

Saudi unemployment rate decreases to 10.1%, overall unemployment at 6.0% in Q1/2022

Based on estimates of the General Authority for Statistics' (GASTAT) Labor Force Survey, the unemployment rate among Saudis was 10.1% in the first quarter of 2022, down 0.9 percentage points (pp) from Q4/2021. The unemployment rate of Saudis is 1.6 pp lower than a year ago in Q1/2021. Among Saudis, there were declines in both the participation rate (down 1.4 pp to 50.1%), and the employment-to-population ratio (down 0.7 pp to 45.1%). Compared to a year ago in Q1/2021, all three primary labor market indicators have improved, with the participation rate up 0.6 pp, the employment-to-population ratio up 1.3 pp, and the unemployment rate lower by 1.6 pp. The overall unemployment rate in KSA dropped to 6.0%, down 0.9 pp from Q4/2021 and down 0.5 pp from a year ago.

Large expansion in labor market participation of Saudi Females over the last three years

Recent years have seen strong growth in the labor force participation of Saudi females. Three years ago, in Q1/2019, the participation rate of Saudi Females was 20.5%. It rose sharply up 13.1 pp to 33.6% in Q1/2022. Over the past three years, growth in employment of Saudi females has kept pace with the expansion of labor market participation. In Q1/2019, the employment-to-population ratio of Saudi females stood at 14.0%. Three years later, the employment-to-population ratio had risen by 12.8 pp to 26.8% in Q1/2022. Over the past year, the percentage of Saudi women with jobs has continued to trend upwards up 1.4 pp to 26.8%. The unprecedented rate of entry of Saudi women into the labor force—accompanied by strong growth in employment, has led to a decrease in the unemployment rate of Saudi women from 31.7% three years ago, to 21.2% a year ago, to 20.2% in Q1/2022.

Over the past three years, the participation rate for Saudi males increased 2.7 pp from Q1/2019 to 66.0% in Q1/2022. The employment to population ratio has trended upwards over the three-year period, reaching 62.7% in Q1/2022, up 3.5 pp from Q1/2019. The unemployment rate of Saudi males and rose from 6.6% in Q1/2019 to 7.2% in Q1/2021, and the declined to 5.1% in Q1/2022, 2.1 pp lower than a year ago.

Unemployment rate decreases among Saudi youth and core working age

Among Saudi youth aged 15-24, the unemployment rate in Q1/2022 was 15.0%, down 0.9 pp from Q4/2021. The drop in the unemployment rate coincided with decreases in both the participation rate (down 1.0 pp), and the employment-to-population ratio (down 0.7 pp).

Among core working age Saudi females (aged 25-54), the unemployment rate fell 2.4 pp to 20.9%. This was the result of decreases in the participation rate (down 2.8 pp) and the employment-to-population ratio (down 1.1 pp). These changes contrasted with the trend of increasing labor force participation and employment among Saudi women over the past three years.

Among core working age Saudi males, and among Saudis 55 and older, labor market conditions were little changed in Q1/2022 compared to the previous quarter.

Multiple active job search methods used by Saudi unemployed

Unemployed Saudi job seekers used a variety and multiple methods of active job search, with an average of about 4 active methods per job seeker. 44.7% of Saudi job seekers used the TAQAT platform to apply for specific jobs, follow-up on a previous application or ask about job opportunities. The Jada rah and Sated platforms were similarly used by 37.3% and 7.8% of Saudi job seekers, respectively. Other widely used active job-search methods included asking friends or relatives (used by 76,3% of job seekers), applying to employers directly (55.8%), and studying advertisements in newspapers, journals or online (48.5%).

Limited mobility of Saudi unemployed

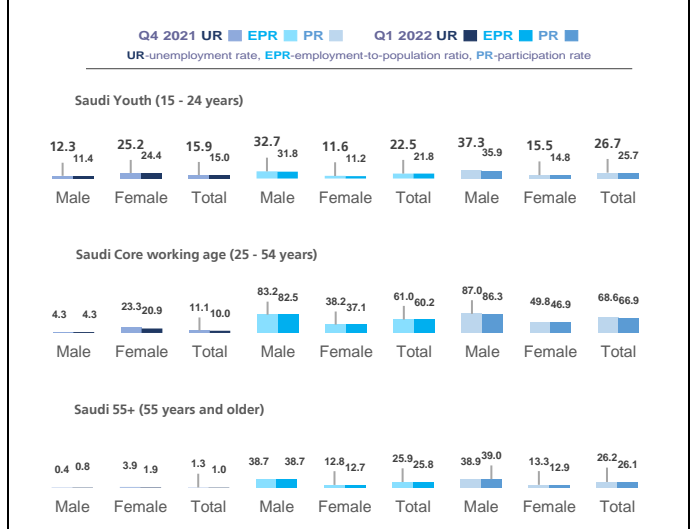
Among Saudi unemployed, 93.1% indicated they would accept a job in the private sector. Within the group of Saudi unemployed, 61.0% of females and 46.9% of males would not accept a commuting time of more than an hour, and 28.7% of females and 9.6% of males would only accept six or less working hours per day.

Table 1. Principal Labor Market Indicators for Saudi Arabia by Quarter

Indicators	2021 Q1			2021 Q4			2022 Q1		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Unemployment rate	3.7	16.1	6.5	3.3	18.7	6.9	3.1	16.2	6.0
Saudi	7.2	21.2	11.7	5.2	22.5	11.0	5.1	20.2	10.1
Non-Saudi	1.3	5.5	1.9	2.0	9.0	2.9	1.6	6.4	2.2
Employment-to-population ratio	76.8	28.2	57.2	76.8	28.4	57.3	76.3	28.0	56.8
Saudi	61.4	25.4	43.8	63.3	27.6	45.8	62.7	26.8	45.1
Non-Saudi	91.8	34.9	75.7	90.2	30.3	73.2	89.9	30.8	73.1
Participation rate	79.7	33.6	61.1	79.5	34.9	61.5	78.7	33.4	60.4
Saudi	66.2	32.3	49.5	66.8	35.6	51.5	66.0	33.6	50.1
Non-Saudi	93.0	36.9	77.1	92.0	33.3	75.4	91.4	32.9	74.8

Source: estimated data from LFS - General Authority for Statistics

Figure 1. Principal Labor Market Indicators for Saudis by Age group and Quarter



Source: estimated data from LFS - General Authority for Statistics

Methodological Note

A. Questionnaire changes

In Q4/2021 the following change was made to the LFS questionnaire regarding the job search: Persons without a job or business are asked questions on what actions they have taken to look for work or start a business within the last 4 weeks. Beginning in Q4/2021, interviewers read a list of actions, and in turn the respondents answer yes or no to each. In the past, respondents were asked to list themselves what job search methods they engaged in. Both methods conform to ILO standards and definitions. The new method is designed to yield better data on the methods which is of policy interest. LFS release Table 2.8 has been revised to reflect the new methodology for asking job search questions.

B. Sample redesign introduced

As part of a larger LFS Transformation, a sample redesign was introduced in Q4/2021. The sample redesign involved major changes to improve the sampling methodology. (Use the link below to access the Methodology document for details).

Several sample redesign measures have resulted in improved coverage of the target population of the survey. Improved coverage has the potential to introduce changes in the survey estimates, if characteristics differ between the population originally covered and that added through the design improvements.

C. Dissemination of LFS data via the Statistical Database

The Statistical Database is a unified portal to publish all statistical data produced by GASTAT. It provides access to an extensive set of LFS time series from Q2/2016.

<https://database.stats.gov.sa/beta/dashboard/landing>

D. Comparison of labor force survey and administrative data employment estimates

GASTAT releases Administrative Data (AD) based estimates of employment, compiled by the Ministry of Human Resource and Social Development. Prior to 2021, these estimates were released together with release of LFS results. Since the first quarter of 2021, they have been available as a separate release. There are conceptual and coverage differences between the AD and the LFS-based estimates. In terms of coverage, the LFS covers the entire population except for the military and institutional populations. There are also differences in the reference periods. As the scope of the LFS is wider than the one covered by administrative records, the absolute numbers of the two different sources are not identical.

The Administrative Data based Labor Market Statistics can be accessed at the following link: <https://www.stats.gov.sa/en/814>.

LFS - Methodological Background

The Quarterly Labor Force Survey is a household survey with a sample of about 80,000 households. LFS estimates are subject to response and sampling variability. The LFS is the source of the following labor market indicators: Unemployment rate: unemployed persons as a percentage of the labor force (employed and unemployed persons).

Employment-to-Population ratio: employed persons as a percentage of working-age population (15 years and over).

Labor Force Participation rate: persons in the labor force as a percentage of the working-age population.

Unemployed: persons (15 years and over) who were:

- without a job in the week preceding the interview,
- seriously looking for work during the four weeks preceding the interview, and
- available to work and start a job in the week preceding the interview or the next two weeks.

In addition to applying the standards of the International Labor Organization (ILO), GASTAT uses the standards of the Labor Market Policies Committee by cross-validating LFS information against administrative records [Methodology](#)