

Unemployment rate for Saudis and total population decreases in Q2 of 2022 by 9.7% and 5.8% respectively

Based on the estimates of the General Authority for Statistics' Labour Force Survey, the unemployment rate of Saudis reached 9.7% in Q2 of 2022, a decrease of 0.4 percentage points (pp) compared to Q1/2022. The labour force participation rate of Saudis increased by 1.7 pp reaching to 51.8%, and the employment-to-population ratio of Saudis increased by 1.7 pp reaching to 46.8% compared to the last year. Key labour market indicators for Saudis improved, where the participation rate recorded 2.4 pp, the employment-to-population ratio went up to 3.0 pp, and the unemployment rate went down to 1.6 pp.

Overall unemployment rate in Saudi Arabia (for Saudis and non-Saudis) recorded 5.8%, dropped to 0.2 pp compared to Q1/2021, with a decrease of 0.8 ppm compared to Q2 of 2021

Labour market conditions improve among both Saudi male and female

Among Saudi males, the unemployment rate decreased reaching at 4.7%, dropped down to 0.3 pp from Q1 of 2022, and down to 1.4 pp compared to the last year Q2/2021. The decrease in the unemployment rate of Saudi males this quarter coincided with both an expansion of labour market participation and employment growth, where the participation rate went up by 1.5pp to 67.5% and the employment-to-population ratio increased by 1.6 pp reaching to 64.3%.

Among Saudi female, all three key labour market indicators also improved in Q2/2022. The unemployment rate, at 19.3%, was down to 0.9 pp from Q1/2022 recording 3.0 pp compared to the last year. In Q2/2022, the decrease in the unemployment rate was accompanied by an expansion of labour force participation and growth in employment. The participation rate rose up by 1.9 pp reaching to 35.6%, and the employment-to-population ratio rose by 1.9 pp reaching 28.7%.

Labour market conditions improve among workers for those of core working age (25-54 years)

Labour market condition Improved in Q2 of 2022 among Saudi males and females for those of core working age (25-54 years). Among this group, compared to the previous quarter, the unemployment rate fell to 1.0 pp recording 9.0%, the participation rate rose up by 0.9 pp reaching 67.7%, and the employment-to-population ratio increased by 1.5 pp reaching 61.6%.

Among Saudi youth aged (15-24), the unemployment rate increased in Q2 of 2022, but this was the result of a significant increase in labour force participation, outpacing employment growth. The participation rate increased by 3.5 pp recording 29.2%, the employment-to-population ratio rose by 2.3 pp reaching to 24.1%, and the unemployment rate was up to 2.5 pp recording 17.6%. For Saudis aged 55 years and over, labour market rates showed minor change in Q2 of 2022, compared to the previous quarter.

Active job search methods used by Saudi Unemployed

Saudi job seekers used a variety of active job search methods, with an average of four active methods per job seeker. The most frequently used active job search methods is asking friends or relatives (75.3%), applying directly to employers recorded (56.0%), and using TAQAT platform for different purposes (47.6%). Two other government platforms (Jadarah and Saad) were used by 41.7% and 7.5% of Saudi job seekers, respectively. Another widely used active job search method includes studying advertisements in newspapers, magazines or online with a percentage of (50.7%).

Limited mobility of unemployed Saudis

93.8% of unemployed Saudis would accept employment in private sector. Results of the survey showed that 60.8% of unemployed Saudi females and 43.3% of unemployed Saudi males accept a commuting time to work for maximum one hour. Similarly, 72.5% of unemployed Saudi females and 90.5% 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

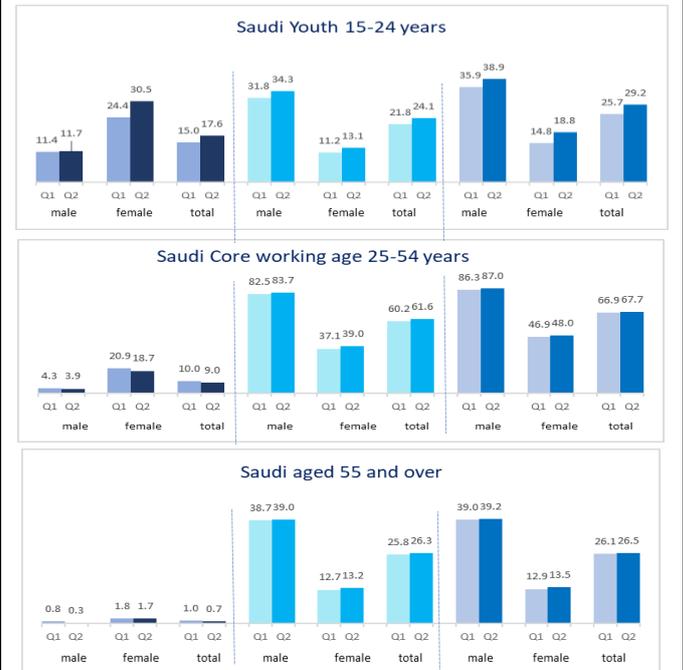
Indicators	Second Quarter 2021			First Quarter 2022			Second Quarter 2022		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
Unemployment rate	3.5	17.1	6.6	3.1	16.2	6.0	2.8	15.8	5.8
Saudi	6.1	22.3	11.3	5.1	20.2	10.1	4.7	19.3	9.7
Non-Saudi	1.8	6.3	2.4	1.6	6.4	2.2	1.3	6.2	1.9
Employment-to-population ratio	76.4	28.0	56.8	76.3	28.0	56.8	77.3	29.0	57.3
Saudi	61.8	25.2	43.8	62.7	26.8	45.1	64.3	28.7	46.8
Non-Saudi	90.7	34.8	74.9	89.9	30.8	73.1	90.9	29.6	72.4
Participation rate	79.2	33.8	60.8	78.7	33.4	60.4	79.5	34.4	60.8
Saudi	65.7	32.4	49.4	66.0	33.6	50.1	67.5	35.6	51.8
Non-Saudi	92.3	37.2	76.7	91.4	32.9	74.8	92.0	31.6	73.8

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

Figure 1: Main Labor Market Indicators for Saudis by Age Group

First Quarter 2022 UR EPR PR / Second Quarter 2022 UR EPR PR

UR- unemployment rate | EPR- Employment to population ratio | PR- Participation rate



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

Notes

A. New methodology for population projections

In Q2/2022, a new methodology was introduced for population projections used in calibration of LFS estimates. The new projections are based on GASTATs 2021 mid-year estimates as a base, projected forward to the current period. Adoption of the new projections has had negligible impact on the comparability of key LFS indicators for Saudis and for non-Saudis. (See LFS Methodology Report for further details).

B. Dissemination of Labour Force Survey Statistics Data through the Statistical Database Platform

Statistical Database Platform 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 Labour 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 labour 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 society. Regarding coverage: Labour 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 Labour 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.

Labour market information based on administrative records can be accessed at the following link: <https://www.stats.gov.sa/ar/814>

Methodology

Labour Force Survey is a household survey with a sample size of about 60,000 households per quarter. Labour Force Survey estimates are subject to variation in response rate between quarters. The survey provides estimates of populations within and outside the labour force. Among the main labor market indicators are the following:

Unemployment rate: The number of unemployed as a percentage of the labour force (employed and unemployed) of working age (15 years and above).

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

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

Unemployed: Individuals (15 years and older) who were:

- Without work in the week before the interview.
- They are actively looking for work during the four weeks prior to the interview.
- Available to join work or to start working the week before the interview or the next two weeks.

In addition to applying ILO standards, the General Authority for Statistics uses the standards of the Labour Market Policy Committee by validating the data of the Labour Force Survey against systematic administrative records.

See link: [Methodology](#)