

Unemployment rate for total population of Saudi Arabia reaches 5.1% in Q1 2023

Based on the estimates of the General Authority for Statistics' Labor Force Survey, the overall unemployment rate in Saudi Arabia (for Saudis and non-Saudis) was 5.1% in Q1/2023, increased from last quarter by 0.3 percentage points (pp) and decreased from a year ago by 0.9 pp. The unemployment rate of Saudis reached 8.5% in Q1/2023, increasing by 0.5 pp compared to Q4/2022. The Labor force participation rate of Saudis slightly decreased to 52.4%, and the employment-to-population ratio of Saudis decreased by 0.3.0 pp to 48.0%. Compared to one year ago, key Labor market indicators for Saudis improved, with rises in both the participation rate (up 2.3 pp) and the employment-to-population ratio (up 2.9 pp), while the unemployment rate declined (down 1.6 pp).

Participation rate remains unchanged for Saudi females

Among Saudi females, in Q1/2023 participation rate remains unchanged from last quarter 36.0%, and increased 2.4% compared to one year ago, the unemployment rate increased to 16.1%, up 0.7 pp from last quarter, while the employment-to-population ratio decreased by 0.2 pp reaching 30.2%.

Among Saudi males, in Q1/2023 the unemployment rate increased to 4.6%, up 0.4 pp from last quarter, and down to 0.5 pp compared to a year ago. The Labor force participation rate and the employment-to-population ratio of Saudi males decreased respectively by 0.2 pp and 0.5 pp to 68.3% and 65.2%.

Rising Employment-to-population ratio and declining unemployment rate of Saudi core working age population

In Q1/2023, among Saudi female youth (15-24 years), both labor force participation and unemployment rate declined. The participation rate decreased by 0.4 pp to 18.8% and the unemployment rate fell by 1.8 pp to 24.2%. The employment-to-population ratio increased by 0.1 pp to 14.3%.

Among Saudi male youth, the unemployment rate increased, accompanied by a decrease in labor market participation and employment to population ratio. The participation rate fell by 0.6 pp to 37.7%, the employment-to-population ratio fell to 33.0% and the unemployment rate rose by 0.1 pp to 12.6%.

Among Saudi core working age population (aged 25-54), Q1/2023 saw an increase in the unemployment rate by 0.8 pp to 7.8%. The employment-to-population ratio fell 0.6 pp to 63.5%, and the labor force participation rate for Saudis decreased by 0.1 pp, reaching 68.8%.

The increase in the unemployment rate for Saudi core working age population (aged 25-54), was mainly driven by an increase in the unemployment rate for females by 1.1 pp from 14.6% in Q4 2022 to 15.7% in Q1 2023.

For Saudis aged 55 years and over, Labor market indicators showed an increase in participation rate and employment-to-population ratio in Q1 of 2023, compared to the previous quarter.

Active job search methods used by Unemployed Saudis

Saudi job seekers used a variety of active job search methods, with an average of 4.7 active methods per job seeker. In Q1/2023, the most frequently used active job search methods were: asking friends or relatives (used by 84.0% of job seekers), applying directly to employers (71.5%), and using the National employment platform (Jadarat) used by 58.9% of job seekers.

Limited mobility of unemployed Saudis

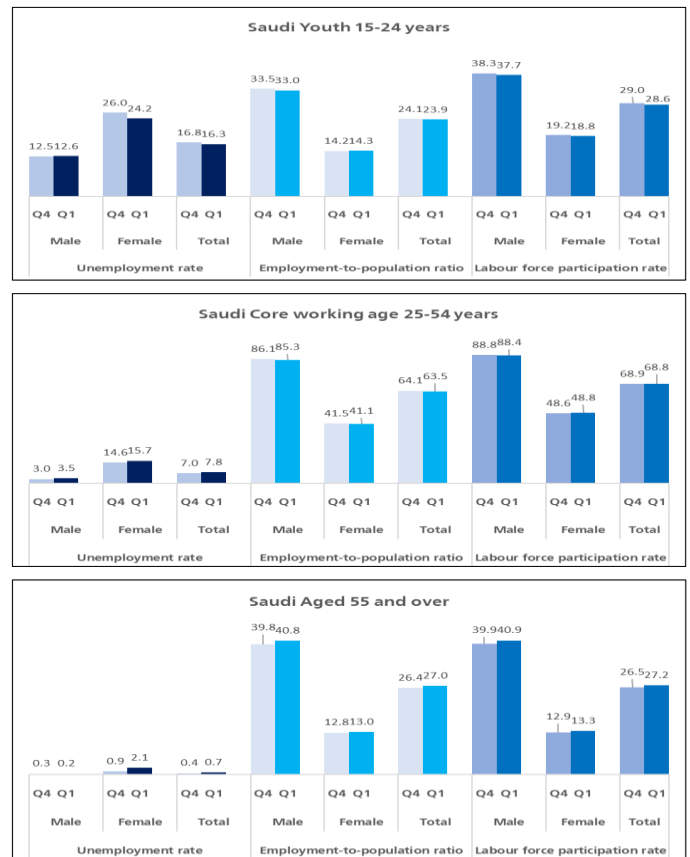
94.5% of unemployed Saudis would accept employment in the private sector. Results of the survey showed that 55.5% of unemployed Saudi females and 45.0% of unemployed Saudi males would accept a maximum commuting time to work of one hour. Similarly, 74.7% of unemployed Saudi females and 88.6% of unemployed Saudi males indicated that they would accept work for eight hours or more per day.

Table 1: Key Indicators of the Saudi Labor Market by Quarter

Indicators	First Quarter 2022			Fourth Quarter 2022			First Quarter 2023		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
Unemployment rate	3.1	16.2	6.0	2.3	12.9	4.8	2.5	13.3	5.1
Saudi	5.1	20.2	10.1	4.2	15.4	8.0	4.6	16.1	8.5
Non-Saudi	1.6	6.4	2.2	0.9	5.9	1.5	1.0	6.2	1.7
Employment-to-population ratio	76.3	28.0	56.8	78.6	30.1	58.5	78.2	30.7	58.6
Saudi	62.7	26.8	45.1	65.7	30.4	48.3	65.2	30.2	48.0
Non-Saudi	89.9	30.8	73.1	92.4	29.2	73.3	92.0	31.9	73.9
Participation rate	78.7	33.4	60.4	80.5	34.5	61.5	80.2	35.4	61.7
Saudi	66.0	33.6	50.1	68.5	36.0	52.5	68.3	36.0	52.4
Non-Saudi	91.4	32.9	74.8	93.2	31.1	74.5	92.9	34.0	75.2

Source: Estimated data from the Labor Force Survey - General Authority for Statistics

Figure 1: Main Labor Market Indicators for Saudis by Age Group Fourth Quarter 2022 / First Quarter 2023



Source: Estimated data from the Labor Force Survey - General Authority for Statistics

Notes

A. Methodology for population estimates

In Q2/2022, a new methodology was introduced for population estimates used in calibration of LFS estimates. The new methodology was based on GASTATS 2021 mid-year estimates as a base, projected forward to the current period. Their adoption has had negligible impact on the comparability of key LFS indicators for Saudis and for non-Saudis. Later, a new population projection will be prepared based on census 2022 results. (See LFS Methodology Report for further details).

Dissemination of Labor Force Survey Statistics Data through the Statistical Database Platform

The Statistical Database is a unified electronic portal for the dissemination of all statistical data produced by the General Authority for Statistics. It provides access to a wide range of time series for Labor Force Survey statistics, from the second quarter of 2016 to the present. Use link: <https://database.stats.gov.sa/beta/dashboard/landing>

C. Comparison between the estimates of the Labor Force Survey and the statistics of workers based on administrative data

General Authority for Statistics (GASTAT) publishes the main indicators of Labor Market statistics based on the Labor Force Survey (LFS). In addition, GASTAT also publishes the number of workers based on administrative data, originating from the Ministry of Human Resources and Social Development, the General Organization for Social Insurance, and the National Information Center.

There are differences in concepts, methodology of calculation and coverage between administrative records and statistics based on the Labor Force Survey, estimated upon a representative sample of the whole population. Regarding coverage, Labor Force Survey estimates cover the entire population except institutions, whereas administrative records only cover registered employed people. There are also differences in reference periods concerning the work status between LFS data and administrative records. Since the scope of the Labor Force Survey is wider than that covered by administrative records, the absolute numbers of the two diverse sources are not identical and there is a discrepancy between them. Labor market information based on administrative records can be accessed at the following link: <https://www.stats.gov.sa/en/814>

Methodology

The Q1/2023 LFS sample was designed based on the 2022 Census of Population frame. Details of the sample redesign are provided in the Methodology report. [add Methodology link here]

The Labor Force Survey is a household survey with a sample size of about 96,000 dwellings per quarter. Among the main labor market indicators provided by the survey are the following:

Unemployment rate: Unemployed as a percentage of the Labor force.
Employment-to-population ratio: employed as a percentage of the population of working age (15 years and older).

Labor force participation rate: labor force as a percentage of the population of working age (15 years and older).

Key concepts defined according to ILO standards used in production of these indicators are:

- Employed: Persons (15 years and over) who during a specified reference week:
 - Worked for at least one hour in return for pay or profit as an employee, as an employer, or working for themselves.
 - Or who assisted a family member for at least an hour, with or without pay, in any type of business or on a farm belonging to a family member.
 - Or who were temporarily absent from a job for the whole week due to leave, sickness, or any other reason, and who will return to it again.
 - Or who have a seasonal job, during the period that is considered off-season if they continue to perform some of the tasks and duties of the job.
- Unemployed: Persons (15 years and older) who were:
 - Without work during a specified reference week.
 - Actively looked for work during a four-week period ending with the reference week.
 - Available to join work or to start work during the reference week or the next two weeks.

Labor force: the sum of employed and unemployed persons

In addition to applying ILO standards, the General Authority for Statistics uses the standards of the Labor Market Policy Committee by validating the data of the Labor Force Survey against systematic administrative records. [Methodology](#)