

## Saudi Economy grows by 6.7% in Q4/2021 and 3.2% for the year 2021

According to estimates by the General Authority for Statistics (GASTAT), the real Gross Domestic Product (GDP) of Saudi Arabia grew by 6.7% in Q4/2021 compared to Q4/2020 and 1.6% compared to Q3/2021. This positive growth was to a large extent due to the high increase in oil activities (10.9% y-o-y). Non-oil activities also increased strongly by 5.1%, while government activities expanded by 2.4%.

The Saudi economy continued its upward path in Q4/2021 with a growth rate of 6.7% compared to the same quarter of the previous year. While the expansion of oil activities was the dominant growth factor by the end of the year, also non-oil activities grew at a dynamic rate of 5.1% in Q4/2021. (Fig.1&2)

Figure 1: Real GDP Growth Rates (Year-on-Year, %)

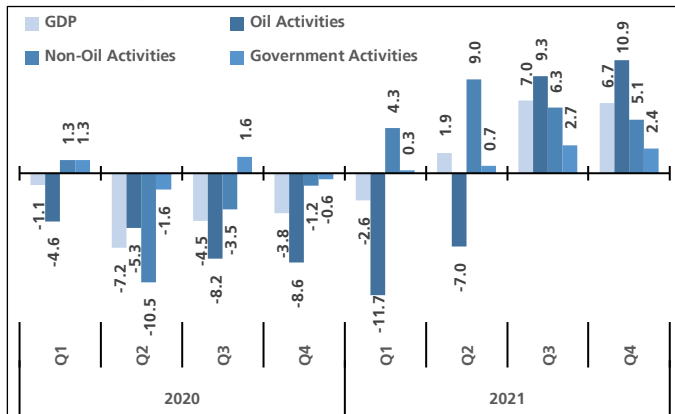
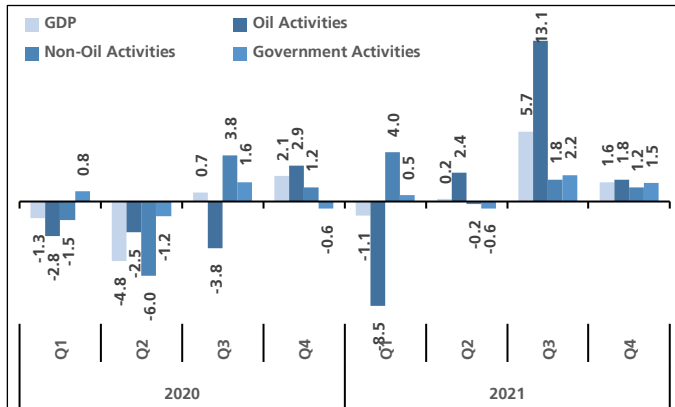


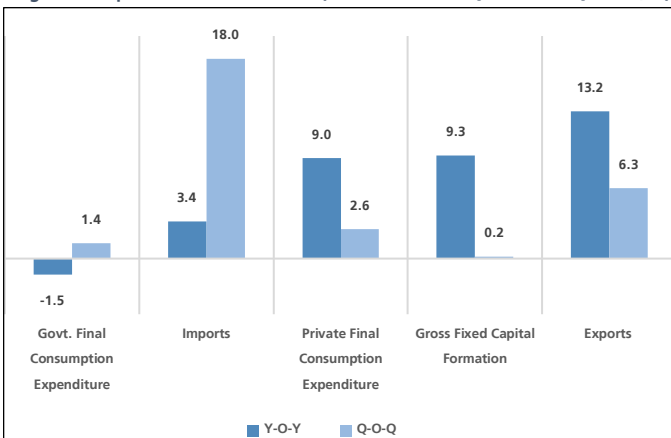
Figure 2: Real GDP Growth Rates (Quarter-on-Quarter, %)



### Expenditure on GDP at constant prices

Economic growth was driven by strong domestic non-government demand – private consumption and fixed capital investment grew at 9% and 9.3%, respectively - as well as a very dynamic development in exports (+13.2%). Government final consumption expenditure increased by 1.4% compared to the previous quarter while decreased by 1.5% on an annual basis. (Fig.3)

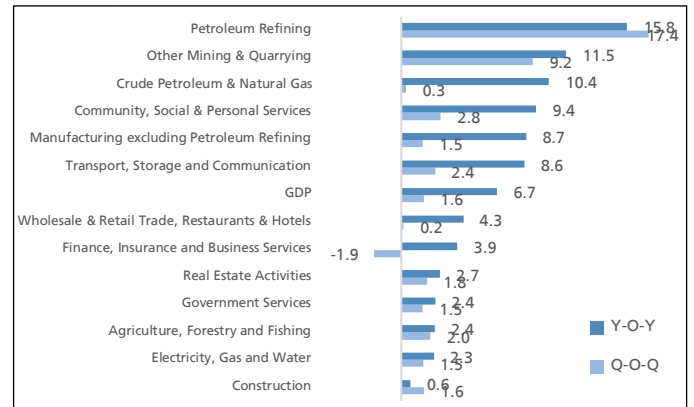
Figure 3: Expenditure on Real GDP (Year-on-Year & Quarter-on-Quarter, %)



### GDP by economic activities at constant prices

All economic activities showed positive growth rates on an annual basis in Q4/2021. Petroleum refining activities expanded at the highest rates by 15.8% (17.4% q-o-q), followed by other mining & quarrying activities 11.5% (9.2% q-o-q). Crude petroleum & natural gas activities grew by 10.4% (0.3% q-o-q). (Fig.4)

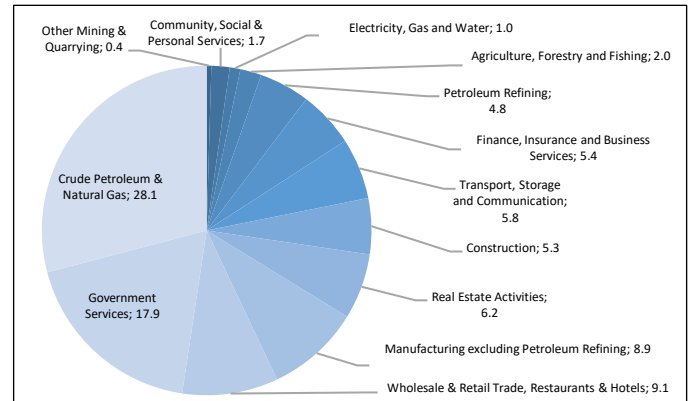
Figure 4. Growth of Economic Activities (Y-o-Y & Q-o-Q, %)



### Contribution of economic activities to GDP at current prices

Crude petroleum and natural gas activities showed the highest contribution to GDP with 28.1%, followed by government services activities with 17.9% then wholesale & retail trade, restaurants & hotels activities with 9.1% (Fig.5)

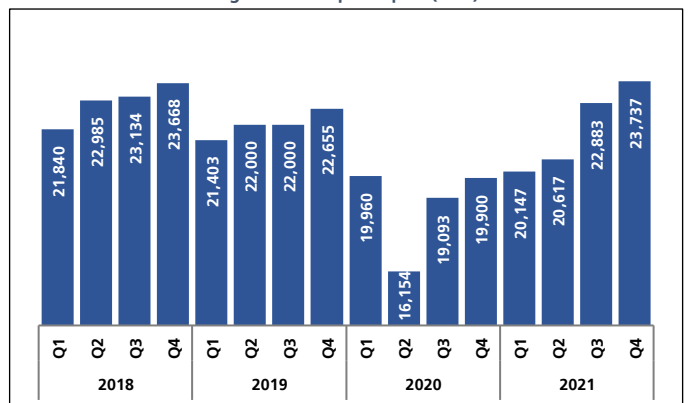
Figure 5: The relative contribution of economic activities to GDP in Q4/2021



### GDP per capita at current prices

GDP per capita amounted to 23,737 riyals in Q4/2021, growing by 19.3% compared to Q4/2020, and grew by 3.7% compared to Q3/2021. (Fig.6)

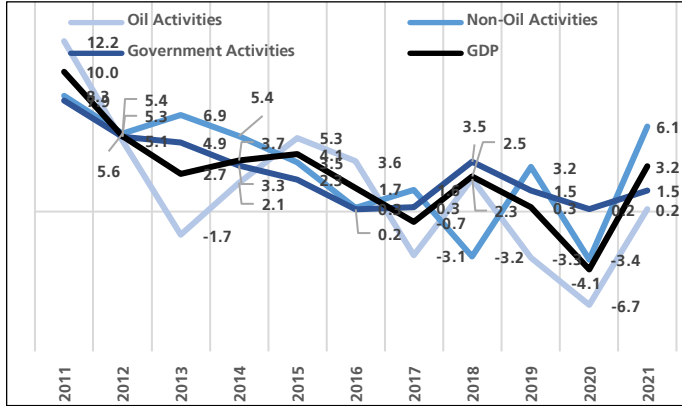
Figure 6: GDP per capita (SAR)



### Annual real GDP growth rate

Real GDP for the year 2021 grew by 3.2% after the recession in 2020 (-4.1%) – amounting to the most dynamic growth since 2015. GDP growth in 2021 resulted from the economy recovering from the COVID-19 crisis through the growth of non-oil activities by 6.1%, the government activities showing a growth rate of 1.5%, and the Oil activities expanding by 0.2% (Fig.7)

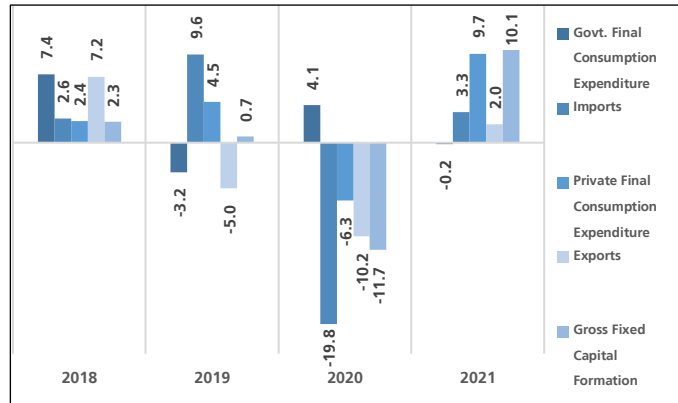
Figure 7: Annual real GDP growth rate



### Expenditure on annual GDP at constant prices

Domestic demand increased in 2021 where Gross Fixed Capital Formation expanded by 10.1%. Private Final Consumption Expenditure increased by 9.7%, while Government Final Consumption Expenditure decreased by 0.2%. Imports and exports also expanded by 3.3% and 2% respectively. (Fig.8)

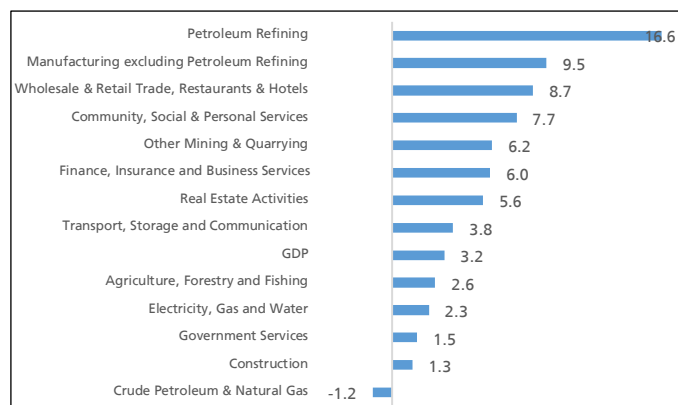
Figure 8: Expenditure on annual GDP at constant prices



### Annual GDP by economic activities at constant prices

Economic activities showed positive growth rates in 2021, with Oil Refining activities expanding at the highest annual growth rates of 16.6%, followed by Manufacturing, excluding Petroleum Refining with an annual growth rate by 9.5%, and Wholesale and Retail Trade, Restaurants & Hotels (8.7%). Crude Petroleum & Natural Gas declined by 1.2%. (Fig.9)

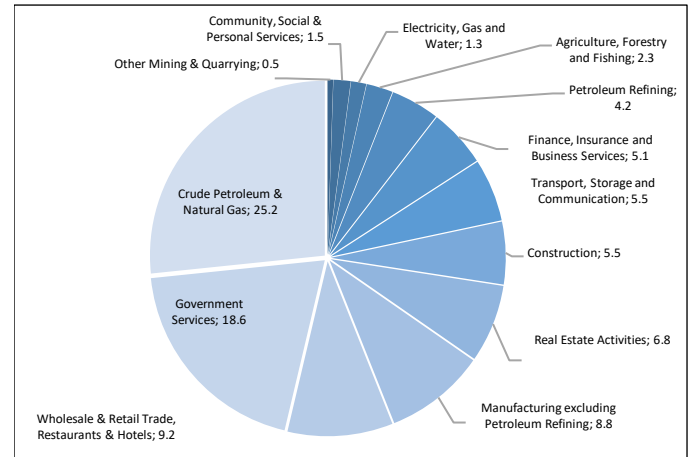
Figure 9: Annual Gross Domestic Product by Economic Activities in 2021



### Contribution of economic activities to GDP at current prices

Crude Petroleum and natural gas activities showed the highest contribution to GDP in 2021 with a share of 25.2%, followed by Government services activities with 18.6%, and Wholesale & Retail trade, Restaurants & Hotels activities with 9.2%. (Fig.10)

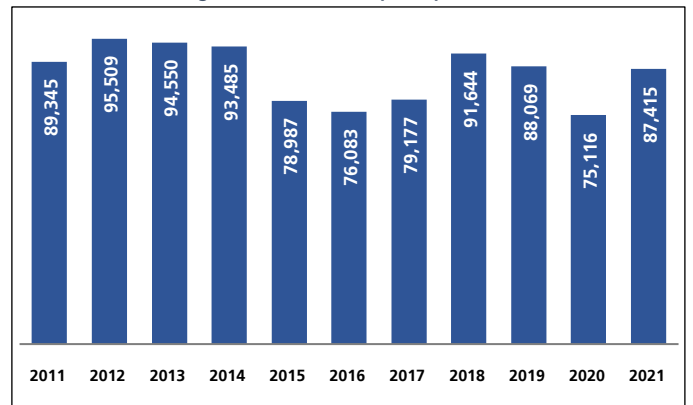
Figure10: The relative contribution of economic activities to GDP



### Annual GDP per capita at current prices

GDP per capita amounted to 87,415 riyals in 2021, showing an increase of 16.4% from 2020. (Fig.11)

Figure11: Annual GDP per capita (SAR)



### Methodology

#### GDP (production approach):

It is the total production minus the total intermediate consumption of all economic activities plus net taxes on products.

#### GDP (Expenditure approach):

It is final expenditure at purchasers' prices, which includes government final consumption expenditure, private final consumption expenditure, gross capital formation, and net exports (exports minus imports).

#### Oil activities:

Include crude oil, natural gas and refining activities.

#### Government 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.

#### 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.](#)