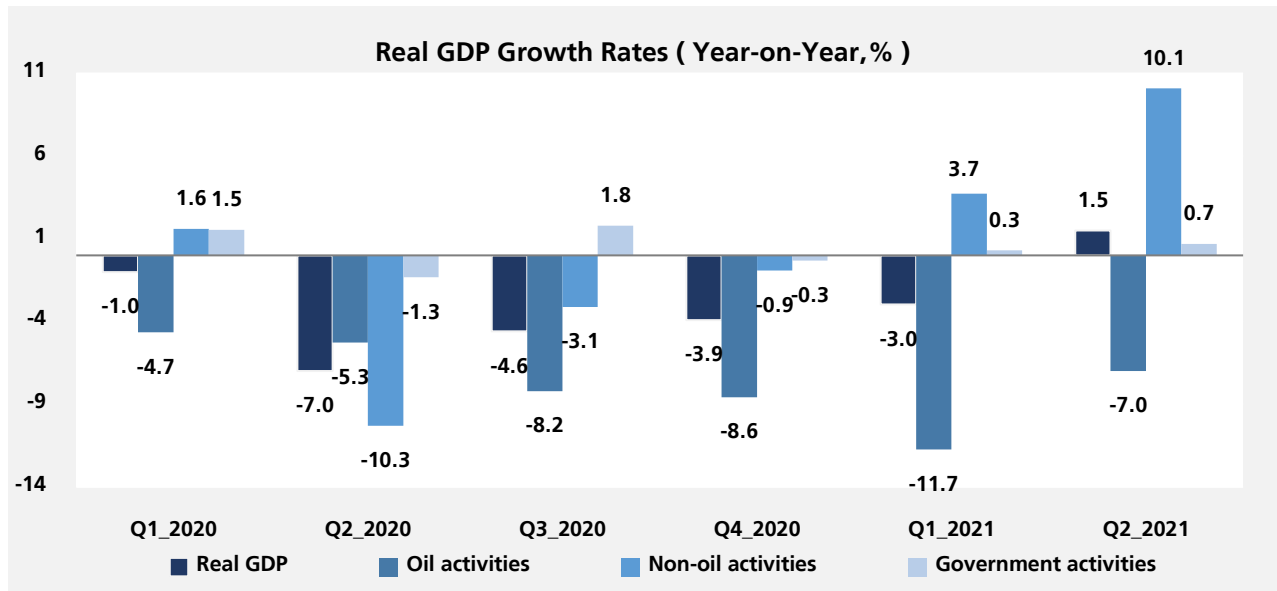




## The Saudi economy grows at 1.5 % in Q2/2021 on an annual basis with non-oil economy growing at 10.1%

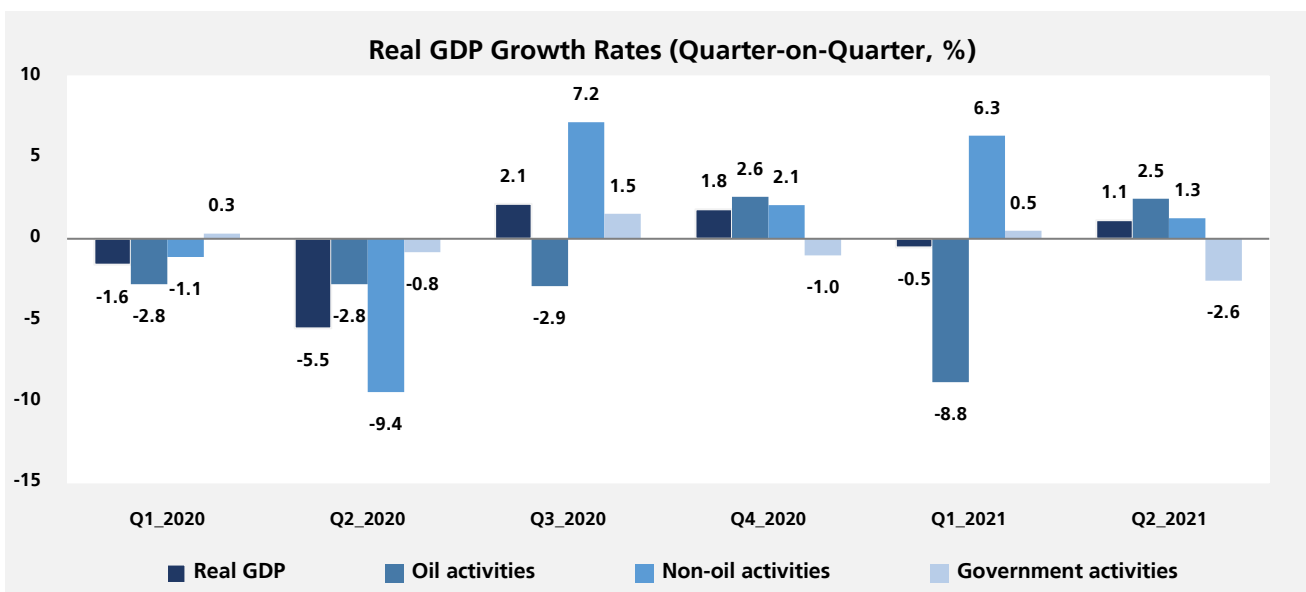
### Annual real GDP growth

According to the flash estimates by General Authority for Statistics (GASTAT), Real Gross Domestic Product (GDP) of Saudi Arabia recorded a positive growth rate for the first time since the start of Covid-19 pandemic by 1.5% in Q2/2021 compared to Q2/2020. This positive growth rate was due to the increase in Non-oil activities by 10.1%. In addition, the increase in Government activities by 0.7%, while Oil activities recorded a negative growth of 7.0% .



### Quarterly seasonally adjusted real GDP growth

Seasonally adjusted real GDP recorded a positive growth rate of 1.1% in Q2/2021 compared to the previous quarter (Q1/2021). This increase in GDP was a result of growth in both of Oil activities and Non-oil activities by 2.5% and 1.3% respectively, while Government activities recorded a negative growth of 2.6%.





## 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 Q2/2021

### Growth rates of Real GDP by main activities at Q2-2021 (Year-on-year, %)

Period	2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2
Oil activities	-4.7	-5.3	-8.2	-8.6	-11.7	-7.0
Non-oil activities	1.6	-10.3	-3.1	-0.9	3.7	10.1
Government activities	1.5	-1.3	1.8	-0.3	0.3	0.7
Real GDP	-1.0	-7.0	-4.6	-3.9	-3.0	1.5

### Growth rates of seasonally adjusted Real GDP by main activities at Q2-2021 (Quarter-on-quarter, %)

Period	2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2
Oil activities	-2.8	-2.8	-2.9	2.6	-8.8	2.5
Non-oil activities	-1.1	-9.4	7.2	2.1	6.3	1.3
Government activities	0.3	-0.8	1.5	-1.0	0.5	-2.6
Real GDP	-1.6	-5.5	2.1	1.8	-0.5	1.1

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