

Saudi economy grows by 2.5 % in Q4/2020 compared to the previous quarter, contracted by 3.9% on a yearly basis.

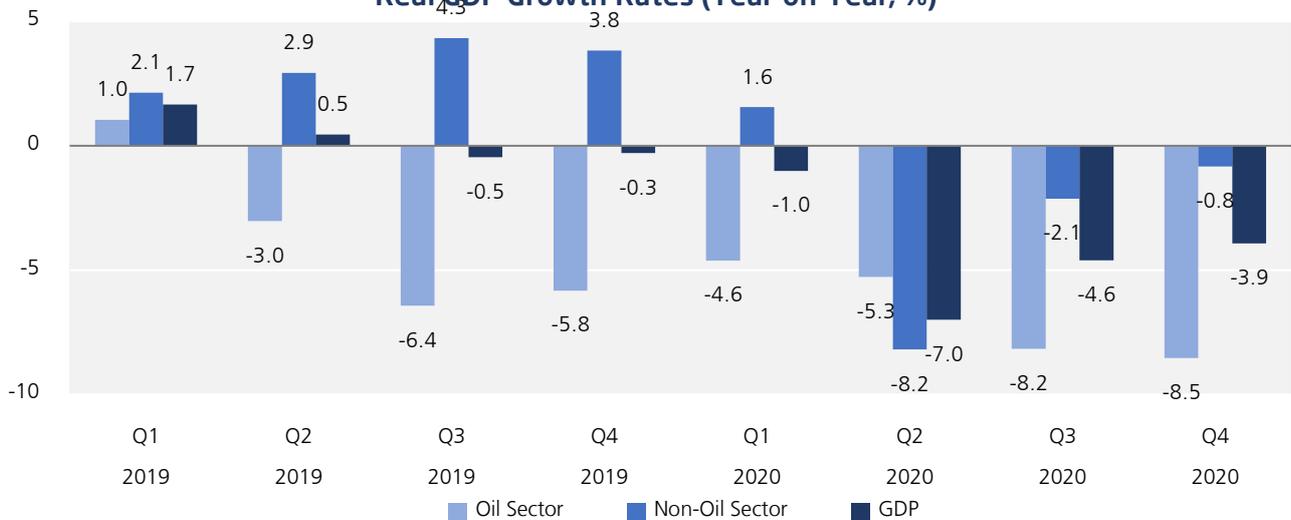
According to the estimates of the General Authority for Statistics, seasonally adjusted Gross Domestic Product (GDP) of Saudi Arabia recorded a positive growth of 2.5% quarter-on-quarter (qoq) compared to Q3/2020. This growth resulted mainly from the expansion in non-oil sector by 2.4% and a positive growth rate of 2.6% in the oil sector. Within the non-oil sector, economic growth in the private sector was 3.2% qoq, while the government sector increased by 0.6% qoq.

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



Compared to the same quarter of 2019, GDP showed a negative growth rate of 3.9%. This negative growth in Q4/2020 resulted mainly from the contraction in the oil sector by 8.5% , and a negative growth rate of 0.8% recorded in the non-oil sector. The private sector economy shrunk by 0.8%, while the government sector showed a negative growth rate of 1.0%.

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



Real Gross Domestic Product by Economic Activity, Q4/2020

- Growth of main economic activities on a quarter-on-quarter basis**

In Q4/2020, economic growth was the highest in petroleum refining with a growth rate of 25.5% (qoq), while it recorded a negative growth of -5.4% in Q3/2020. Other growth activities in Q4/2020 were community, social & personal services with 6.7%, wholesale & retail trade, restaurants & hotels with 5.7%, and transport, storage, and communication activities with a growth rate of 5.3%. Government services recorded a slight decrease of 0.1% in Q4/2020.

Growth Rate by Main Economic Activity, (Quarter-on-Quarter, %)

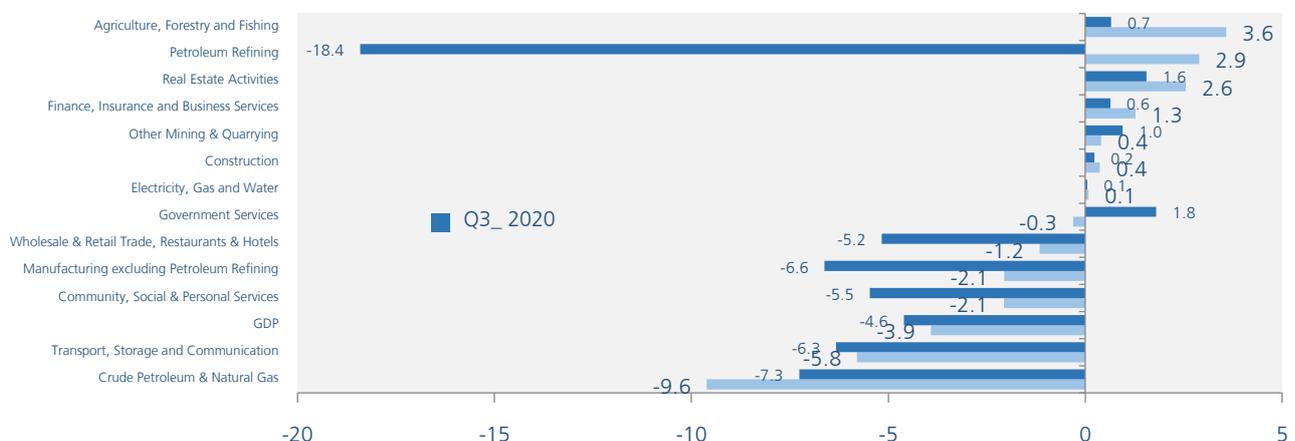


- Growth of main economic activities on a year-on-year basis**

Compared to Q4/2019, economic growth was the highest in agriculture, forestry and fishing with a growth rate of 3.6% in Q4/2020, followed by petroleum refining (+2.9%) which had dropped substantially in the previous quarter (Q3/2020: -18.4%). Real estate activities increased by 2.6% in Q4/2020.

The crude petroleum & natural gas activity recorded the largest decrease of 9.6%, followed by the transport, storage and communication (-5.8%), then community, social & personal services (-2.1%).

Growth Rate by Main Economic Activity, (Year-on-Year, %)



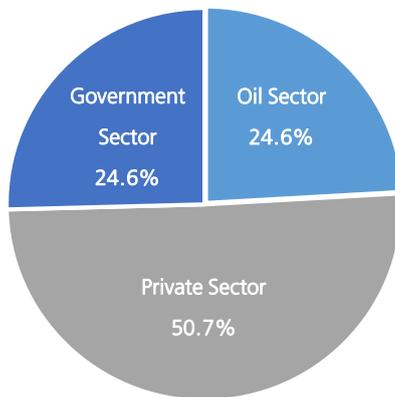


Size of Economy and Shares of Sectors and Activities at current prices

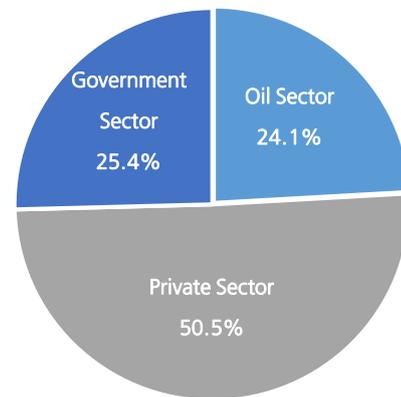
Saudi GDP at current prices amounted to 697.6 billion SAR in the fourth quarter of 2020.

The private sector accounted for 50.5% of GDP, followed by the government sector with a share of 25.4%, and the oil sector with a share of 24.1%.

Share of Sectors in GDP, Q3_2020

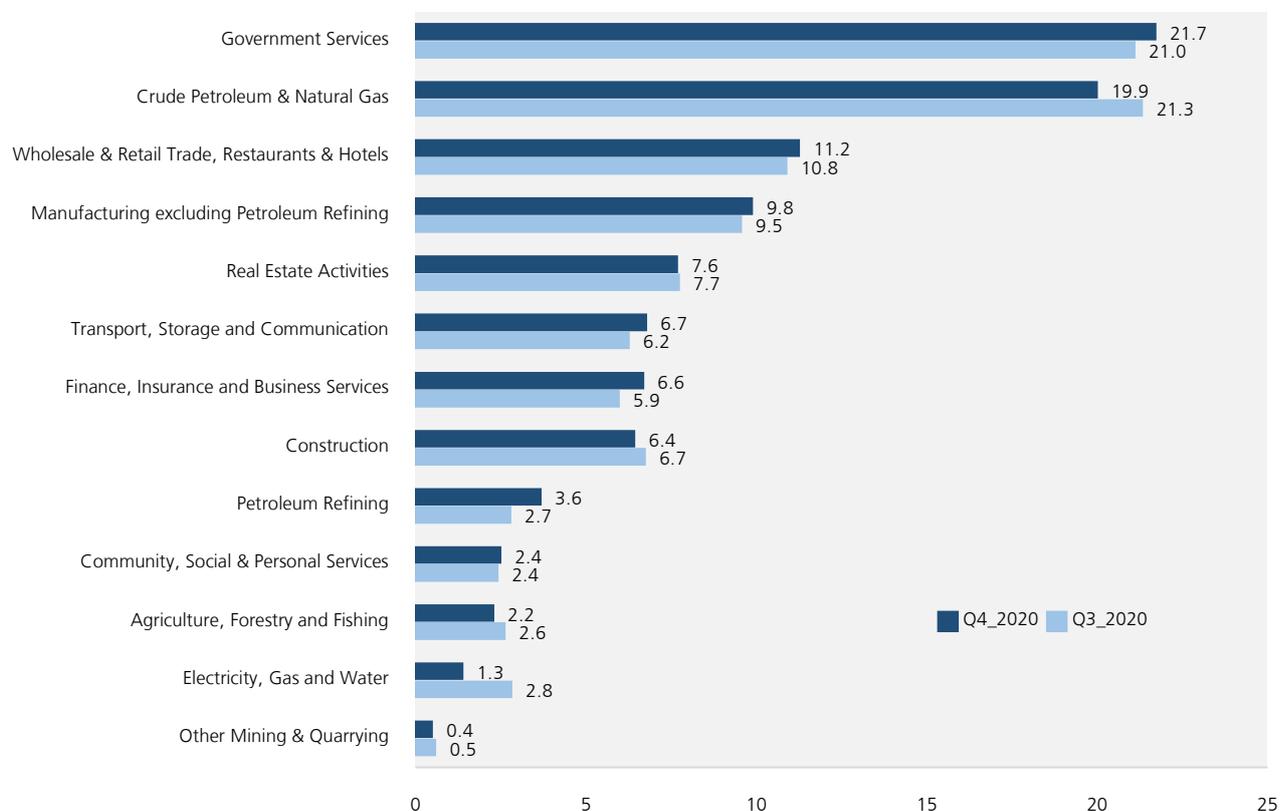


Share of Sectors in GDP, Q4_2020



The contribution to GDP of individual economic activities showed that government services share of GDP increased from 21.0% in Q3/2020 to 21.7% in Q4/2020, while the crude petroleum & natural gas share of GDP decreased from 21.3% in Q3/2020 to (19.9%) in Q4/2020. Wholesale & retail trade, and restaurants & hotels contributed with 11.2%, and manufacturing excluding petroleum refining recorded 9.8% of GDP.

Contribution to GDP by Main Economic Activities, Q3 and Q4 of 2020 (%)

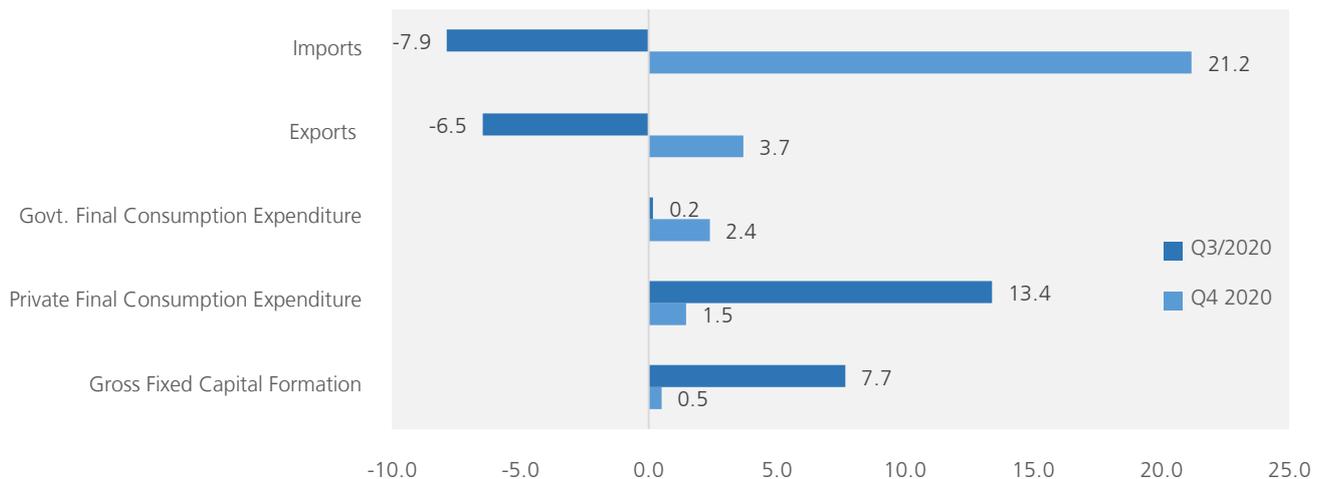


Real Gross Domestic Product by Expenditure Components, Q4/2020

- Growth of expenditure items on a quarter-on-quarter basis**

Comparing the economic development of Q4/2020 to the previous quarter, International trade showed a remarkable pick-up in Q4/2020, with imports of goods & services growing by 21.2% while it was -7.9% in Q3/2020. Exports of goods & services increased by 3.7% while they were negative by -6.5% in Q3/2020. Government final consumption expenditure increased by 2.4% in Q4/2020, and private final consumption expenditure by 1.5%.

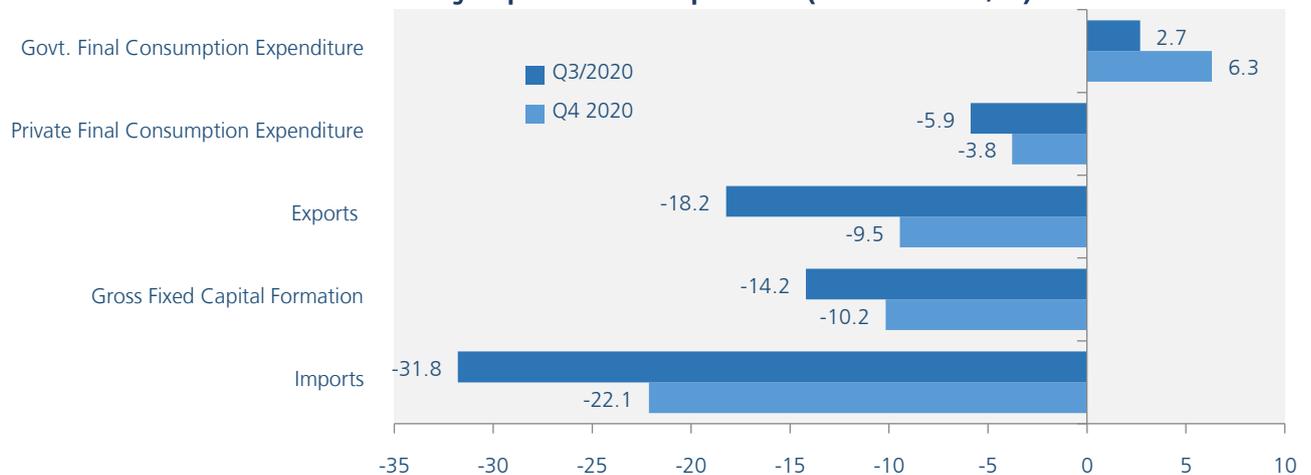
Growth rate by expenditure component (Quarter-on-Quarter, %)



- Growth of expenditure items on a year-on-year basis**

The government final consumption expenditure was the only expenditure component with positive growth rates of 6.3% in Q4/2020 on a year-on-year basis. Imports of goods & services recorded the largest decrease of 22.1%, with goods imports declining by 10.0% and services imports by 48.9%, respectively. Gross fixed capital formation recorded a negative growth of 10.2%, followed by exports of goods & services (-9.5%). However, private final consumption recorded the lowest negative growth by 3.8%.

Growth rate by expenditure component (Year-on-Year, %)

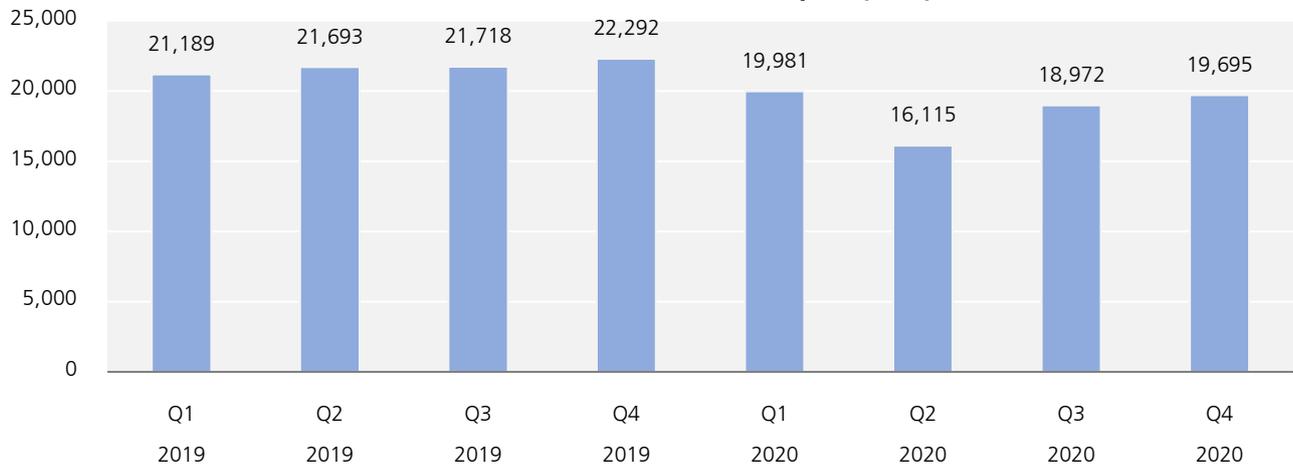




GDP per capita

GDP per capita amounted to 19,695 SAR in the fourth quarter of 2020, down by 11.7% from the same quarter of the previous year, but 3.8% higher than the previous quarter.

Gross Domestic Product Per Capita (SAR)



Gross Domestic Product (GDP)

Gross Domestic Product (by production approach):

The total output minus total intermediate consumption for all economic activities plus net taxes on products.

Gross Domestic Product (by expenditure approach):

The total of final expenditures at purchasers' price including Government and Private Final Consumption Expenditures, Gross Capital Formation, and Net Exports (Exports minus Imports).

Methodological Note on Seasonal Adjustment Of Quarterly GDP

Definition

It is the process of estimating and removing the seasonal and calendar effects from data. So, 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 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 mainly used in the comparisons of the present quarter data by the previous quarter. Also, it can be used by academicians, politicians, bureaucrats, 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.



GDP and Growth Rates by Economic Activity for Q4-2020

Economic Activity	At Current Prices		At Constant Prices		Seasonally Adjusted	
	Million SAR	Y-o-Y Growth (%) Rate	Million SAR	Y-o-Y Growth (%) Rate	Million SAR	Q-o-Q Growth (%) Rate
Agriculture, Forestry & Fishing	15,574	2.5	13,998	3.6	15,798	2.7
Mining & Quarrying	142,145	-34.0	232,293	-9.5	232,647	0.7
a) Crude Petroleum & Natural Gas	139,109	-34.6	229,915	-9.6	229,915	0.7
b) Other	3,036	5.5	2,378	0.4	2,732	1.7
Manufacturing	93,819	-0.5	78,022	-0.6	77,168	9.3
a) Petroleum Refining	25,270	-5.7	23,522	2.9	23,522	25.5
b) Other	68,549	1.6	54,500	-2.1	53,645	3.4
Electricity, Gas, and Water	9,250	-2.0	5,908	0.1	8,403	0.4
Construction	44,451	7.5	30,656	0.4	29,822	0.0
Wholesale & Retail Trade, Restaurants & Hotels	78,138	-1.7	65,770	-1.2	62,365	5.7
Transport, Storage & Communication	46,868	-2.9	40,858	-5.8	39,522	5.3
Finance, Insurance, Real Estate Activities & Business Services	99,435	0.9	73,300	1.9	69,233	0.8
a) Real estate activities	53,188	0.7	36,972	2.6	36,226	0.9
b) Others	46,247	1.0	36,328	1.3	33,007	0.6
Community, Social & Personal Services	17,057	-0.9	13,889	-2.1	14,371	6.7
Imputed Bank Service Charges	7,013	4.9	6,275	4.7	5,946	1.0
Sub - Total	539,725	-11.9	548,419	-4.7	543,384	2.9
Government Services	151,081	0.1	104,762	-0.3	93,342	-0.1
Total Except Import Duties	690,805	-9.5	653,181	-4.0	636,726	2.5
Import Duties	6,758	10.2	4,931	5.6	4,237	2.2
Gross Domestic Product	697,563	-9.4	658,112	-3.9	640,964	2.5

GDP by Expenditure at Current Prices, Q4 2020 (Million SAR)

Period	GDP	Government Final Consumption Expenditure	Private Final Consumption Expenditure	Gross Capital Formation	Exports	Imports
Q1 2019	718,543	151,611	284,817	206,588	270,641	195,115
Q2 2019	740,032	173,041	289,382	212,651	274,617	209,659
Q3 2019	745,369	173,464	291,597	221,431	262,079	203,201
Q4 2019	769,681	211,055	292,023	215,019	264,638	213,053
Total 2019	2,973,626	709,171	1,157,819	855,689	1,071,975	821,028
Q1 2020	695,570	167,334	288,972	190,377	215,837	166,950
Q2 2020	564,211	169,209	243,536	189,100	121,357	158,991
Q3 2020	668,098	179,780	295,709	166,572	167,009	140,972
Q4 2020	697,563	232,789	300,495	146,884	187,408	170,012
Total 2020	2,625,442	749,112	1,128,712	692,933	691,611	636,926

Links: [Tables](#), [Methodology](#)