Digital economy represents 15.6% of Saudi Arabia's GDP in 2023

The results of the 2023 Digital Economy Survey revealed an increase in the contribution of Digital Economy (DE) in the Gross Domestic Product (GDP) from 14 % in 2022 to 15.6%, marking a rise of 1.6 percentage points. According to the levels of the digital economy, the contribution of the core digital economy reached 2.6%, which includes activities producing ICT goods and services. The narrow digital economy contributed 2.3%, encompassing enterprises that rely on digital inputs, while the broad digital economy contributed 10.7%, which includes enterprises whose products and services are significantly enhanced using digital inputs.

Value of operating revenues of ICT sector amounts to SAR 236.4 billion

The operating revenues of the Information and Communications Technology (ICT) sector amounted to SAR 236.4 billion, while the operating expenditure reached SAR 115.4 billion. Compensation for employees in the sector totaled SAR 27.5 billion.

Value of imports of ICT goods amounts to SAR 54.9 billion

Imports of Information and Communications Technology (ICT) goods increased from SAR 45.8 billion in 2022 to SAR 54.9 billion in 2023, reflecting a growth rate of 19.9%. Meanwhile, exports and re-exports of ICT goods grew from SAR 6.7 billion in 2022 to SAR 11.8 billion in 2023, representing an increase of %76.1.

Percentage of establishments that use devices or systems connected to the Internet reaches 71.6% in 2023

The percentage of establishments that used devices or systems connected to the Internet reached 71.6% of the total establishments that used the Internet .Among the most prominent of these devices and systems are smart alarm systems, smart meters, smart lighting, and smart surveillance cameras.

Number of active commercial registrations for e-commerce achieves a growth rate of 24% in 2023

The number of active commercial registrations for e-commerce witnessed a significant increase, rising from 30,187 registrations at the end of 2022 to 37,481 by the end of 2023, reflecting a growth rate of 24%. Riyadh region topped the list in terms of the number of registrations, with a total of 15,074, followed by Makkah region with 9,529 registrations, and then Eastern region with 6,011 registrations.

Number of active commercial registrations for software publishing achieves a growth rate of 28. 8% in 2023

Commercial registrations related to software publishing increased from 3,113 at the end of 2022 to 4,009 by the end of 2023, reflecting a growth rate of 28.8%. Riyadh region ranked first among administrative regions in terms of the number of software publishing registrations, with a total of 2,447, followed by Makkah region with 839, and Eastern region with 423.

Number of active commercial registrations for cloud computing services achieves a growth rate of 40.5% in 2023

The number of active commercial registrations for providing cloud computing services increased from 1,252 at the end of 2022 to 1,759 at the end of 2023, reflecting a growth rate of 40.5 %. Riyadh region recorded the highest number of cloud computing service registrations, with 1,062, followed by the Makkah region with 346 registrations, and Eastern region with 216.

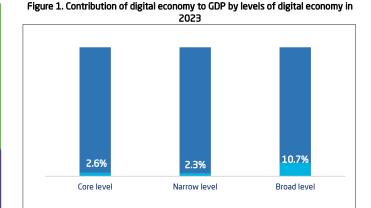
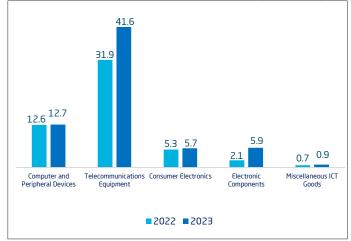


Figure 2. Trade volume of ICT goods in 2022 and 2023 (in Million SAR)



Methodology and Quality

The General Authority for Statistics carries out its statistical activities according to a unified work methodology that aligns with the nature of each statistical product. This methodology is based on the Statistical Business Process Manual, which complies with work procedures adopted by international organizations. Specifically, the Digital Economy Survey is based on international standards outlined in the Handbook on Measuring Digital Economy, published by the United Nations Conference on Trade and Development (UNCTAD) – 2020 edition, ensuring the international comparability of indicators.

The methodology also draws on the Roadmap Towards a Common Framework for Measuring the Digital Economy, featured in the G20 Digital Economy Task Force Report, Saudi Arabia 2020, published by the Organization for Economic Co-operation and Development (OECD).

In this context, the digital economy is classified into three main levels, based on the nature of activities and the extent of their reliance on digital inputs, as follows:

Core level: Includes economic activities related to the production of information and communication technology (ICT) goods and services.

Narrow level: Includes establishments that rely directly on digital inputs in their operations.

Broad level: Includes establishments whose products or services are significantly enhanced through the use of digital inputs.

It is worth noting that the share of the digital economy is based on the updated Gross Domestic Product (GDP). As for the number of commercial registrations related to e-commerce activities, software development, and cloud computing services, administrative registry data issued by the Ministry of Commerce have been used.

For more details, please refer to the links below: Reference: <u>Methodology and Quality</u> - <u>Publication Tables</u>