

GDP Flash Estimates: Saudi Economy grows by 6.8% in Q4/2021 and 3.3% for the Year 2021

According to flash estimates by the General Authority for Statistics (GASTAT), real Gross Domestic Product (GDP) of Saudi Arabia grew by 6.8% in Q4/2021 compared to Q4/2020. This positive growth was due to the high increase in oil activities by 10.8%, non-oil activities increased by 5.0% and government services activities increased by 2.4% year-on-year. (Figure.1)

Figure1: Real GDP Growth Rates (Year-on-Year, %)

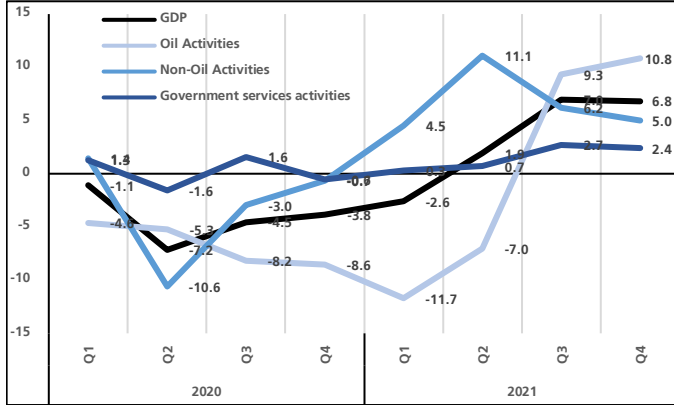
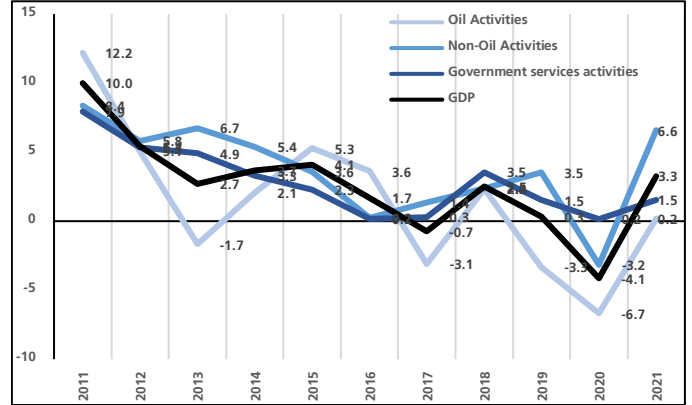


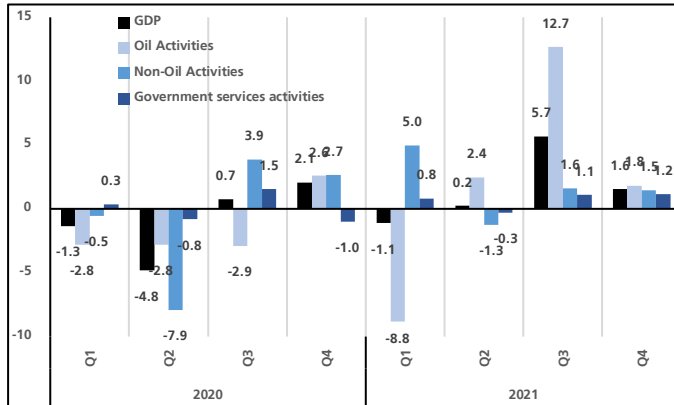
Figure3: Annual real GDP growth rate (%)



Seasonally Adjusted Real GDP Growth Rate on a Quarterly Basis

Seasonally adjusted real GDP grew by 1.6% in Q4/2021 compared to the previous quarter (Q3/2021). This increase in GDP was a result of the growth in oil activities by 1.8%, non-oil activities increased by 1.5% and government services activities grew by 1.2% (Figure.2).

Figure 2: Real GDP Growth Rates (Quarter-on-Quarter, %)



Methodology of Flash Estimates of Quarterly GDP

Definition: flash Estimate of GDP (Quarterly) is the process of estimating the quarterly national accounts conducted during the short period after the end of the reference quarter, when data for the quarter is still incomplete.

Oil activities: include crude oil, natural gas and refining activities.

Government services activities: includes the activities of all government agencies listed in the government's final account and the entities that produce non-market services and controlled by government.

Non-oil activities: includes all other economic activities except for oil activities and government services activities.

Method: The estimation process is the same as that performed in the quarterly national accounts but it adopts simplified assumptions about extrapolating some indicators (monthly or quarterly) and uses many indicators related to production, expenditures, income, price and foreign trade.

Publication timing: flash estimates of quarterly GDP at constant prices are published 40 days after the end of the reference quarter.

Seasonal Adjustments: The process of estimating and removing seasonal and calendar influences from data. Seasonally adjusted data means that it does not contain seasonal and calendar effects resulting from climatic conditions, social customs, calendar events such as the Eid al-Adha and Eid al-Fitr holidays, and changes in the weekend combinations.

The methodology used: The seasonal adjustment program is one of the programs that are practiced and applied by statistics offices and committees around the world, especially when studying and analyzing a set of time series. The TRAMO-SEATS method is used to make seasonal adjustments. This is based on the ARIMA model used in many international organizations.

[Methodology Tables.](#)

Annual Real GDP Growth Rate

Real GDP for the year 2021 achieved a growth rate of 3.3% compared to the decrease in 2020, which amounted to -4.1%.

This increase in GDP resulted of the economy recovering from the COVID-19 crisis through the growth of non-oil activities by 6.6%, government services activities also increased by 1.5% and oil activities grew by 0.2% (Figure.3)