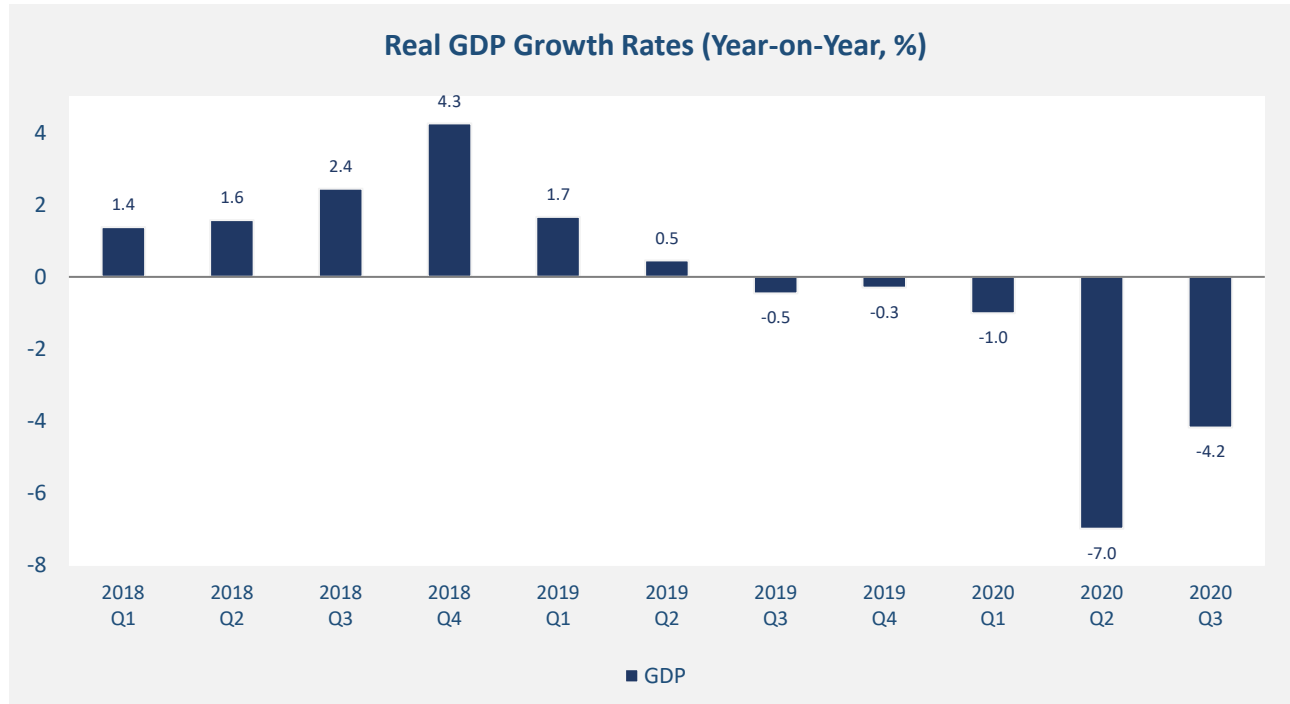




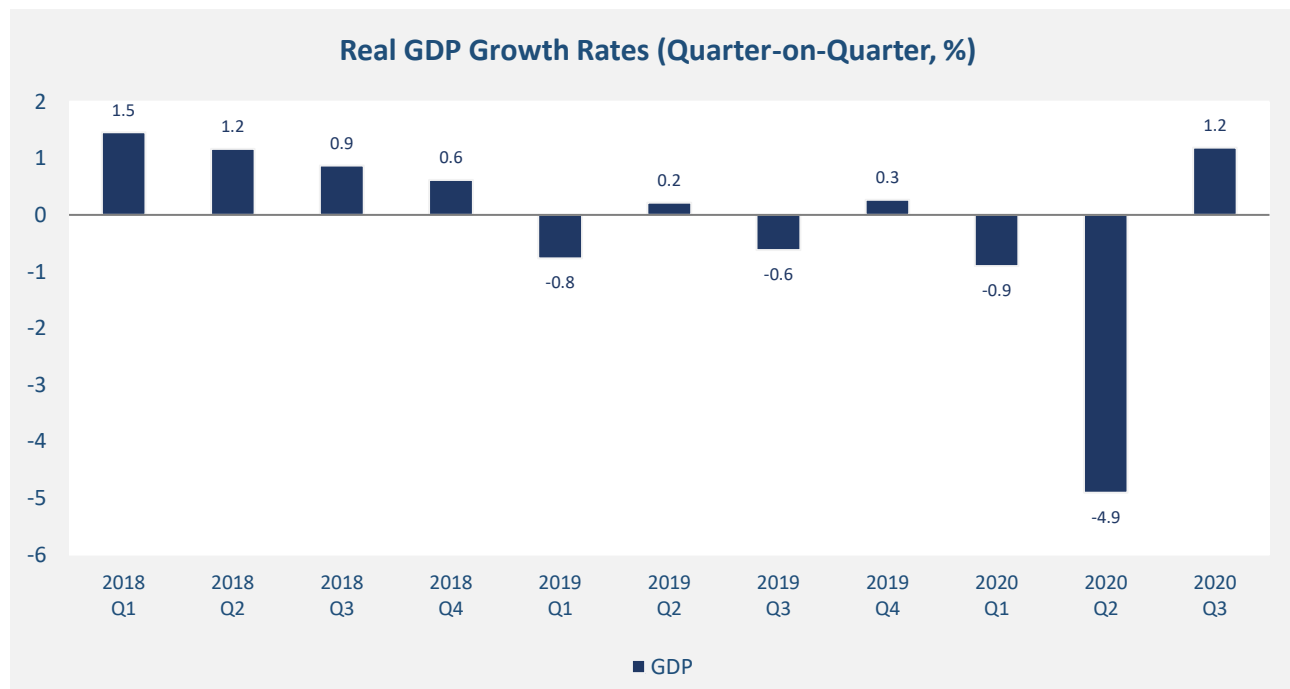
## Saudi economy grows by 1.2% in Q3/2020 compared to the previous quarter, contracting by 4.2% on a yearly basis

### Real GDP growth

According to flash estimates by GASTAT, Gross Domestic Product (GDP) at constant prices of Saudi Arabia recorded a negative growth rate of 4.2% in the third quarter of 2020 compared to the same quarter of the previous year.



However, seasonal adjusted GDP of Saudi Arabia was growing by 1.2% in Q3/2020 with respect to the second quarter of 2020.





For the first time, the General Authority for Statistics publishes "flash estimates for Quarterly GDP" in order to provide more timely information on the Saudi economy to decision makers and users. These flash estimates will be produced on a regular basis in the future. More details on GDP, its sub-components and economic growth in economic sectors will be made available in a second release of quarterly GDP in due course as more data becomes available.

## Methodological note on Flash Estimates of Quarterly GDP

### Definition

Flash estimates of quarterly GDP (Gross Domestic Product) derives from the estimation process of quarterly national accounts performed at short delay with respect to the end of the reference quarter, when the information relative to 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 concern, by definition, only the entire national territory 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

With flash estimates, the dissemination exclusively concerns GDP growth rates in constant prices with reference year 2010. The dissemination of flash estimates is limited to growth rates of quarterly GDP in constant prices of unadjusted and its seasonally adjusted values.

## Methodological note on seasonal adjustment of Quarterly GDP

### Definition

Seasonal Adjustment is the process of estimating and removing the seasonal and calendar effects from data. Seasonal 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 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 is 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 mainly used in the comparisons of the present quarter data by the previous quarter. Also, it can be used by academics, planners and decision makers who want to see the long-term trend of quarterly gross domestic product. In addition, the international organizations use seasonal adjusted data to make comparisons between countries.



**Growth rates of Real GDP and seasonal adjusted GDP Q3 2020**

Period	2018				2019				2020		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Year-on-year (%)</b>	1.4	1.6	2.4	4.3	1.7	0.5	-0.5	-0.3	-1.0	-7.0	-4.2
<b>Seasonally Adjusted, Quarter-on-quarter (%)</b>	1.5	1.2	0.9	0.6	-0.8	0.2	-0.6	0.3	-0.9	-4.9	1.2

Links: [All Tables](#), [Methodological Note](#)