

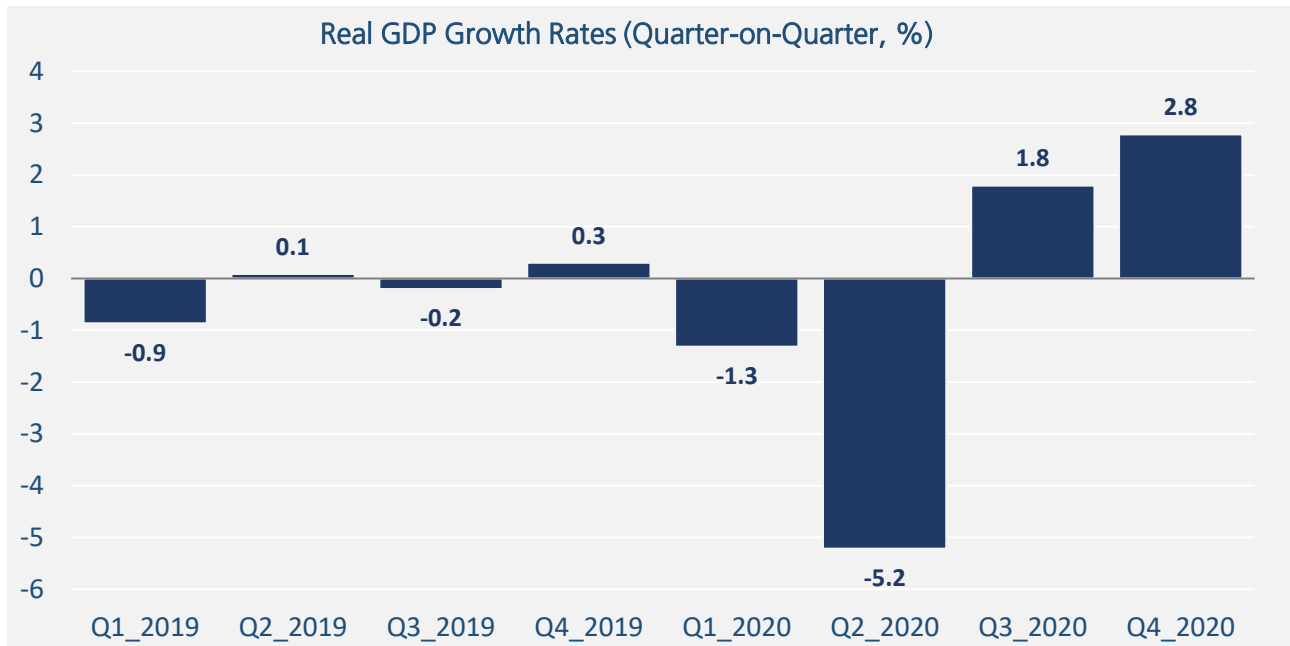


Saudi economy grows by (+2.8 %) in Q4/2020 compared to the previous quarter, contracting by (-3.8%) on yearly basis, and recorded a negative growth of (-4.1%) in 2020.

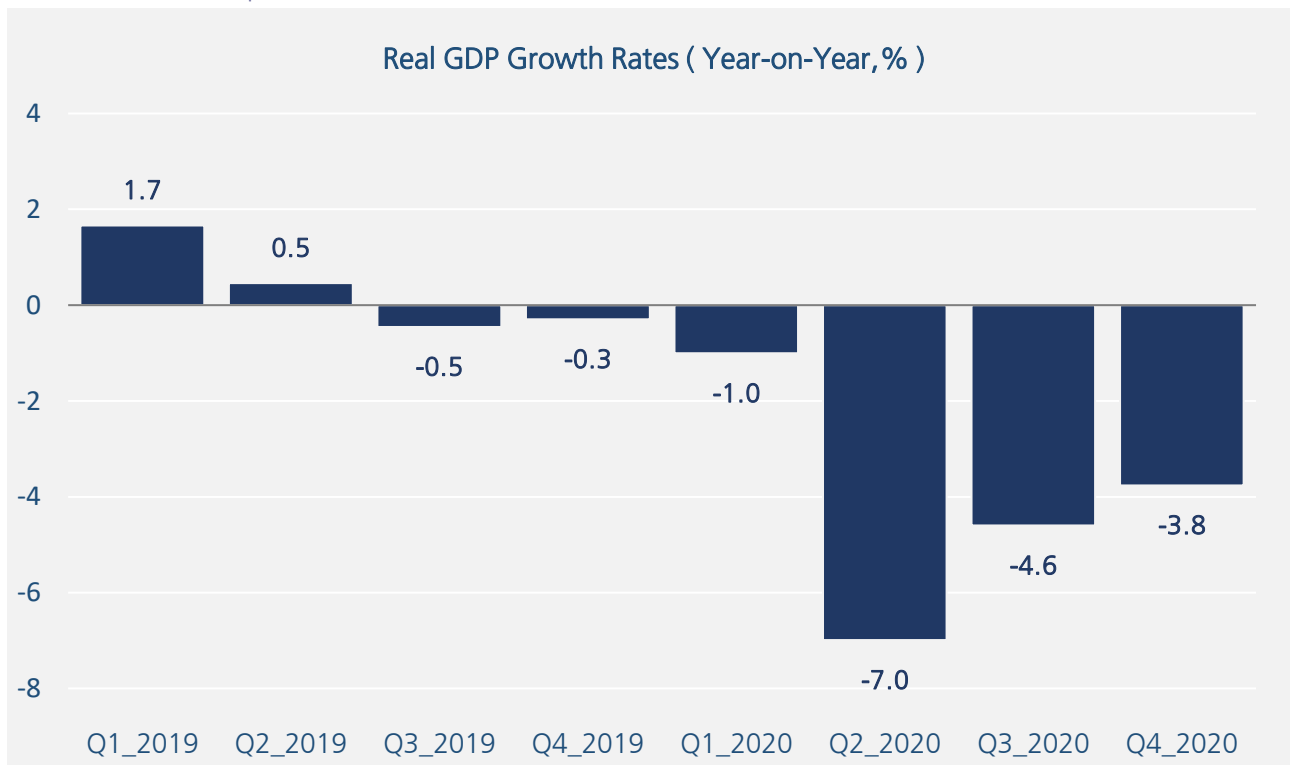
The General Authority for Statistics (GASTAT) publishes "flash estimates for Quarterly GDP" in order to provide more timely information on the Saudi economy to decision makers and users.

Quarterly real GDP growth

According to flash estimates by GASTAT, seasonally adjusted real Gross Domestic Product (GDP) of Saudi Arabia recorded a positive growth rate of (+2.8%) in Q4/2020 with respect to the third quarter of 2020.



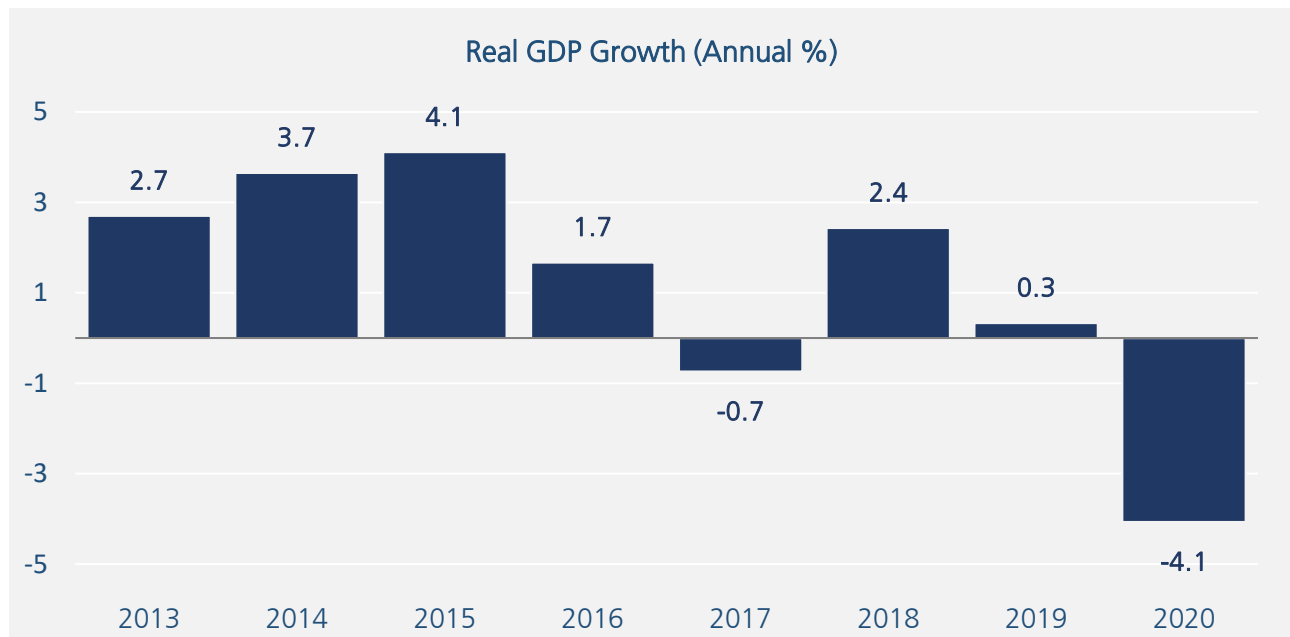
Compared to the same quarter of the previous year, however, real GDP recorded a negative growth rate of (-3.8%) in the fourth quarter of 2020.





Real GDP growth (Annual)

According to preliminary estimates of annual GDP, the Saudi Arabian economy contracted by (-4.1%) in 2020 compared to the previous year.



More details on GDP, including the break-downs in oil and non-oil sector, as well as in government and private sector, will be published on 16 March 2021.

Methodological note on Flash estimates of Quarterly GDP

Definition

Flash estimates of quarterly GDP (Gross Domestic Product) are calculated on the basis of estimates of quarterly national accounts with a short delay compared to the end of the reference quarter. At this time, the information relative to the most recent quarter is still partial and therefore subject to a relatively high level of approximation.

Method

The estimation process is the same as that of quarterly national accounts computed under a full information dataset, but it adopts simplifying assumptions on extrapolations of some (monthly or quarterly) indicators used within the complete procedure. Several indicators are used related with production, expenditure, income, price, foreign trade.

Coverage and territorial breakdown

Flash estimates of quarterly GDP only cover the entire national economy and are presented without any sector detail.

Timeliness

Flash estimates of quarterly GDP in constant prices are published at approximately 40 days from the end of the reference quarter.

Dissemination

The dissemination of flash estimates is limited to growth rates of quarterly GDP in constant prices of unadjusted and its and is seasonally adjusted.



Methodological note on the seasonal adjustment of Quarterly GDP

Definition

Seasonal adjustment is the process of estimating and removing the seasonal and calendar effects from data. Seasonally adjusted data means that it does not contain seasonal and calendar effects which are caused by climate conditions, social habits and calendar events such as Eid-al-adha and Eid-al-fitr holidays and changes in weekends compositions.

Methods

Seasonal adjustment is carried out with TRAMO-SEATS method based on ARIMA (Autoregressive Integrated Moving Average) model of estimation that is 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 are mainly used in the comparisons of the present quarter data by the previous quarter. It helps to see the long-term trend of quarterly gross domestic product. In addition, international organizations use seasonal adjusted data to make comparisons between countries.



Growth rates of Real GDP (Quarterly and Annually)

Period	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Seasonally Adjusted, Quarter-on-quarter (%)	-0.9	0.1	-0.2	0.3	-1.3	-5.2	1.8	2.8
Year-on-year (%)	1.7	0.5	-0.5	-0.3	-1.0	-7.0	-4.6	-3.8

Period	2013	2014	2015	2016	2017	2018	2019	2020
Real GDP growth (Annual %)	2.7	3.7	4.1	1.7	-0.7	2.4	0.3	-4.1