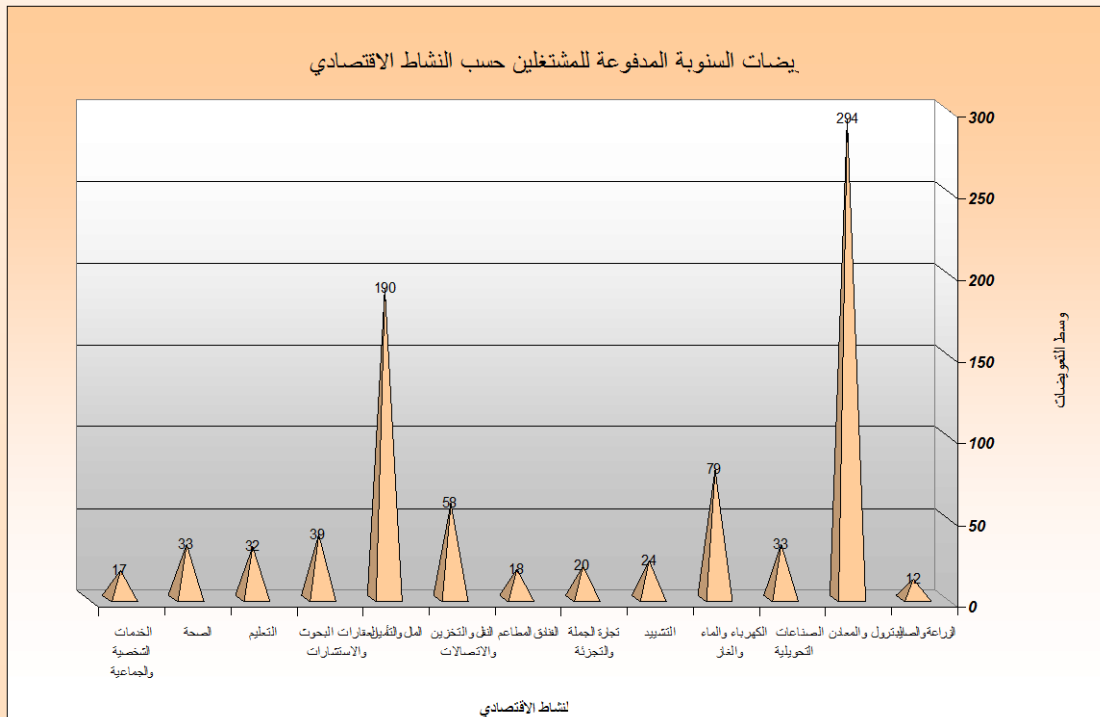
It is the contribution of the revenues after subtracting the remunerations and other expenditure. Operating surplus amounted to SAR 1,086,887 million, at an increase of 4.9% compared to 2006.

Oil and minerals activities had the greatest operating surplus as it amounted to 66.4%, followed by manufacturing activity 8.5% and wholesale and retail trade activities 6.7%

Fifth: Worker compensations

Remunerations comprise salaries, wages, benefits and allowances provided by the establishment to the workers.

- « Total remunerations paid to workers during this year amounted to SAR 135,311 million, at an increase of 6.5% compared to 2006. Total salaries and wages paid this year, compared to those paid in the previous year, 2006, increased by 7.1%. Similarly, the benefits and allowances paid during this year, compared to 2006, increased by 3.9%. These increases have caused the increase in the remunerations paid to workers.



The increase in the value of salaries, wages, benefits and allowances resulted in the increase in the annual average of remunerations paid to the person engaged, in all economic activities, which amounted to about SAR 34.3 thousand.

- « The oil and minerals activities had the greatest average of annual remunerations paid to the person engaged which amounted to SAR 294,000, followed by finance and insurance activities SAR 190,000, and electricity, gas and water activities SAR 79,000.
- « Agriculture and fishing activities had the least average of annual remunerations paid to the person engaged which amounted to SAR 12,000, followed by collective and personal services activities SAR 17,000, and hotels and restaurants activities SAR18,000.

Sixth: Purchased fixed assets

The fixed assets purchased during the survey year comprise equipment and means of transport, other machines and equipment, furniture, lands, buildings in addition to other undefined fixed assets.

- « The value of the fixed assets purchased during 2007 amounted to SAR 134,325 million, at an increase of 22.9%, compared to 2006.

- « Oil and minerals activities had 52.4% of total purchased fixed assets as the greatest economic activities, followed by manufacturing activity 14.1%, and transport and storage activities 7.1%
- « Concerning the least percentage of purchased fixed assets, education activity comes first, followed by collective and personal activities, and agriculture and fishing activities which amounted to 0.1% for each activity of total purchased fixed assets.

Generally speaking, the percentage of purchased transport means and equipment of all economic activities represents 13% of total fixed assets purchased during 2007. The percentage of other machines and equipment amounted to 64%, purchased lands and buildings amounted to 10% and purchased furniture amounted to 3%.

Analytic Tables

KSA level

Table (A)

Relative distribution of workers by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	6.3%
Oil and minerals	2.0%
Manufacturing	17.4%
Electricity, gas and water	1.9%
Construction	14.6%
Wholesale and retail trade	29.9%
Hotels and restaurants	8.3%
Transport, storage and telecommunications	4.8%
The finance and insurance	1.2%
Real estate, rent, and commercial projects	5.6%
Education	2.1%
Health and social services	2.8%
Collective and personal services	3.0%
Total	100%

* Workers in establishments operating in the private sector and in the for profit establishments operating in the public sector.

Table (B)

Relative distribution of Saudi workers by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	5.3%
Oil and minerals	7.1%
Manufacturing	13.1%
Electricity, gas and water	5.7%
Construction	8.1%
Wholesale and retail trade	24.8%
Hotels and restaurants	4.4%
Transport, storage and telecommunications	8.7%
The finance and insurance	4.3%
Real estate, rent, and commercial projects	9.1%
Education	4.4%
Health and social services	3.6%
Collective and personal services	1.4%
Total	100%

* Workers in establishments operating in the private sector and in the for profit establishments operating in the public sector.

Table (C)

Relative distribution* of non-Saudi workers by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	6.6%
Oil and minerals	0.6%
Manufacturing	18.6%
Electricity, gas and water	0.9%
Construction	16.3%
Wholesale and retail trade	31.3%
Hotels and restaurants	9.4%
Transport, storage and telecommunications	3.8%
The finance and insurance	0.4%
Real estate, rent, and commercial projects	4.7%
Education	1.5%
Health and social services	2.5%
Collective and personal services	3.5%
Total	100%

* Workers in establishments operating in the private sector and in the for profit establishments operating in the public sector.

Table (D)

Relative distribution of remunerations
by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	2.2%
Oil and minerals	17.4%
Manufacturing	16.8%
Electricity, gas and water	4.4%
Construction	10.0%
Wholesale and retail trade	17.3%
Hotels and restaurants	4.3%
Transport, storage and telecommunications	8.2%
The finance and insurance	6.7%
Real estate, rent, and commercial projects	6.5%
Education	2.0%
Health and social services	2.7%
Collective and personal services	1.5%
Total	100%

Table (E)

Relative distribution of salaries and wages by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	2.4%
Oil and minerals	16.7%
Manufacturing	15.6%
Electricity, gas and water	5.1%
Construction	9.1%
Wholesale and retail trade	19.7%
Hotels and restaurants	4.8%
Transport, storage and telecommunications	8.2%
The finance and insurance	5.8%
Real estate, rent, and commercial projects	6.1%
Education	2.1%
Health and social services	2.7%
Collective and personal services	1.7%
Total	100%

Table (F)

Relative distribution of benefits and allowances by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	1.3%
Oil and minerals	19.9%
Manufacturing	21.2%
Electricity, gas and water	1.8%
Construction	13.3%
Wholesale and retail trade	8.2%
Hotels and restaurants	2.3%
Transport, storage and telecommunications	8.4%
The finance and insurance	10.4%
Real estate, rent, and commercial projects	8.0%
Education	1.7%
Health and social services	2.6%
Collective and personal services	1.0%
Total	100%

Table (G)

Relative distribution of expenditure by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	2.8%
Oil and minerals	10.1%
Manufacturing	27.2%
Electricity, gas and water	2.4%
Construction	6.9%
Wholesale and retail trade	30.7%
Hotels and restaurants	2.8%
Transport, storage and telecommunications	7.3%
The finance and insurance	5.0%
Real estate, rent, and commercial projects	2.9%
Education	0.5%
Health and social services	0.9%
Collective and personal services	0.6%
Total	100%

Table (H)

Relative distribution of revenues by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	3.1%
Oil and minerals	42.1%
Manufacturing	16.6%
Electricity, gas and water	1.6%
Construction	5.8%
Wholesale and retail trade	17.0%
Hotels and restaurants	1.8%
Transport, storage and telecommunications	4.9%
The finance and insurance	3.8%
Real estate, rent, and commercial projects	1.9%
Education	0.4%
Health and social services	0.6%
Collective and personal services	0.4%
Total	100%

Table (I)

Relative distribution of operating surplus by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	3.4%
Oil and minerals	66.4%
Manufacturing	8.5%
Electricity, gas and water	1.1%
Construction	4.9%
Wholesale and retail trade	6.7%
Hotels and restaurants	1.0%
Transport, storage and telecommunications	3.1%
The finance and insurance	2.9%
Real estate, rent, and commercial projects	1.1%
Education	0.2%
Health and social services	0.5%
Collective and personal services	0.2%
Total	100%

Table (J)

Relative distribution of purchased fixed assets by economic activity

Economic activity	Percentage %
Agriculture and Fishing:	0.1%
Oil and minerals	52.4%
Manufacturing	14.1%
Electricity, gas and water	6.1%
Construction	7.0%
Wholesale and retail trade	5.7%
Hotels and restaurants	0.3%
Transport, storage and telecommunications	7.1%
The finance and insurance	2.0%
Real estate, rent, and commercial projects	2.0%
Education	0.1%
Health and social services	3.0%
Collective and personal services	0.1%
Total	100%