

Population's unemployment rate decreases to 4.9% in Q2 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) reached 4.9% in Q2/2023, a decrease of 0.2 percentage points (pp) from Q1/2023, and a decrease of 0.9 percentage points from a year ago. The unemployment rate for Saudis recorded 8.3% in Q2/2023, a decrease of 0.2 pp compared to Q1/2023. The Saudi employment-to-population ratio decreased by 0.6 pp to reach 47.4% compared to the previous quarter. The Saudi labor force participation rate also decreased by 0.7 pp to reach 51.7%. As for the annual changes in the main labor market indicators for Saudis, the unemployment rate decreased by 1.4 pp, accompanied by an increase of 0.6 pp in the employment-to-population ratio and a slight decrease of 0.1 pp in the labor force participation rate.

Unemployment rate decreases for Saudi females

Among Saudi females, in Q2/2023 unemployment rate decreased to 15.7%, down 0.4 pp from last quarter. The employment-to-population ratio decreased by 0.4 pp reaching 29.8%. Participation rate also decreases by 0.7 pp compared to last quarter and reaches 35.3%.

Among Saudi males, in Q2/2023 the unemployment rate remains unchanged at the level of 4.6%. The Labor force participation rate and the employment-to-population ratio of Saudi males both decrease by 0.8 pp to 67.5% and 64.4%, respectively.

Unemployment rate declines for Saudi core working age population

In Q2/2023, among Saudi female youth (15-24 years), both labor force participation and employment to population ratio declined. The participation rate decreased by 0.3 pp to 18.5% and the employment-to-population ratio fell by 0.5 pp to 13.8%. The unemployment rate increased by 1.3 pp to 25.5%.

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 0.1 pp to 37.6%, the employment-to-population ratio fell to 32.7% and the unemployment rate rose by 0.6 pp to 13.2%.

Among Saudi core working age population (aged 25-54), Q2/2023 saw a decrease in the unemployment rate by 0.3 pp to 7.5%. The employment-to-population ratio fell 0.7 pp to 62.8%, Same for the labor force participation rate for Saudis decreased by 0.9 pp, reaching 67.9%.

The decrease in the unemployment rate for Saudi core working age population (aged 25-54), was mainly driven by both decrease in the unemployment rate for females by 0.7 pp to 15.0% and for male by 0.1 pp to 3.4% in Q2 2023.

For Saudis aged 55 years and over, Labor market indicators showed a decrease in participation rate and employment-to-population ratio in Q2 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 4.8 active methods per job seeker. In Q2/2023, the most frequently used active job search methods were: asking friends or relatives (used by 85.6% of job seekers), applying directly to employers (70.9%), and using the National employment platform (Jadarat) used by 61.3% of job seekers.

Limited mobility of unemployed Saudis

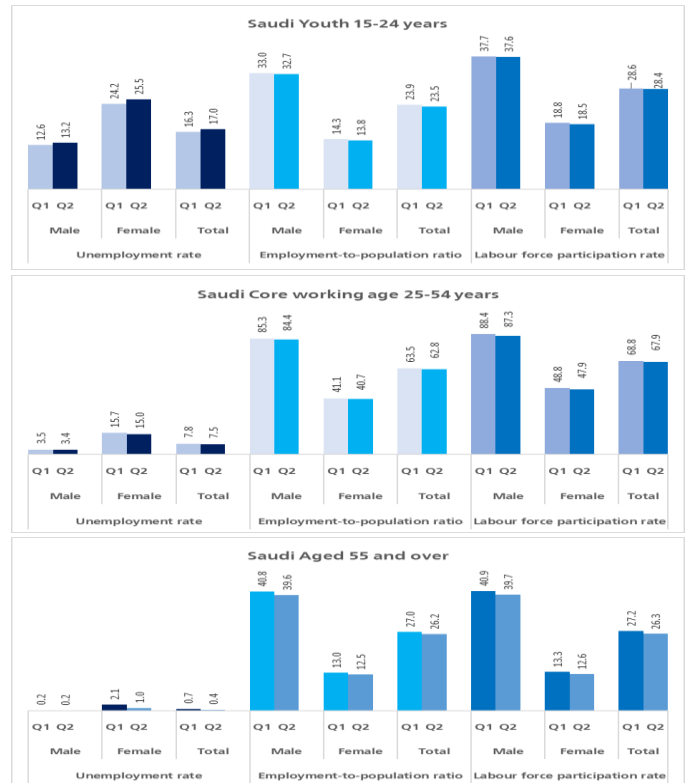
95.3% of unemployed Saudis would accept employment in the private sector. Results of the survey showed that 58.9% of unemployed Saudi females and 44.9% of unemployed Saudi males would accept a maximum commuting time to work of one hour. Similarly, 75.0% of unemployed Saudi females and 90.0% of unemployed 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 2022			first Quarter 2023			Second Quarter 2023		
	Males	Females	Total	Males	Females	Total	Males	Females	Total
Unemployment rate	2.8	15.8	5.8	2.5	13.3	5.1	2.5	12.9	4.9
Saudi	4.7	19.3	9.7	4.6	16.1	8.5	4.6	15.7	8.3
Non-Saudi	1.3	6.2	1.9	1.0	6.2	1.7	0.9	5.5	1.5
Employment-to-population ratio	77.3	29.0	57.3	78.2	30.7	58.6	77.8	29.7	57.8
Saudi	64.3	28.7	46.8	65.2	30.2	48.0	64.4	29.8	47.4
Non-Saudi	90.9	29.6	72.4	92.0	31.9	73.9	91.9	29.4	73.1
Participation rate	79.5	34.4	60.8	80.2	35.4	61.7	79.7	34.1	60.8
Saudi	67.5	35.6	51.8	68.3	36.0	52.4	67.5	35.3	51.7
Non-Saudi	92.0	31.6	73.8	92.9	34.0	75.2	92.8	31.1	74.2

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

Figure 1: Main Labor Market Indicators for Saudis by Age Group
First Quarter 2023 / Second 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 Q2/2023 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](#)