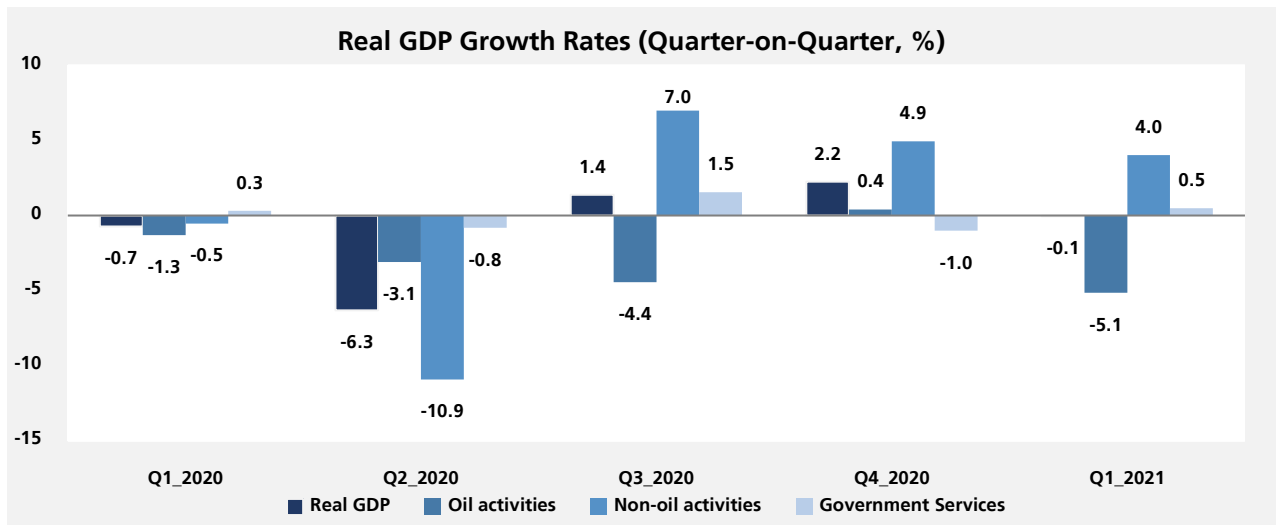




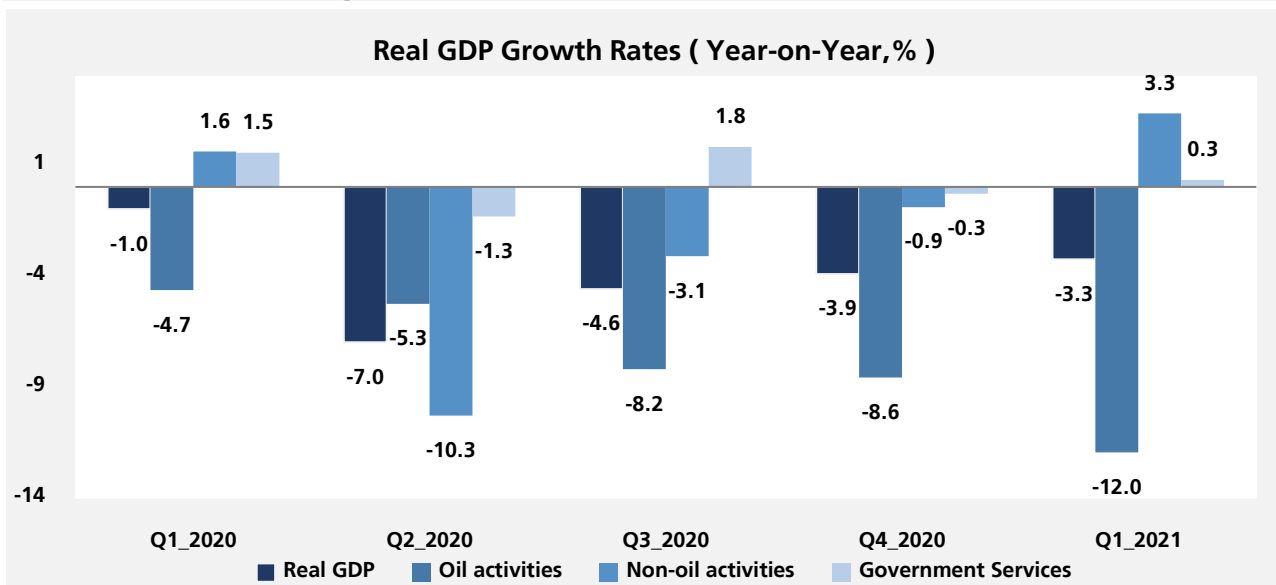
Non-Oil economy grows by 3.3 % in Q1/2021 on an annual basis, while overall GDP declines by 3.3% due to lower oil activities

Quarterly real GDP growth

According to flash estimates by GASTAT, seasonally adjusted real Gross Domestic Product (GDP) of Saudi Arabia recorded a negative growth rate of -0.1% in Q1/2021 with respect to the fourth quarter of 2020. This slight negative growth rate was mainly due to the decline in Oil activities by -5.1% as a result of additional crude oil production cuts started by February 2021, while the Non-Oil activities and government service activities recorded a positive growth of 4.0% and 0.5%, respectively.



The annual real growth rate of GDP (compared to the same quarter of the previous year) stood at -3.3% in the first quarter of 2021. The year-on-year change was the result of the sharp decrease in the oil activities of -12.0% due to ongoing crude oil production cuts agreed by OPEC+ since May 2020. On the other hand, the year-on-year change of non-oil activities reached 3.3% and government service activities grew by 0.3%. The non-oil activities showed the first positive annual growth rate after COVID-19 pandemic.





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 service 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.

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)

Growth rates of Real GDP by main activities at Q1-2021
(Year-on-year, %)

Period	2019				2020				2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Oil activities	1.0	-3.0	-6.5	-5.9	-4.7	-5.3	-8.2	-8.6	-12.0
Non-oil activities	2.5	3.9	4.2	5.2	1.6	-10.3	-3.1	-0.9	3.3
Government Services	1.1	0.8	4.4	0.2	1.5	-1.3	1.8	-0.3	0.3
Real GDP	1.7	0.5	-0.5	-0.3	-1.0	-7.0	-4.6	-3.9	-3.3

Growth rates of seasonally adjusted Real GDP by main activities at Q1-2021
(Quarter-on-quarter, %)

Period	2019				2020				2021
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Oil activities	-3.2	-1.9	-1.2	-0.1	-1.3	-3.1	-4.4	0.4	-5.1
Non-oil activities	1.2	1.8	0.5	0.8	-0.5	-10.9	7.0	4.9	4.0
Government Services	0.1	0.6	0.3	-0.1	0.3	-0.8	1.5	-1.0	0.5
Real GDP	-0.9	0.1	-0.2	0.3	-0.7	-6.3	1.4	2.2	-0.1