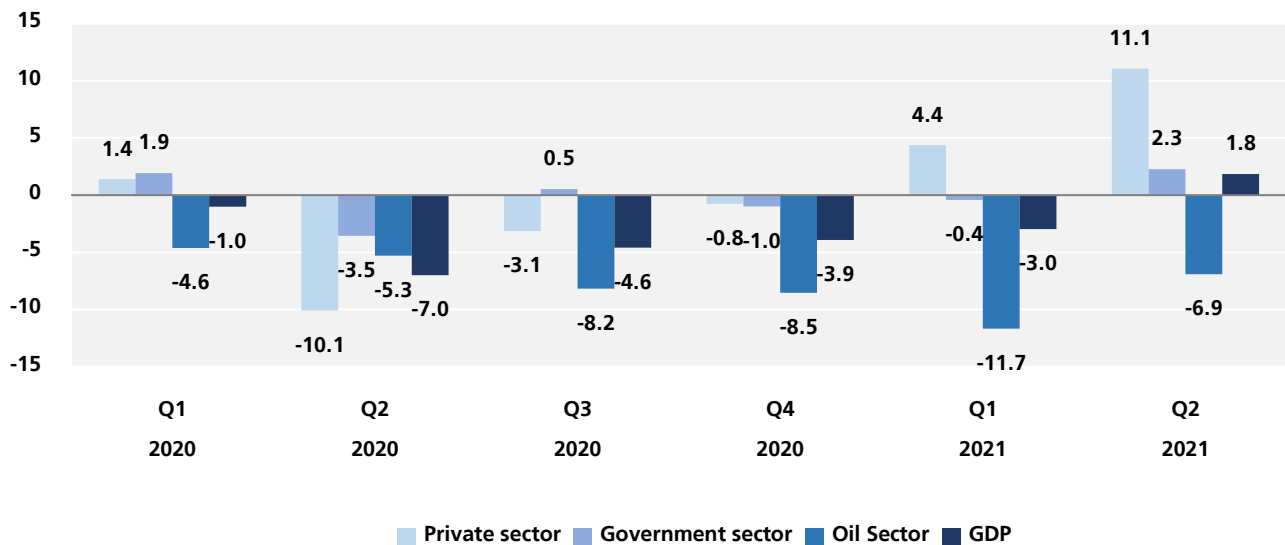




Strong growth of the private sector pushes GDP growth to 1.8% in Q2/2021

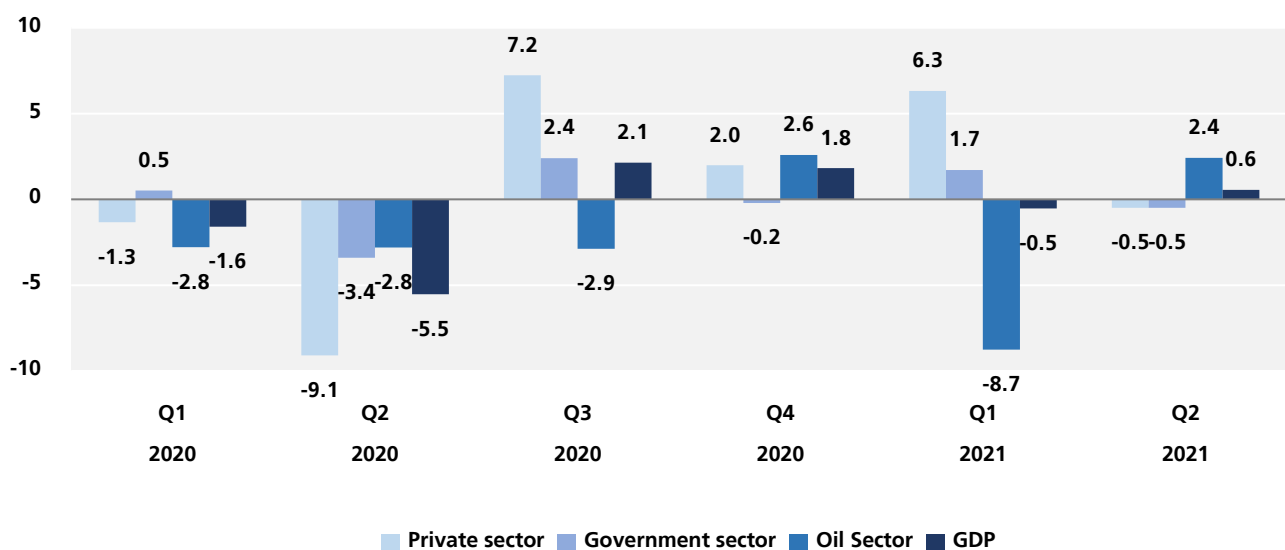
According to the estimates of the General Authority for Statistics, GDP increased by 1.8% in Q2/2021 compared to the same quarter of 2020. This positive growth resulted mainly from the increased in the Non-oil sector by 8.4%, whereas the private sector recorded a positive growth rate of 11.1%, and the government sector by 2.3%. On the other hand, the Oil sector recorded a decline of -6.9% compared to Q2/2020.

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



Compared to the previous quarter, seasonally adjusted Gross Domestic Product (GDP) of Saudi Arabia recorded a growth of 0.6% compared to Q1/2021. This increase resulted mainly from the increased in the oil sector by 2.4%, while both of private sector and government sector recorded a decrease by -0.5%.

Real GDP Growth Rates (Quarter-on-Quarter, %)





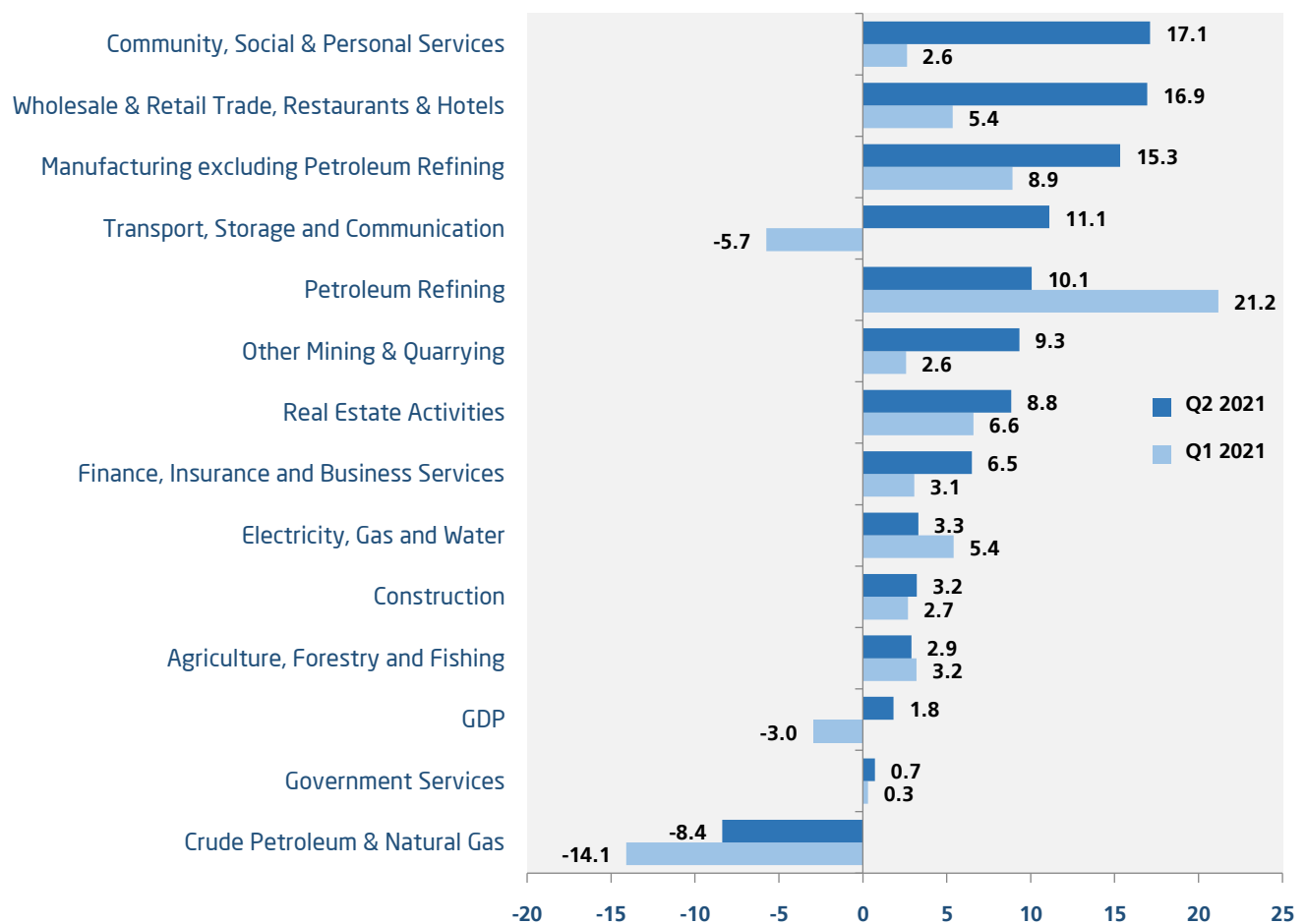
Real Gross Domestic Product by Economic Activity, Q2/2021

Growth of main economic activities on a year-on-year basis

In Q2/2021, all economic activities recorded a positive growth rate compared to the same quarter of the previous year, except the Crude Petroleum & Natural Gas activities. Community, Social & Personal Services grew at the highest rate of 17.1% compared to 2.6% in Q1/2021, followed by Wholesale & Retail Trade, Restaurants & Hotel 16.9% compared to 5.4% in Q1/2021. Manufacturing excluding Petroleum Refining showed a positive growth of 15.3% compared to 8.9% in Q1/2021.

On the other hand, Crude Petroleum & Natural Gas declined by -8.4% compared to -14.1% in Q1/2021.

Growth Rate by Main Economic Activity, Q2_2021 (Year-on-Year, %)



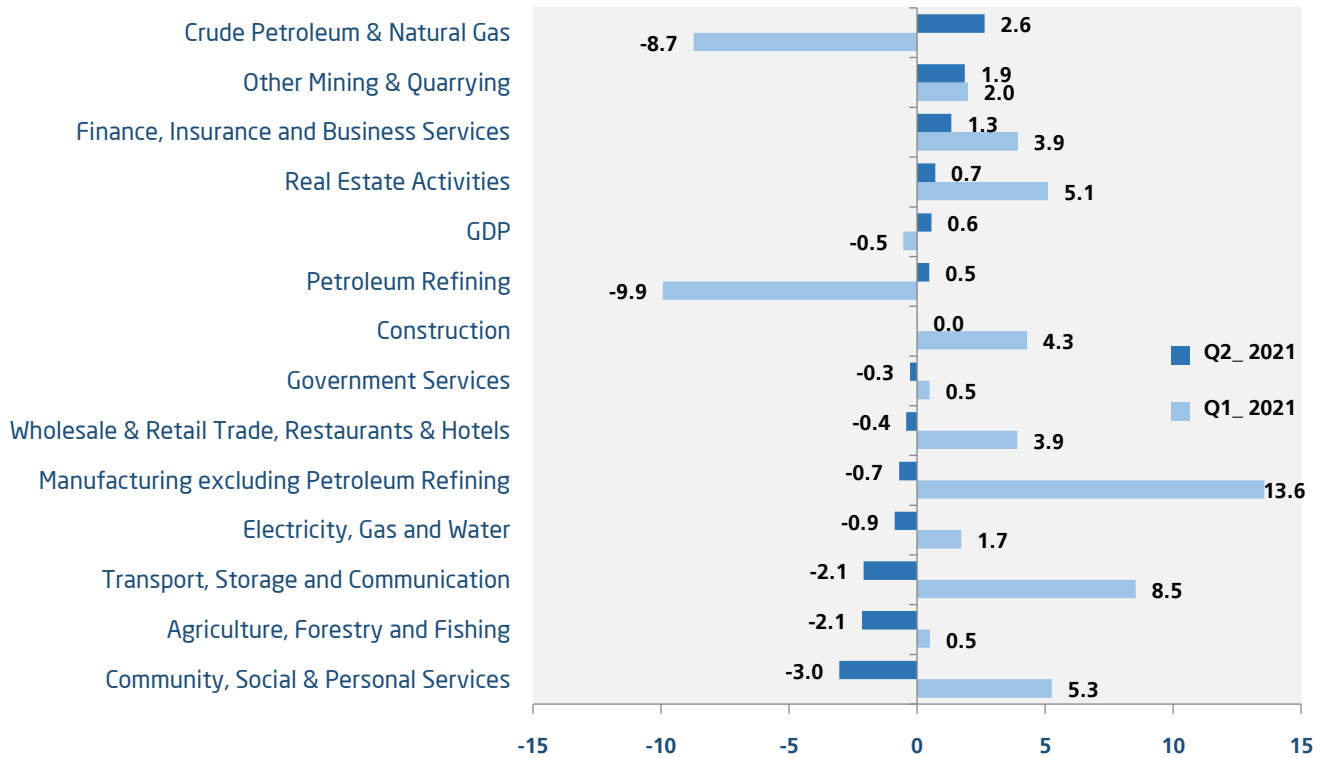
Growth of main economic activities on a quarter-on-quarter basis

In Q2/2021, Crude Petroleum & Natural Gas grew at the highest rate of 2.6% (q-o-q) compared to -8.7% in Q1/2021. Moreover, Other Mining & Quarrying showed a positive growth of 1.9% compared to 2.0% in Q1/2021, followed by Finance, Insurance and Business Services 1.3% compared to 3.9% in Q1/2021.



Community, Social & Personal Services recorded the largest decline of -3.0% compared to +5.3% in Q1/2021, as well as Agriculture, Forestry and Fishing recorded a decline of -2.1% in Q2/2021 compared to +0.5% in Q1/2021.

Growth Rate by Main Economic Activity, Q2_2021 (Quarter-on-Quarter, %)

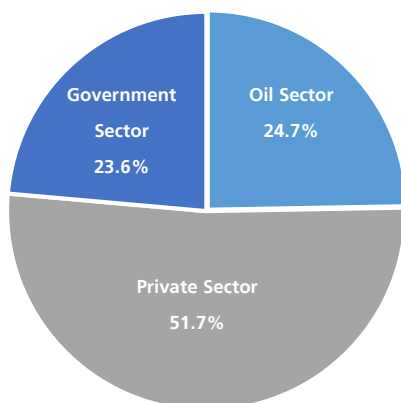


Size of Economy and Shares of Sectors and Activities at current prices

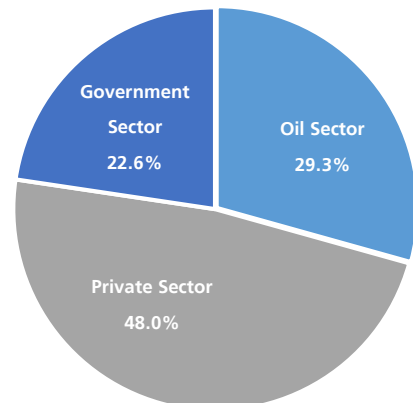
Saudi GDP at current prices amounted to 735,034 million SAR in the second quarter of 2021.

The private sector accounted for 48.0% of GDP, followed by the oil sector with a share of 29.3%, and the government sector with a share of 22.6%

Share of Sectors in GDP, Q1_2021



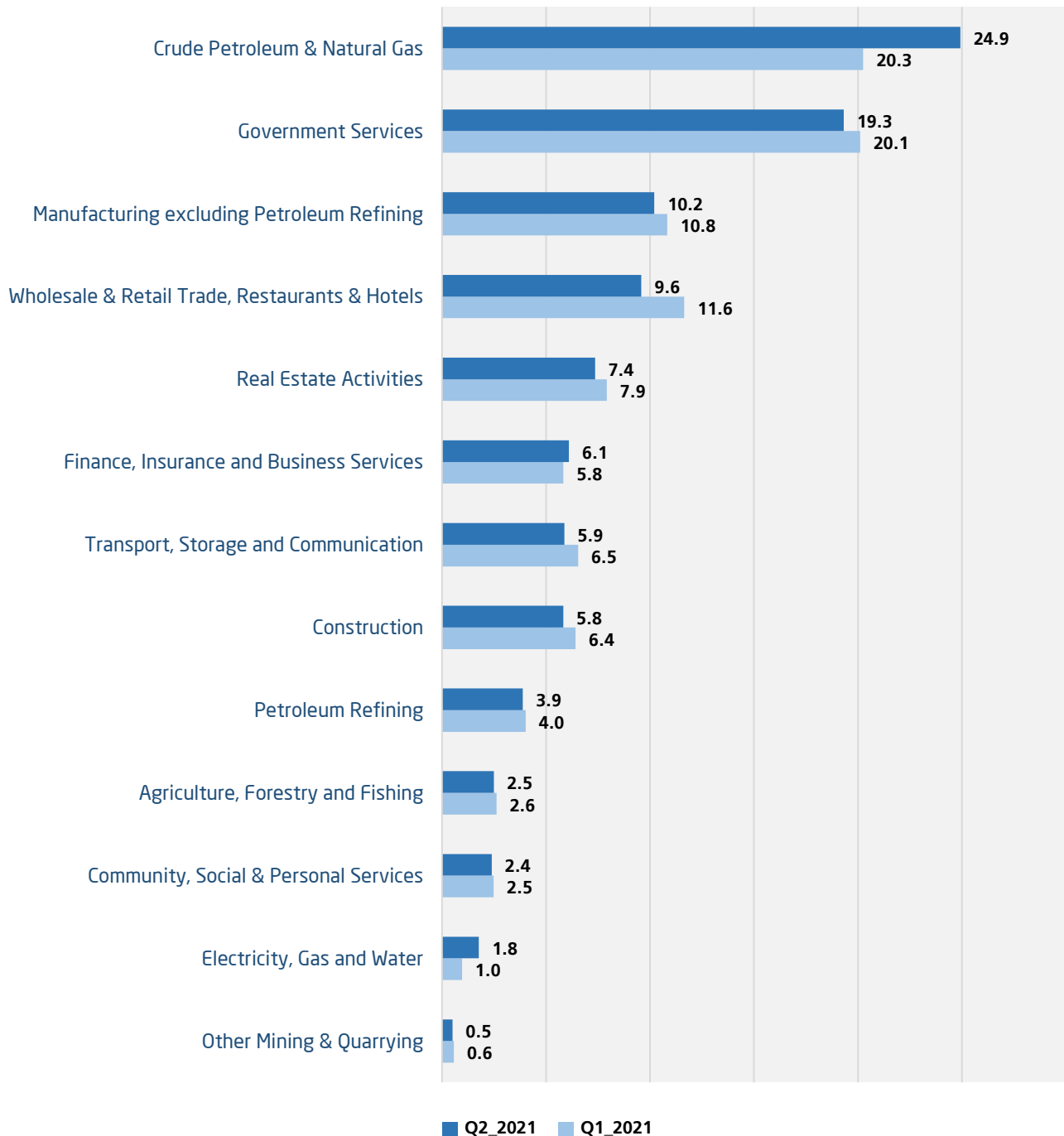
Share of Sectors in GDP, Q2_2021





The contribution to GDP of individual economic activities showed that Crude Petroleum & Natural Gas share of GDP was the largest contributor to GDP with a share of 24.9% in Q2/2021 in comparison to 20.3% in Q1/2021, while Government Services' share of GDP decreased from 20.1% in Q1/2021 to 19.3% in Q2/2021. Moreover, Manufacturing excluding Petroleum Refining amounted to 10.2% of GDP compared to 10.8% in Q1/2021. The share of Wholesale & Retail trade, Restaurants & Hotel in GDP was 9.6% in Q2/2021 compared to 11.6% in Q1/2021.

Contribution to GDP by Main Economic Activity, Q2 of 2021 (%)



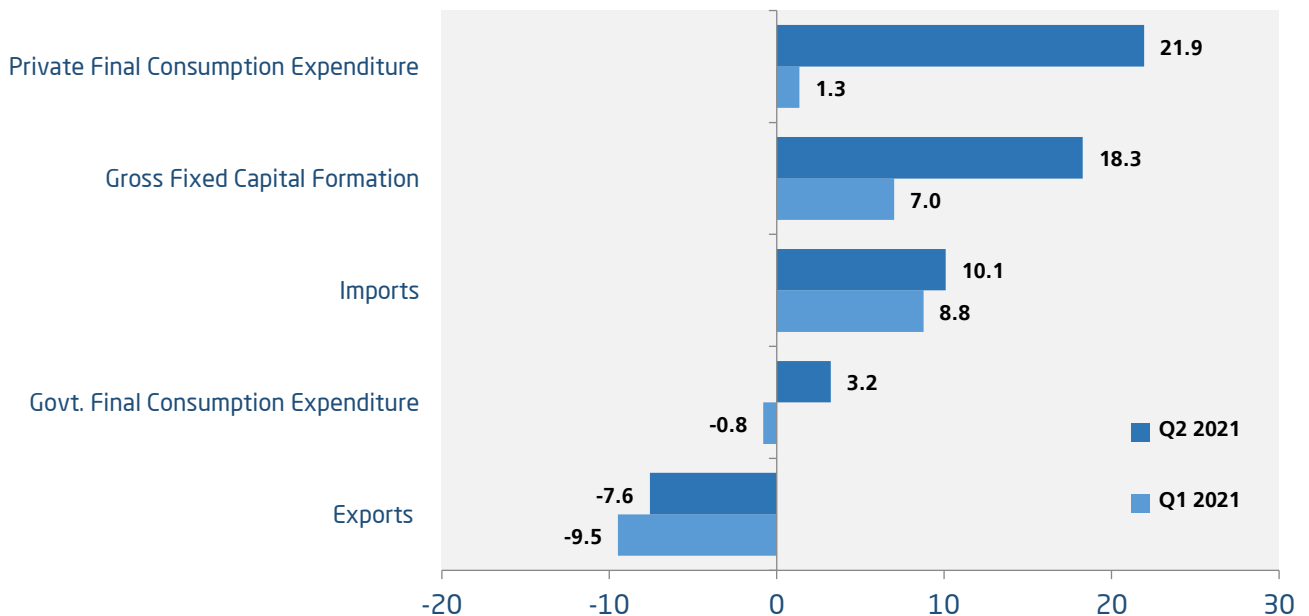


Real Gross Domestic Product by Expenditure Components, Q2/2021

Growth of expenditure items on a year-on-year basis

Private final consumption expenditure grew at a rate of 21.9% in Q2/2021 on a year-on-year basis compared to 1.3% in Q1/2021. Gross fixed capital formation increased by 18.3% compared to 7.0% in Q1/2021 while imports were up 10.1% compared to 8.8% in Q1/2021. Government final consumption expenditure grew by 3.2% compared to -0.8% in Q1/2021. Exports declined by -7.6% compared to -9.5% in Q1/2021.

Growth rate by expenditure component in Q2_2021 (Year-on-Year, %)

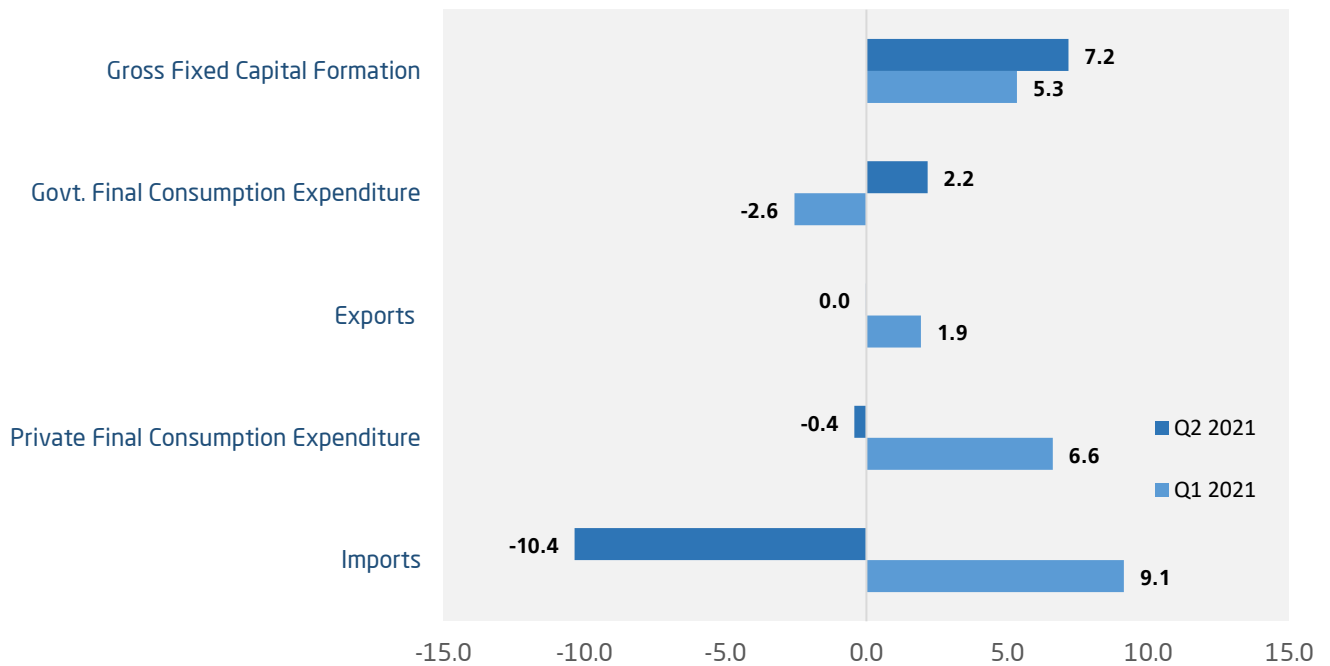


Growth of expenditure items on a quarter-on-quarter basis

Comparing the economic development of Q2/2021 to the previous quarter, gross fixed capital formation showed a remarkable pick-up of 7.2% compared to 5.3% in Q1/2021, with government final consumption expenditure growing by 2.2% compared to -2.6% in Q1/2021. On the other hand, Imports decreased by -10.4% compared to an increase of 9.1% in Q1/2021. Private final consumption expenditure decreased by -0.4% compared to 6.6% in Q1/2021. While Exports has remained at the same level in Q2/2021, after growing at a rate of 1.9% in Q1/2021.



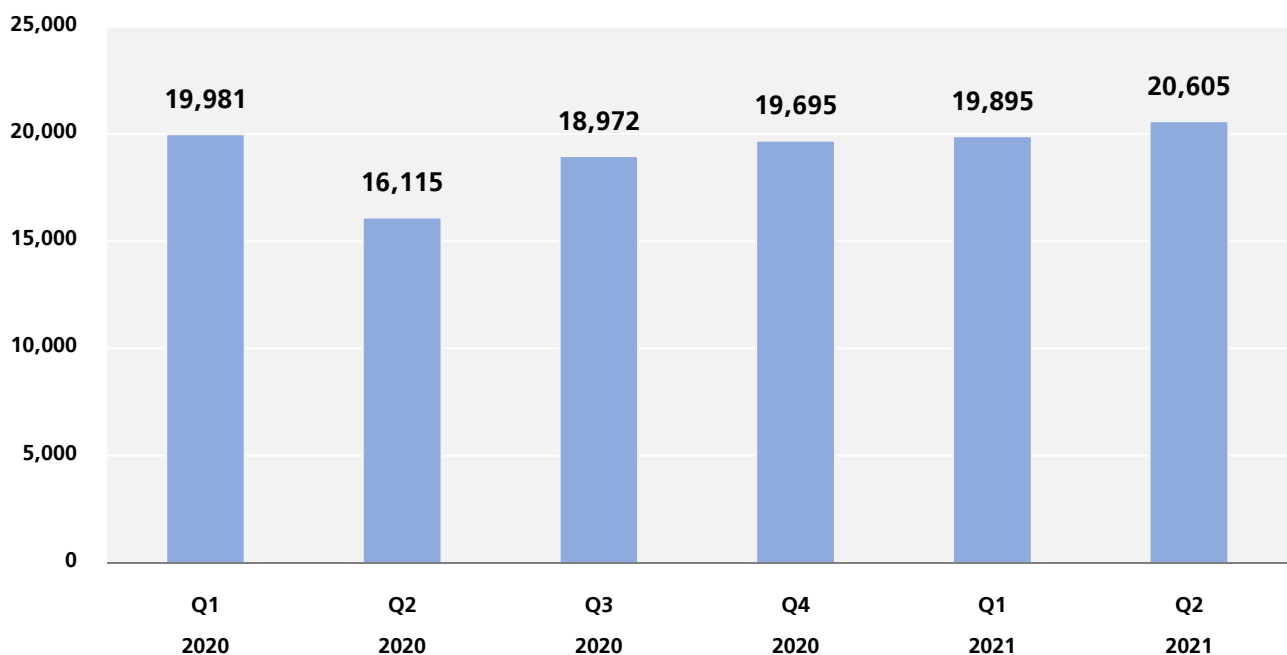
Growth rate by expenditure component in Q2_2021(Quarter-on-Quarter, %)



GDP per capita

GDP per capita at current prices amounted to 20,605 SAR in the second quarter of 2021, an increase of 27.9% from the same quarter of the previous year and 3.6% compared to the previous quarter.

Gross Domestic Product Per Capita (SAR)





Methodology

Gross Domestic Product (GDP)

Gross Domestic Product (by production approach):

The total output minus total intermediate consumption for all economic activities plus net taxes on products.

Gross Domestic Product (by expenditure approach):

The total of final expenditures at purchasers' price including Government and Private Final Consumption Expenditures, Gross Capital Formation, and Net Exports (Exports minus Imports).

Seasonal Adjustment of Quarterly GDP

Definition

It is the process of estimating and removing the seasonal, weekends and calendar effects from data. So, Seasonal Adjusted data means that it does not contain seasonal, holidays and calendar effects, there is a difference between them that can be explained below:

1. Seasonal adjusted:
Includes weather, climate conditions and social habits.
2. Calendar and Weekends:
Including the effect of events and holidays such as Eid-al-adha and Eid-al-fitr holidays and changes in weekend's compositions.
The seasonal adjusted data mainly focuses on comparing the current quarter with the previous quarter.

Methods

Seasonal adjustment is carried out with TRAMO-SEATS method based on ARIMA (Autoregressive Integrated Moving Average) model of estimation that suggested by International Organizations. In the application of this method, JDemetra+ is used which is the software in accordance with International Standards of Statistics. Quarterly Gross Domestic Product by activities are adjusted and the seasonal and calendar effects are removed.

Quality Assessment of Seasonal Adjustment

The quality of seasonal adjustment is measured by the help of standard statistical tests e.g. T-test & F-test .

Revision Policy

By the nature of seasonal adjustment modelling procedures, seasonal adjusted figures are subject to revisions over time. These revisions are implemented on the seasonal adjusted figures as performed in original data.

Using Seasonal Adjusted Data

Seasonal adjusted data mainly used in the comparisons of the present quarter data by the previous quarter. Also, it can be used by academicians, politicians, bureaucrats, planners and decision makers who want to see the long-term trend of quarterly gross domestic product. In addition, the international organizations use seasonal adjusted data to make comparisons between countries.



GDP and Growth Rates by Economic Activity for Q2-2021

Economic Activity	At Current Prices		At Constant Prices		Seasonally Adjusted	
	Million SAR	Y-o-Y Growth (%) Rate	Million SAR	Y-o-Y Growth (%) Rate	Million SAR	Q-o-Q Growth (%) Rate
Agriculture, Forestry & Fishing	18,298	6.9	15,060	2.9	15,414	-2.1
Mining & Quarrying	186,909	119.5	218,143	-8.2	218,247	2.6
a) Crude Petroleum & Natural Gas	183,174	123.3	215,405	-8.4	215,405	2.6
b) Other	3,734	20.2	2,738	9.3	2,842	1.9
Manufacturing	103,582	43.3	76,679	13.8	81,530	-0.4
a) Petroleum Refining	28,540	104.2	21,290	10.1	21,290	0.5
b) Other	75,041	28.6	55,389	15.3	60,240	-0.7
Electricity, Gas, and Water	13,038	8.6	8,846	3.3	8,311	-0.9
Construction	42,848	14.1	28,079	3.2	30,915	0.0
Wholesale & Retail Trade, Restaurants & Hotels	70,434	21.1	54,713	16.9	63,800	-0.4
Transport, Storage & Communication	43,215	16.3	37,030	11.1	41,762	-2.1
Finance, Insurance, Real Estate Activities & Business Services	99,008	6.5	72,005	7.7	73,410	1.0
a) Real estate activities	54,122	6.1	37,900	8.8	38,611	0.7
b) Others	44,886	6.9	34,105	6.5	34,799	1.3
Community, Social & Personal Services	17,569	14.5	14,868	17.1	14,391	-3.0
Imputed Bank Service Charges	7,130	5.4	6,400	5.0	6,118	0.7
Sub - Total	587,770	39.6	519,021	2.0	541,662	0.7
Government Services	141,942	2.5	85,869	0.7	93,305	-0.3
Total Except Import Duties	729,712	30.4	604,891	1.8	634,967	0.6
Import Duties	5,322	12.2	3,900	7.5	4,201	-2.9
Gross Domestic Product	735,034	30.3	608,791	1.8	639,168	0.6

GDP by Expenditure at Current Prices, Q2-2021 (Million SAR)

Period	GDP	Government Final Consumption Expenditure	Private Final Consumption Expenditure	Gross Capital Formation	Exports	Imports
Q1 2020	695,570	167,334	288,972	190,377	215,837	166,950
Q2 2020	564,211	169,209	245,840	186,796	121,357	158,991
Q3 2020	668,098	179,780	295,378	166,902	167,009	140,972
Q4 2020	697,563	232,789	300,592	146,787	187,408	170,012
Total 2020	2,625,442	749,112	1,130,782	690,863	691,611	636,926
Q1 2021	706,410	164,082	314,937	191,979	220,348	184,936
Q2 2021	735,034	181,365	321,916	171,474	247,793	187,514

Links: [Tables](#), [Methodology](#)