

# MANPOWER AND THE LABOUR MARKET

## 10.1 INTRODUCTION

Development of human capital is a means and a target of socioeconomic development, for the human element has become the cornerstone of and the most important criterion for the progress of nations. In recognition, the Eighth Development Plan emphasised human development, allocating to it more than half of total approved budget allocations.

The Ninth Development Plan will continue to give priority to this strategic direction through adopting effective policies and programmes designed to enhance the national manpower's skills and productive efficiency, to enable it to contribute effectively to competitiveness of the Saudi economy and the drive towards a knowledge-based economy.

This chapter deals with the current condition of the Saudi labour force, the labour market and the key issues and challenges that should be addressed, as well as objectives of the Ninth Development Plan in relation to development of the Saudi labour force. The chapter also discusses the envisaged development of the labour market and upgrading its services and efficiency, in order to match Saudi manpower supply and demand, including the relevant Ninth Plan overall objectives and supporting policies.

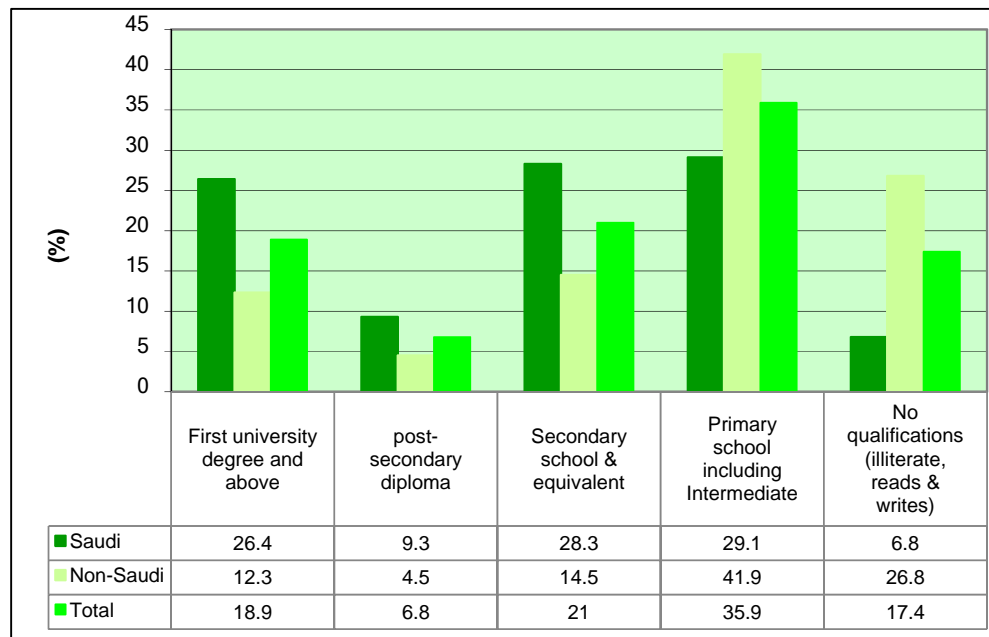
## 10.2 CURRENT CONDITIONS

### 10.2.1 Total Employment

Labour market data point to an increase in total employment from about 7.18 million workers in 2004 to about 8.02 million workers by the end of 2008, which would reflect an average annual growth rate of 2.8%. Saudi employment comprises 3.76 million workers, i.e., 46.9% of total employment, compared with 45.9% in 2004. Females constitute 12.8% of total Saudi employment. The increase in total employment reflects 836.8 thousand new job opportunities, 458.5 thousand of which were filled by Saudis, representing 54.8%.

As regards distribution of total employment by level of educational attainment, the percentage of those who do not have qualifications (illiterate, reads and writes) was about 17.4% of total employment in 2008. The percentage among expatriate workers is higher at around 26.8%, compared with 6.8% for Saudi labour. Saudis with a first university degree and above represent around 26.4% of total Saudi employment, while expatriate workers represent about 12.3% (Figure 10.1).

**Figure 10.1**  
**Percentage Distribution of Total Employment**  
**by Level of Education and Nationality (2008)**



*Source: Central Department of Statistics and Information, and Ministry of Economy and Planning.*

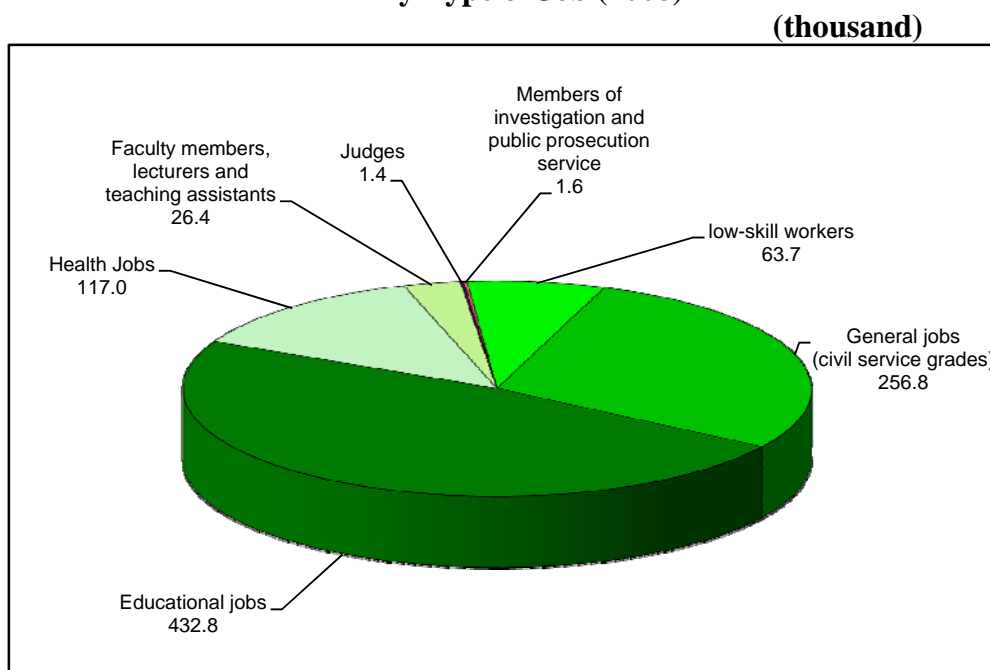
With regard to the relative distribution of total employment by major occupational group, the ratios ranged from approximately 30.6% for clerical occupations to around 2% for industrial, chemical and food industry professions. At 34.6%, Saudi employment is concentrated in service occupations; followed by scientific, technical and humanities professions at 18.4%, while at about 1.1%, the lowest proportion is in industrial, chemical and food industry professions. In contrast, expatriate employment is concentrated in basic engineering auxiliary professions at 36.2% of total expatriate labour.

## 10.2.2 Employment and Saudization of Jobs in the Public Sector

The statistics of 2008 show that total employment in the public sector in graded and professional jobs and employees (not including low-skill workers and direct employment and others) was 899.7 thousand, of whom 827.8 thousand were Saudis, representing 92%. Total Saudi female employment was 275.1 thousand, representing about 88.4% of total female employment in the sector, which amounted to 311.2 thousand.

The number of those in graded jobs positions in the public sector was 256.8 thousand, of whom Saudis represented 97.8%; the number of those in professional jobs was 579.2 thousand, of whom Saudis represented 88.6%; and the number of low-skill workers 63.7 thousand, of whom 99.7% were Saudis (Figure 10.2). These figures indicate high rates of job saudization in the public sector in general, although in the medium term, some jobs still require employment of expatriate workers, especially in education and health.

**Figure 10.2**  
**Distribution of Public Sector Workers**  
**By Type of Job (2008)**



Source: Ministry of Civil Service.

Saudization of jobs in the public sector proceeded through job creation and substitution. By the end of 2008, the net increase in graded, professional and low-skill jobs was 136.4 thousand, out of which 133.3 thousand, or 97.7%, were filled by Saudi labour. Out of the total increase, Saudi females filled about 44.1 thousand jobs, or 83.6% of the total increase in female employment, which amounted to 52.8 thousand. Employment of expatriates in the public sector increased by about 3.1 thousand; while, as part of saudization process, 1.8 thousand jobs previously occupied by expatriates went to Saudis, with the share of females being 5.5%.

### **10.2.3 Employment and Indigenisation of Jobs in the Private Sector**

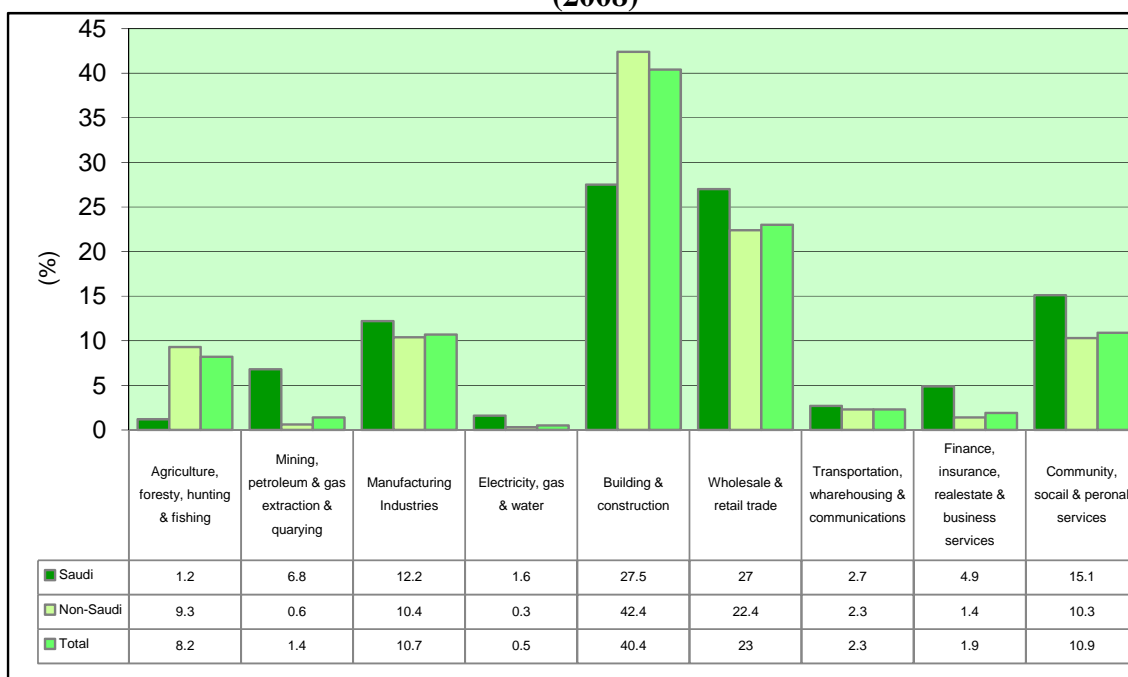
**Page**  
**172**

Ministry of Labour data for 2008 indicate that the total registered employment in the private sector amounted to about 6.22 million workers, of whom 829.1, or about 13.3%, were Saudis. The number of Saudi females employed by the sector was 51.5 thousand, representing about 36% of the 143.1 thousand females employed by the private sector.

Distribution of employment by main economic activity shows that the ratio of employment in the production sectors was 61.2% of total employment, compared with 38.1% in the service sectors, with the remaining 0.7% in un-designated activities. Saudi employment constituted 10.7% of total employment in the production sectors, and some 17.4% of total employment in the service sectors (Figure 10.3).

Ministry of Labour data also show that during the first four years of the Eighth Plan, the number of employees registered in the private sector increased by about 1.57 million, of whom 343.3 thousand, or some 21.8%, were Saudis. Saudi women acquired 28.1 thousand jobs, which amounts to 8.2% of the total increase in Saudi employment. During this period, the average annual rate of growth of total employment in the sector was 7.6%; 14.3% for Saudi labour, and 6.7% for expatriate labour. The high growth rate of Saudi employment in comparison with expatriate labour reflects the positive trend of the private sector increasingly relying on Saudi manpower.

**Figure 10.3**  
**Percentage Distribution of Employment in the Private Sector**  
**by Economic Activity**  
**(2008)**



*Source: Ministry of Labour.*

### 10.2.4 Institutional and Regulatory Development of the Labour Market

Qualifying Saudi manpower for employment is carried out within the framework of a comprehensive system of public agencies and institutions of education and training. In addition to institutions of higher education, general education, and the Technical and Vocational Training Corporation, numerous governmental and private institutes and centres, as well as Chambers of Commerce and Industry, contribute to training efforts. The Human Resources Development Fund plays an important role in coordinating efforts to train and finance Saudi manpower for employment through various programmes, as well as through providing financial support to train Saudi manpower for employment in the private sector, and providing support for training owners of small enterprises. The Centennial Fund helps young people to establish their own businesses. Furthermore, numerous companies and private-sector institutions provide specialized training for candidates that seek employment.

The Ministry of Civil Service undertakes recruitment and enforcement of labour regulations in the public sector, while the Ministry of Labour undertakes this task in the private sector. In addition to exercising overall supervision of the labour market, the Ministry of Labour makes decisions about requests for recruitment of expatriate labour and issues work permits for both the public and the private sectors. The Central Department of Statistics and Information conducts population and housing censuses, which contain comprehensive data and detailed information on manpower and employment. It also publishes a semi-annual manpower research report based on a field study. The report gives a comprehensive characterisation of the population 15 years and over, who are in or out of the labour force, broken down by gender and nationality, and it includes data and various statistical distributions of manpower. Furthermore, CDSI undertakes regular office studies and research closely related to manpower issues. For its part, the Ministry of Labour collects and publishes data on private sector employment that includes various statistical distributions of workers, as well as data on career opportunities and job seekers. The Ministry carries out its work through labour offices distributed over all regions of the Kingdom. Moreover, the website of the Ministry provides a portal for easy access to comprehensive electronic information, while the Ministry of Civil Service announces on its website the jobs available in the public sector.

## **10.3 ISSUES AND CHALLENGES**

### **10.3.1 Training of Saudi Manpower**

In enhancing Saudization and reducing recruitment of expatriate labour, training of Saudi manpower to meet the needs of the labour market is a major challenge that requires continuing emphasis on the necessity of continuous development of educational and training curricula, systems and outputs to keep pace with the accelerating development of production and services technologies. Importance of this issue stems from the fact that due to its openness to foreign and domestic competition, as well as to its work environment being different than in the public sector, the private sector, which is the principal employer of Saudis, is influenced relatively more rapidly by developments in production technologies.

Thus, the drive towards a knowledge-based economy requires development of scientific-education and training programmes, with the aim of creating “knowledge workers” through inculcation, throughout the various stages of education, with a culture of work, persistence and endurance, creativity and innovation. However, such a transformation needs a time span exceeding that of the Ninth Development Plan.

### **10.3.2 Productivity of Saudi Manpower**

Various studies of the labour market in the Kingdom have concluded that despite the efforts made to promote productivity of Saudi workers it is still relatively low. The Saudi Employment Strategy prepared by the Ministry of Labour concurred, affirming that "compared with the labour productivity in the 26 nations of the Organization for Economic Cooperation and Development, productivity of the Saudi worker ranked towards the bottom, just before Mexico, Poland and Turkey." A report on industrial employment issued by the Arab Labour Organization in 2008 revealed that worker productivity in a number of Middle Eastern countries is low, with productivity of the Arab worker being 37% of that of workers in some countries of East Asia and around 17% of that of the U.S. industrial worker. Hence, improving productivity of Saudi manpower is a pressing need.

### **10.3.3 Unemployment**

According to Labor Force Review (2008), the rate of unemployment among Saudis was about 10%; with about 6.8% for males and 26.9% for females. Detailed analysis reveals differences in rates by age group; the rate is significantly lower than the average for the 25–54 years age group, which is the productive group, as defined by the International Labour Organization, but significantly higher among young people in the 20–24 years age group. This latter group is a subgroup of the 15–24 years group, which is the youth category most in need of employment opportunities. Youth unemployment has several economic and social consequences requiring special attention by all relevant agencies to address its causes, the most important of which are the structural imbalances in the labour market.

### **10.3.4 Labour Force Participation of Saudis**

Given the sustained growth of the number of people of working age, as well as the efforts to develop the national economy, which is to provide more job opportunities and increasing the labour force participation of Saudis is a strategic objective. In 2008, that rate was about 36.3%; 61% for males and 11.5% for females. Thus, while the participation rate of males is relatively acceptable, that of females is low. The Ninth Development Plan aims to increase the overall participation rate, particularly that of females, in an effort to enhance economic empowerment of women.

### **10.3.5 Labour Market Services**

Efforts are continuing to improve and develop labour market services. The Ministry of Labour has reinforced these efforts through the information base it established to monitor labour movement, and publish the result on its website, as well as by formulating the Saudi Employment Strategy. This strategy, which is integrated within the Ninth Development Plan, with the aim of developing manpower and the labour market (Box 10.1).

Because of its direct association with labour productivity, it has become necessary to improve and monitor the quality of the work environment; a task that is part of the inspection role assigned to the Ministry of Labour by Chapter 13 of the Labour Regulation code issued by the Council of Ministers Resolution No. 219 of 2005. Development of the work environment is expected to contribute effectively to improving labour performance and productivity.

Strengthening labour-market services depends upon enhancing the efforts of the Ministry of Labour in implementing the Saudi Employment Strategy, as well as developing and spreading labour offices, to enable them to carry out the tasks entrusted to them by the labour regulations. These tasks include managing and controlling the labour market, particularly with regard to inspection and prosecution of irregular expatriate labour (marginal labour), as well as controlling and rationalizing recruitment of expatriate labour in the interest of the national economy.



### **Box 10.1: Saudi Employment Strategy**

In cooperation with the private sector and government agencies, the Ministry of Labour formulated the Saudi Employment Strategy to serve as a reference framework for addressing manpower and employment issues. The strategy, which covers twenty-five years over the short, medium and long terms was approved by Council of Ministers Resolution No. 260 of 2009. It aims to “provide sufficient numbers of jobs with appropriate wages, so as to achieve full employment of Saudi manpower and add a competitive advantage to the national economy”.

The overall objectives of the strategy are: full employment of Saudi manpower (eliminating unemployment and thereafter sustaining full employment), continuous increase in the labour force participation rate of Saudis, and raising their productivity to the level of labour productivity in developed economies (making Saudi worker the preferred choice of employers for his excellence in terms of capacity, efficiency and performance).

The interim objectives of the strategy include “control of unemployment” in the short term (two years), “reducing it in the medium term” (3 years), and achieving a competitive advantage for the national economy through reliance on Saudi manpower in the long term (20 years). In addition, the strategy includes a set of policies and implementation mechanisms for each stage, a target for each policy, the agency or agencies responsible for implementing the mechanisms, performance indicators associated with each target, and an elaborate system of evaluation and follow-up.

## **10.4 DEVELOPMENT STRATEGY**

### **10.4.1 Future Vision**

Continuing to develop Saudi manpower, provide enough jobs with reasonable pay, achieve competitiveness of Saudi manpower to enable its full employment, and expanding and developing labour market services.

### **10.4.2 Objectives**

- Raising the skill level of Saudi manpower scientifically and practically to meet requirements of the transition to a knowledge society
- Improving productivity of Saudi workers to increase their ability to compete in the labour market.

- Achieving relative balance in the structure of wages and employment in the labour market.
- Increasing labour force participation rates and supporting economic empowerment of Saudi women.
- Controlling and rationalizing recruitment of expatriate labour so as to reduce Saudi unemployment.
- Improving and expanding labour market services to meet requirements of globalization and enhance Gulf integration opportunities.

### **10.4.3 Policies**

#### **10.4.3.1 Policies for training and improving productivity of Saudi manpower**

- Supporting efforts to achieve harmonization between outputs of education and training systems and labour market requirements, in addition to strengthening coordination among relevant agencies, intensifying student guidance at all stages of education, and diversifying and developing specialisations in line with labour market requirements.
- Establishing standards for technical and vocational training, supporting continuous education and training of Saudi manpower (on-the-job training), keeping up with advances in skill development, knowledge and technology, and introducing knowledge and innovation concepts in curricula; in order to equip workers with the necessary skills for competition in the job market, through implementation of the following mechanisms:
  - Supporting the Technical and Vocational Training Corporation to enable it to expand the National Professional License Project to cover the various professions and skills required by the labour market.
  - Intensifying on-the-job training efforts in the public and the private sectors to improve the productivity of Saudi workers.

- Supporting the efforts aimed at continuous improvement of labour productivity, through supporting the IPA-based National Centre for Measurement of Performance of Government Agencies of the Institute of Public Administration.
- Raising awareness of the Saudi manpower by the Ministry of Labour, in coordination with the relevant agencies and through various media, seminars and forums, of the importance of training, and urging businessmen to contribute to training the Saudi manpower, either before work or on the job.
- Supporting the Human Resources Development Fund financially, administratively and technically, to expand its activities in supporting, qualifying and securing employment for the Saudi manpower.

#### **10.4.3.2 Policies for reducing unemployment and increasing Saudi labour force participation rates**

- Progressive, selective rationalization of expatriate workers in line with the needs of the labour market, and reducing Saudi unemployment, through the following mechanisms:
  - Continuing to enforce Council of Ministers Resolution No. 120 of 2004 on employment of women, and enhancing employment opportunities for them in the activities covered by the study referred to in this resolution.
  - Studying the possibility of establishing an administrative entity (body or institution), or developing one of the existing entities, to assume responsibility for SMEs, with the aim of facilitating procedures of their establishment and providing various forms of financial, technical and administrative support to increase their ability to recruit Saudi manpower.
  - Supporting the private sector, through soft loans, to encourage the use of modern technologies, and reduce its dependence on expatriate labour, especially unskilled labour.
- Supporting efforts to stimulate regionally balanced economic activity and balanced provision of employment opportunities for

Saudi manpower, through the following mechanisms:

- Improving employment opportunities in remote areas, away from major urban centres.
- Softening lending for commercial and industrial activities outside big cities.
- Implementing Council of Ministers Resolution No. 359 of 2008 to grant tax incentives to investment in less developed regions.
- Supporting investment in new economic cities and linking provision of assistance in these cities to employment of Saudi manpower, in addition to encouraging the relevant authorities to provide incentives to the private sector tied to employment of Saudi manpower.
- Supporting efforts to increase participation of Saudi manpower of both sexes in the labour market, through the following mechanisms:

**Page**  
**180**

- Developing programmes to promote Saudis-only career opportunities and professions, as well as jobs targeted for substitution of expatriate labour.
- Promoting labour market mobility by increasing recruitment of Saudi manpower and substitution of expatriate labour, and publicising available opportunities.
- Implementing employment-related items in the privatization strategy, in order to provide more job opportunities for Saudi manpower.

#### **10.4.3.3 Policies for supporting labour market services**

- Developing systems for the collection of manpower and labour market data and disseminating such data, through the following mechanisms:
  - Strengthening the human and material resources of the Central Department of Statistics and Information, in order to develop the cycle of statistical data and regularly provide key indicators of the labour market in shorter intervals.

- Providing financial and administrative support to the electronic database of the Ministry of Labour, to enable it to monitor movements in the labour market in all regions, as well as to complete the infrastructure necessary for implementing the Saudi Employment Strategy.
- Studying the possibility of the Ministry of Labour publishing a free-of-charge periodical, placed also on the Ministry's website on the internet, giving a detailed description of available jobs in the national labour market (and later in GCC countries).
- Monitoring by the Ministry of Labour of movements and available jobs in the GCC labour market, in synchronisation with GCC integration.
- Preparation of periodic reports and studies on the labour market in the Kingdom, as well as on labour markets in GCC countries.
- Supporting the Ministry of Labour to further improve the services of labour offices, through the following mechanisms:
  - Strengthening labour offices by adding career-guidance specialists fully versed in job characterisation and career-guidance methods.
  - Intensifying control and inspection of enterprises, particularly the small and the bogus, to eliminate marginal employment.
  - Continuing to develop and establish labour offices throughout the Kingdom, in addition to establishing special units for women and youth in those offices and establishing career offices in institutions of higher education.
  - Strengthening the efforts made by labour offices to collect detailed information on job seekers and their subsequent employment, in addition to updating the central database periodically.

## 10.5 LABOUR MARKET KEY INDICATORS

The Ninth Development Plan aims at increasing the Saudi labour force participation rate from 36.7% in 2009 to 39.3% in 2014. This increase would entail a rise of Saudi manpower (employed and unemployed) over the same period from about 4.33 million to about 5.33 million; i.e., an average annual growth rate of 4.2%. The plan also aims to increase total employment from 8.17 million to about 9.40 million, an increase of up to about 1.22 million, as well as raising the number of employed Saudis from about 3.91 million to about 5.04 million, an increase of about 1.12 million. The share of females of this increase would be 27.5%, and it is expected that about 100.8 thousand expatriate workers would be recruited. Hence, the ratio of Saudi to total employment (Saudization) is expected to increase from 47.9% to 53.6% (Table 10.1).

**Table 10.1**  
**Main Indicators of Labour Market<sup>(\*)</sup>**  
**Ninth Development Plan**

	2009	2014	Change	Average annual growth rate of the Plan %
<b>Saudi Manpower (thousands)</b>	<b>4329.0</b>	<b>5328.6</b>	<b>999.6</b>	<b>4.2</b>
Male	3636.5	4379.9	743.4	3.8
Female	692.5	948.7	256.3	6.5
<b>Participation rates %</b>	<b>36.7</b>	<b>39.3</b>	<b>2.6</b>	<b>1.4</b>
Male	61.7	64.8	3.0	1.0
Female	11.7	13.9	2.2	3.5
<b>Total employment (thousands)</b>	<b>8173.1</b>	<b>9396.3</b>	<b>1223.2</b>	<b>2.8</b>
Saudi	3914.6	5037.0	1122.5	5.2
Non-Saudi	4258.5	4359.3	100.8	0.5
<b>Contribution of Saudi employment %</b>	<b>47.9</b>	<b>53.6</b>	<b>5.7</b>	<b>--</b>
<b>Unemployed Saudis (thousands)</b>	<b>414.4</b>	<b>291.6</b>	<b>(122.8)</b>	<b>(6.8)</b>
Male	238.1	167.5	(70.6)	(6.8)
Female	176.3	124.1	(52.3)	(6.8)
<b>Unemployment rate %</b>	<b>9.6</b>	<b>5.5</b>	<b>(4.10)</b>	<b>(10.6)</b>
Male	6.5	3.8	(2.7)	(10.2)
Female	25.5	13.1	(12.4)	(12.5)

(\*) Figures in parentheses refer to negative numbers. Numbers and percentages are rounded to nearest decimal.

Source: Ministry of Economy and Planning.

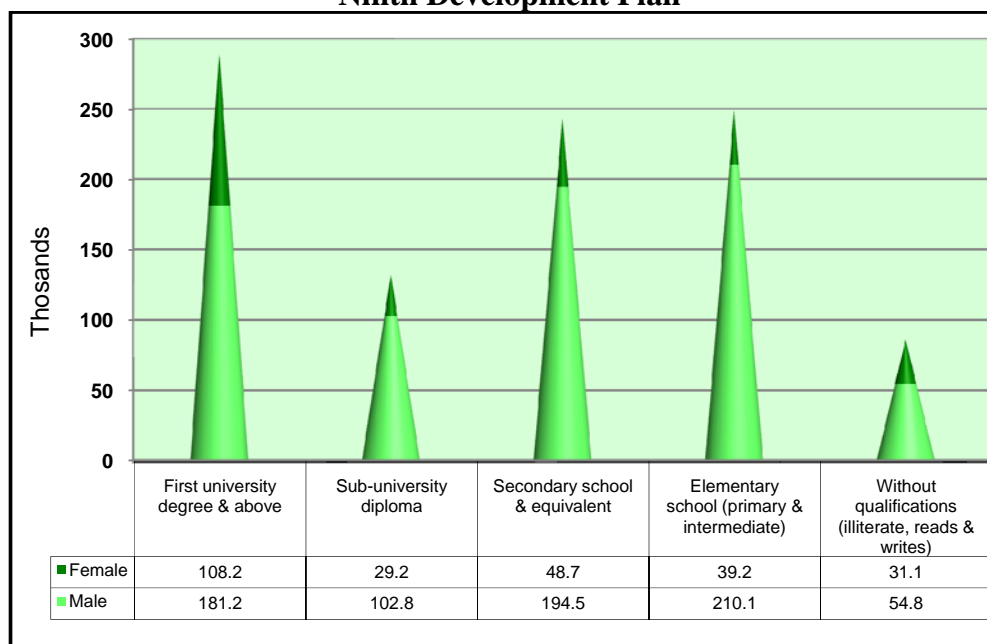
The Plan expects to reduce the number of unemployed by about 122.8 thousand, i.e., by 29.6% of the total unemployed, who number about 414.4 thousand. As a consequence, the unemployment rate is expected to drop from 6.5% to 3.8% for males, from 25.5% to 13.1% for females, and from about 9.6% to 5.5% for both genders combined.

## 10.6 SAUDI MANPOWER SUPPLY

Under the Ninth Development Plan, Saudi entrants to the labour market are expected to be 1.12 million, of whom 999.6 thousand (89.1%) are new entrants, with the remaining 10.9% are the unemployed to be absorbed in jobs created during the period of the Plan (Table 10.1).

Of the new entrants to the labour market, graduates of education and training systems are expected to be about 913.7 thousand, including 225.3 thousand females (24.6%), while those who do not have any qualification (illiterate, reads and writes) are expected to number about 85.9 thousand, including about 31.1 thousand females (Figure 10.4).

**Figure 10.4**  
**New Entrants to Labour Market by Level of Education**  
**Ninth Development Plan**



*Source: Ministry of Economy and Planning.*

The figure shows the following:

- The number of university-graduate (first university degree and above) entrants into the labour market is estimated at 289.4 thousand, i.e., 28.9% of the total, about 37.4% of them females. This indicates the need for jobs requiring high qualifications, particularly in the private sector.
- The number of secondary-school-graduate entrants into the labour market is estimated at 243.2 thousand, i.e., 24.3% of the total; while the number of elementary school-graduate entrants is expected to be about 249.3 thousand, i.e., 24.9% of the total. Thus, graduates of both elementary and secondary schools will together account for 49.3% of total entrants. This requires further support to the Human Resources Development Fund and other agencies concerned with training of such graduates and employing them in appropriate jobs in the private sector.

## **10.7 LABOUR DEMAND**

**Page**

**184**

Labour market needs required to achieve the projected annual growth rate of 5.2% in real GDP during the Ninth Development Plan are estimated at about 8.17 million workers at the beginning of the Plan, rising to about 9.4 million workers by its end; an increase of 1.22 million workers. Distributions of jobs by economic sector and by major occupational group are projected to be as follows:

### **10.7.1 Labour Demand by Sector and Economic Activity**

This may be summarized as follows (Table 10.2):

- The Non-oil private sector is expected to absorb 73.1% of the total increase in jobs under the plan, with an estimated average annual growth rate of jobs of about 2.5%; in contrast, the government sector absorption is expected to be about 26.2%, implying an average annual growth rate of 4.8%.
- Employment in the production sectors is expected to grow at an average annual rate of 0.9%, raising the number of workers from 1.96 million to about 2.05 million; an increase of about 92.2 thousand jobs, accounting for 7.5% of the total projected increase in



jobs under the Plan. The building and construction sector is expected to have 65.5 thousand jobs, representing about 71% of the total increase of jobs in production sectors.

- Employment in service sectors is expected to increase from 4.93 million to 5.73 million reflecting an average annual growth rate of about 3.1%; an increase of about 802.3 thousand jobs, which is equivalent to 65.6% of the total projected increase. The community, social and personal services are expected to have 470.6 thousand jobs, representing about 58.7% of the total increase of jobs in the service sectors.

**Table 10.2**  
**Total Employment by Sector and Economic Activity<sup>(\*)</sup>**  
**Ninth Development Plan**

Sector and Economic Activity	2009		2014		Change Under Ninth Development Plan		Average Annual Growth Rate Under Plan (%)
	Number (Thousands)	Ratio (%)	Number (Thousands)	Ratio (%)	Number (Thousands)	Ratio (%)	
Agriculture, Forestry and Fishing	292.6	3.6	271.8	2.9	-20.8	-1.7	-1.5
Non-Oil Mining and Quarrying	18.6	0.2	18.7	0.2	0.2	0.0	0.2
<b>Manufacturing Industries</b>	<b>594.9</b>	<b>7.3</b>	<b>609.2</b>	<b>6.5</b>	<b>14.3</b>	<b>1.2</b>	<b>0.5</b>
• Oil Refining	23.6	0.3	27.4	0.3	3.8	0.3	3.0
• Petrochemicals	19.2	0.2	21.1	0.2	1.9	0.2	1.9
• Other Manufacturing Industries	552.2	6.8	560.8	6.0	8.6	0.7	0.3
Electricity, Gas and Water	85.4	1.0	118.5	1.3	33.1	2.7	6.8
Building and Construction	965.4	11.8	1030.9	11.0	65.5	5.4	1.3
<b>Production Sectors</b>	<b>1956.8</b>	<b>23.9</b>	<b>2049.0</b>	<b>21.8</b>	<b>92.2</b>	<b>7.5</b>	<b>0.9</b>
Trade, Restaurants and Hotels	1564.2	19.1	1857.0	19.8	292.8	23.9	3.5
Transport and Communications	376.7	4.6	381.0	4.1	4.3	0.4	0.2
Real estate Services	313.4	3.8	336.3	3.6	22.9	1.9	1.4
Finance, Insurance and Business Services	93.7	1.1	105.4	1.1	11.7	1.0	2.4
Community, Social and Personal Services	2584.5	31.6	3055.0	32.5	470.6	38.5	3.4
<b>Service Sectors</b>	<b>4932.4</b>	<b>60.3</b>	<b>5734.7</b>	<b>61.0</b>	<b>802.3</b>	<b>65.6</b>	<b>3.1</b>
Government Services	1215.1	14.9	1535.5	16.3	320.4	26.2	4.8
<b>Non-Oil Private Sector</b>	<b>6889.2</b>	<b>84.3</b>	<b>7783.6</b>	<b>82.8</b>	<b>894.4</b>	<b>73.1</b>	<b>2.5</b>
Crude Oil and Natural Gas	68.8	0.8	77.2	0.8	8.4	0.7	2.3
<b>Total</b>	<b>8173.1</b>	<b>100.0</b>	<b>9396.3</b>	<b>100.0</b>	<b>1223.2</b>	<b>100.0</b>	<b>2.8</b>

(\*) Figures and percentages are rounded to nearest decimal.

Source: Ministry of Economy and Planning.

## 10.7.2 Labour Demand by Major Occupational Groups

Table (10.3) presents a forecast of overall labor distribution by main occupational groups during the Ninth Development Plan. This may be summarized as follows:

**Table 10.3**  
**Total Employment by Major Occupational Group<sup>(\*)</sup>**  
**Ninth Development Plan**

Major Occupational Group	2009		2014		Change In Number (Thousands)	Average Annual Growth Rate Under Plan (%)
	Number (Thousands)	Ratio (%)	Number (Thousands)	Ratio (%)		
Managers and business managers	326.3	4.0	391.1	4.2	64.8	3.7
Specialists in scientific, technical and humanities disciplines	656.8	8.0	799.9	8.5	143.1	4.0
Technicians in scientific, technical and humanities disciplines	891.5	10.9	1076.0	11.5	184.5	3.8
Clerical occupations	695.8	8.5	870.2	9.3	174.4	4.6
Sales occupations	835.0	10.2	987.4	10.5	152.4	3.4
Services occupations	2494.9	30.5	2741.5	29.2	246.6	1.9
Occupations in agriculture, animal & bird husbandry & hunting	340.7	4.2	349.2	3.7	8.5	0.5
Occupations in industrial & chemical processes & food industries	198.5	2.4	287.6	3.1	89.1	7.7
Basic auxiliary engineering occupations	1733.6	21.2	1893.4	20.2	159.8	1.8
<b>Total</b>	<b>8173.1</b>	<b>100.0</b>	<b>9396.3</b>	<b>100.0</b>	<b>1223.2</b>	<b>2.8</b>

\* Figures and percentages are rounded to nearest decimal.

Source: Ministry of Economy and Planning.

- Increases in jobs resulting from economic growth under the Ninth Development Plan are distributed unevenly over major occupational groups, with average annual rates of growth varying from about 0.5% for occupations in agriculture, animal and bird husbandry, and fishing to some 7.7% for occupations of industrial and chemical processes, and food industries.

- To meet the expected demand, employment opportunities for specialists and technicians in scientific, technical and humanities disciplines are expected to increase jointly by about 327.6 thousand jobs, i.e., by 26.8% of total job increases resulting from economic growth.
- Jobs in sales occupations are projected to increase from 835 thousand to 987.4 thousand; an increase of about 152.4 thousand jobs, representing 12.5% of total increases in jobs resulting from economic growth. It is worth noting that this is consistent with decisions to limit employment in certain professions to Saudis.

## 10.8 OCCUPATIONAL BALANCE OF EMPLOYMENT

Table 10.4 shows the balance between new entrants to the labour market, from Saudi manpower or expatriate labour, by major occupational group, and absorption of these entrants in jobs resulting from projected economic growth under the Ninth Development Plan.

- Saudi employment is forecast to be about 1.12 million, i.e., 91.8% of total employment resulting from economic growth. The remaining 100.8 thousand jobs, i.e., 8.2%, will be filled by expatriate labour.
- Jobs occupied by Saudis resulting from economic growth are distributed unevenly over major occupational groups, ranging from 0.7% for occupations in agriculture, animal and bird husbandry and hunting to about 21.4% for services occupations. Likewise, distribution of expatriate labour varies from 0.2% occupations in agriculture, animal and bird husbandry and hunting to 24.1% for basic auxiliary engineering occupations.

**Table 10.4**  
**Employment Balance by Occupational Group<sup>(\*)</sup>**  
**Ninth Development Plan**

(thousands)

Major Occupational Group	Jobs Growth In Economic Activities	Sources Of Supply		Total Employment	
		National Saudi Labour	Expatriate Labour	Number	(%)
Managers and business managers	64.8	60.3	4.5	64.8	5.3
Specialists in scientific, technical and humanities disciplines	143.1	130.0	13.1	143.1	11.7
Technicians in scientific, technical and humanities disciplines	184.5	161.6	22.9	184.5	15.1
Clerical occupations	174.4	172.0	2.4	174.4	14.3
Sales occupations	152.4	141.2	11.2	152.4	12.5
Services occupations	246.6	240.6	6.0	246.6	20.2
Occupations in agriculture, animal & bird husbandry & hunting	8.5	8.3	0.2	8.5	0.7
Occupations in industrial and chemical processes, and food industries	89.1	73.1	16.0	89.1	7.3
Basic auxiliary engineering occupations	159.8	135.5	24.3	159.8	13.1
<b>Total</b>	<b>1223.2</b>	<b>1122.5</b>	<b>100.8</b>	<b>1223.2</b>	<b>100.0</b>

(\*) Figures and percentages are rounded to nearest decimal.

Source: Ministry of Economy and Planning.