

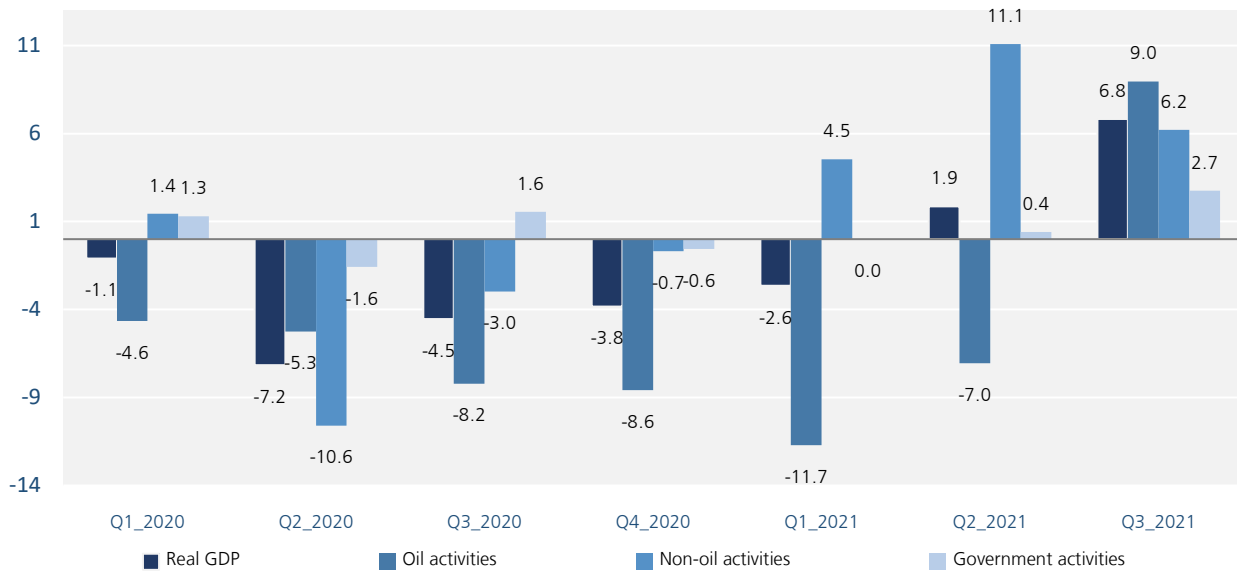


Saudi economy grows by 6.8% in Q3/2021 - the highest growth since 2012

Real GDP Growth on an Annual Basis

According to flash estimates by the General Authority for Statistics (GASTAT), real Gross Domestic Product (GDP) of Saudi Arabia grew by 6.8% in Q3/2021, compared to Q3/2020. This positive growth was due to the high increase in oil activities by 9.0% as a result of rising world demand for crude oil and the increase of Saudi production in 2021. Non-oil activities increased by 6.2% and government activities increased by 2.7% year-on-year.

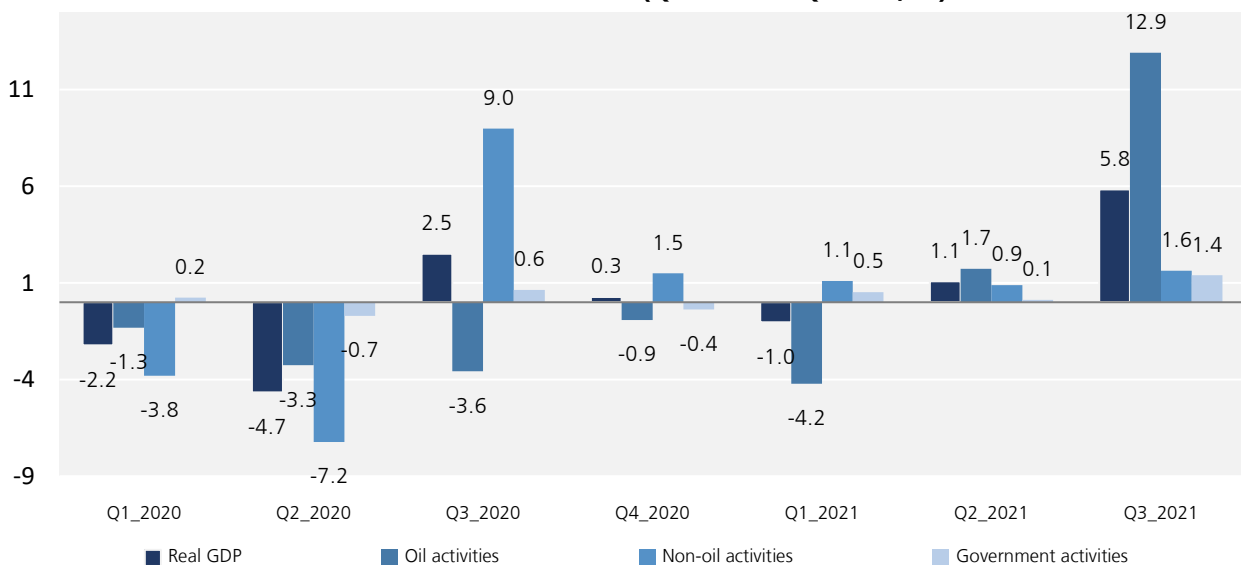
Real GDP Growth Rates (Year-on-Year, %)



Seasonally Adjusted Real GDP Growth on a Quarterly Basis

Seasonally adjusted quarterly real GDP grew by 5.8% in Q3/2021, compared to the previous quarter (Q2/2021). This increase in GDP was a result of high growth in oil activities by 12.9%. Non-oil activities increased by 1.6% and government activities recorded a growth of 1.4%.

Real GDP Growth Rates (Quarter-on-Quarter, %)





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 most recent quarter is still partial and therefore subject to a relatively high level of approximation.

Activities breakdown of GDP are following:

- **Oil Activities:** Activities include crude oil, natural gas and refining activities
- **Government activities:** It includes the activities of all government entities that are included in the final budget of government.
- **Non-oil activities:** It includes all other economic activities except oil activities and government services activities.

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.

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 in Q3/2021

Growth Rates of Real GDP by Main Activities in Q3-2021 (Year-on-Year, %)

Period	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Oil activities	-4.6	-5.3	-8.2	-8.6	-11.7	-7.0	9.0
Non-oil activities	1.4	-10.6	-3.0	-0.7	4.5	11.1	6.2
Government activities	1.3	-1.6	1.6	-0.6	0.0	0.4	2.7
Real GDP	-1.1	-7.2	-4.5	-3.8	-2.6	1.9	6.8

Growth Rates of Seasonally Adjusted Real GDP by Main Activities in Q3-2021 (Quarter-on-Quarter, %)

Period	2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Oil activities	-1.3	-3.3	-3.6	-0.9	-4.2	1.7	12.9
Non-oil activities	-3.8	-7.2	9.0	1.5	1.1	0.9	1.6
Government activities	0.2	-0.7	0.6	-0.4	0.5	0.1	1.4
Real GDP	-2.2	-4.7	2.5	0.3	-1.0	1.1	5.8