National Labor Observatory
المرصد الوطني للعمل

# Labor Force Snapshot Report

Kingdom of Saudi Arabia

Q1 2026



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## About the National Labor Observatory

The National Labor Observatory is the primary and trusted source of labour market data and insights. Its role is to support entities, experts, and beneficiaries by enabling informed decision-making and policy development based on labour market reports, statistical analysis, and research insights.

National Labor Observatory

Riyadh – Kingdom of Saudi Arabia

## Report Overview

The “Labor Force Snapshot” report is part of a quarterly series issued by the National Labor Observatory (NLO). It provides a high-level analysis of current employment changes in the Kingdom across jobs and wages, through various demographic, geographic, and sectoral indicators. The report aims to present key insights and conclusions to enable evidence-based decision-making and strengthen job development policies at the regional and sectoral levels.

# 01

# Executive Summary

## 1. Executive Summary

- **Q1 2026 data indicate continued expansion in private-sector employment**. Total private-sector employment reached approximately 13.570 million workers by the end of Q1 2026. The number of Saudi nationals employed in the private sector exceeded 2.627 million, while the total number of non-Saudi workers in the private sector reached approximately 10.942 million by the end of Q1 2026.

- **The number of Saudi nationals employed in the private sector increased by 6% by the end of Q1 2026 compared with the corresponding quarter of 2025**. The number of male employees exceeded 1.528 million, while the number of female employees in the private sector surpassed 1.099 million by the end of Q1 2026.

- **Micro-enterprises contributed to the increase in private-sector employment by the end of Q1 2026**. They achieved the highest growth rate in total employment, at approximately 16.7%, followed by small enterprises with a growth rate of 7.1%, compared to the corresponding quarter of 2025.

- **Riyadh Region recorded the highest number of private-sector workers among the regions of the Kingdom's**, reaching 6.271 million workers by the end of Q1 2026, followed by the Eastern Region with 2.598 million and Makkah Region with 2.274 million workers. Al Bahah, Northern Borders, and Al Jawf recorded the lowest numbers of private-sector workers.

- **The private sector recorded an increase in the average wages of Saudi nationals, growing by approximately 4.7%** year-on-year to an average monthly wage of SAR 9,331 by the end of Q1 2026. The average monthly wage for Saudi males was SAR 11,289, with growth of 4.3%, while Saudi females recorded an average monthly wage of approximately SAR 6,609, with growth of 6.7% over the same period. The average monthly wage of non-Saudi workers in the private sector was approximately SAR 2,615 by the end of Q1 2026.

# 02

# Introduction

## 2. Introduction

The KSA labor market is undergoing positive and notable developments, driven by the reform plans introduced under Vision 2030 in recent years. These efforts aim to enhance private sector contribution, improve the business environment, and develop human capital, contributing to expanding the employment base and creating new job opportunities across various economic sectors. They also support workforce localization and increase the participation of Saudi nationals in the labor force. This report is based on several key indicators, including jobs and monthly wages, across various demographic, geographical and sectoral dimensions. The report provides accurate and high-level analysis of the indicators from Q1 2025 to Q1 2026. It aims at presenting evidence-based findings that enable policy makers to take effective decisions fostering job development and enhancing work environment across regions and sectors.

### 2.1. Methodology

This report relies on the KSA labor market data from Q1 2025 until Q1 2026 relying on data issued by the Ministry of Human Resources and Social Development, which is considered one of the officially approved data sources. The report also adopts an analytical approach to measure and analyze key labor market indicators and trends, and to extract the structural characteristics of employees in the private sector. Figures in the report have been rounded, which may result in minor differences in total figures. Data are extracted at the end of each quarter to reflect their actual status at that specific time. Q1 2026 data were extracted on 31 March 2026. Accordingly, any updates or amendments occurring after the extraction date are not reflected in the report.

The data is categorized and analyzed across key dimensions, including nationality, gender, age group, administrative region, and enterprise size. The report also provides focused analysis on the distribution of the labor force, the wage structure of Saudi employees in the private sector, and the dynamics of new entrants into the labor market.

## 2.2. Labor Market Indicators

Table 1: The report addresses several of the labor market indicators as follows:

| | Indicator | Definition | Source |
|---|---|---|---|
| 1 | **Private Sector Workforce** | Number of all on-the-job employees in the private sector | Ministry of Human Resources and Social Development |
| 2 | **On-the-Job Trainees (Tamheer)** | Number of on-the-job graduate trainee (Tamheer) funded by the Human Resources Development Fund and did not secure employment | Human Resources Development Fund (HRDF) |
| 3 | **Entrants to the private sector** | Number of Saudis returning to work in the private sector after having previously left the sector, in addition to the number of new employees joining the labor market for the first time with no prior work experience. | Ministry of Human Resources and Social Development |
| 4 | **Average Monthly Wage of the Private Sector Employees** | Total salaries of the private sector employees (in SAR) divided by the number of employees, including basic salary and accommodation allowance | Ministry of Human Resources and Social Development |

# 03

# General Employment Statistics in the Labor Market

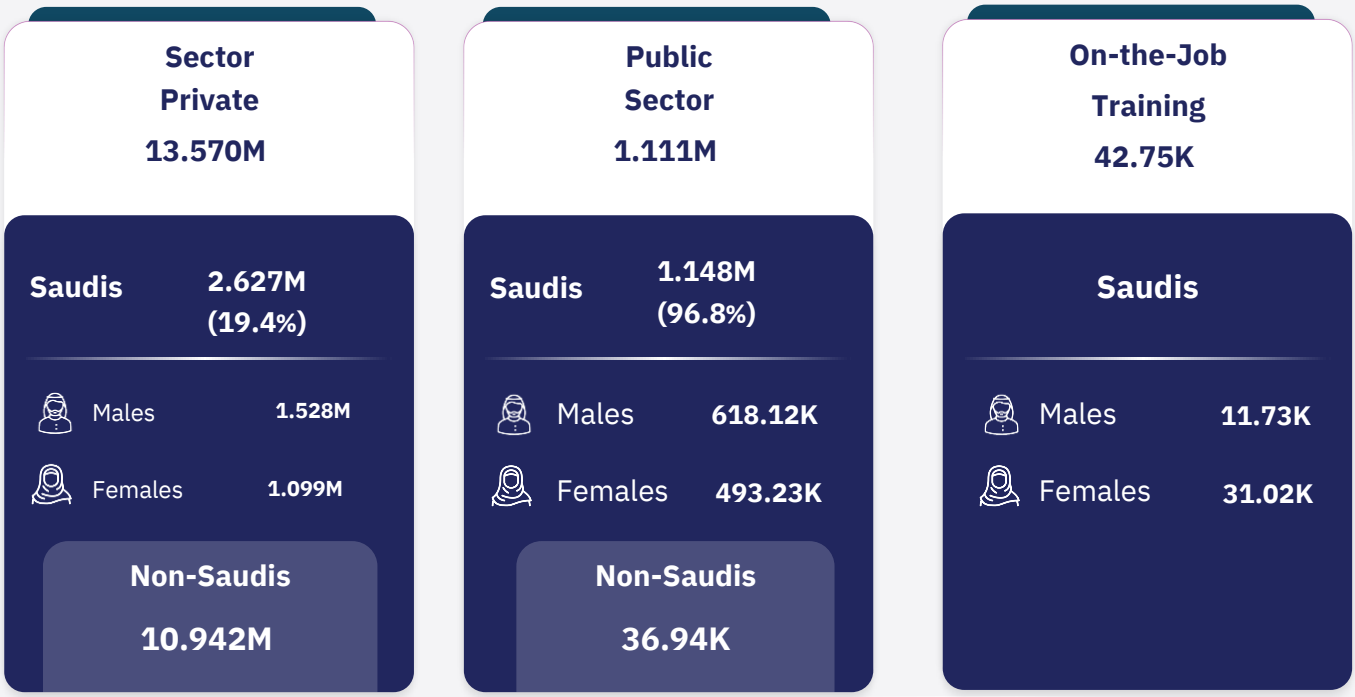
## 3. General Statistics on Labor Market Jobs

The private sector constituted the largest employer in Saudi Arabia, comprising 13.570 million employees in Q1 2026. Saudis constituted more than 2.627 million of the total private sector employees, including 1.528 million Saudi male employees and 1.099 million Saudi female employees in the sector. In contrast, non-Saudi employees constituted more than 10.942 million of the total private sector employees.

The number of employees in the public sector reached approximately 1.148 million by the end of Q1 2026, with Saudi nationals accounting for 96.8% of the total workforce in the sector, numbering 1.111 million employees.

As part of ongoing efforts to strengthen the readiness of the national workforce, approximately 42.75 thousand Saudis joined the on-the-job training program (Tamheer) by the end of Q1 2026. The program is offered by the Human Resources Development Fund, and it aims to provide training opportunities for Saudi graduates (higher education and technical and vocational education) in public and private sector institutions to help them gain the necessary skills and experience for entering the labor market.

Figure 1: Total employees by employment sector, nationality, and gender | Q1 2026




**Source**: Ministry of Human Resources and Social Development data, and data Of Tamheer from the Human Resources Development Fund – Q1 2026
**Note:** Public sector data excludes the military sector and includes only employees governed by the Civil Service System and does not include active contributors to the General Organization for Social Insurance within the public sector.

# 04

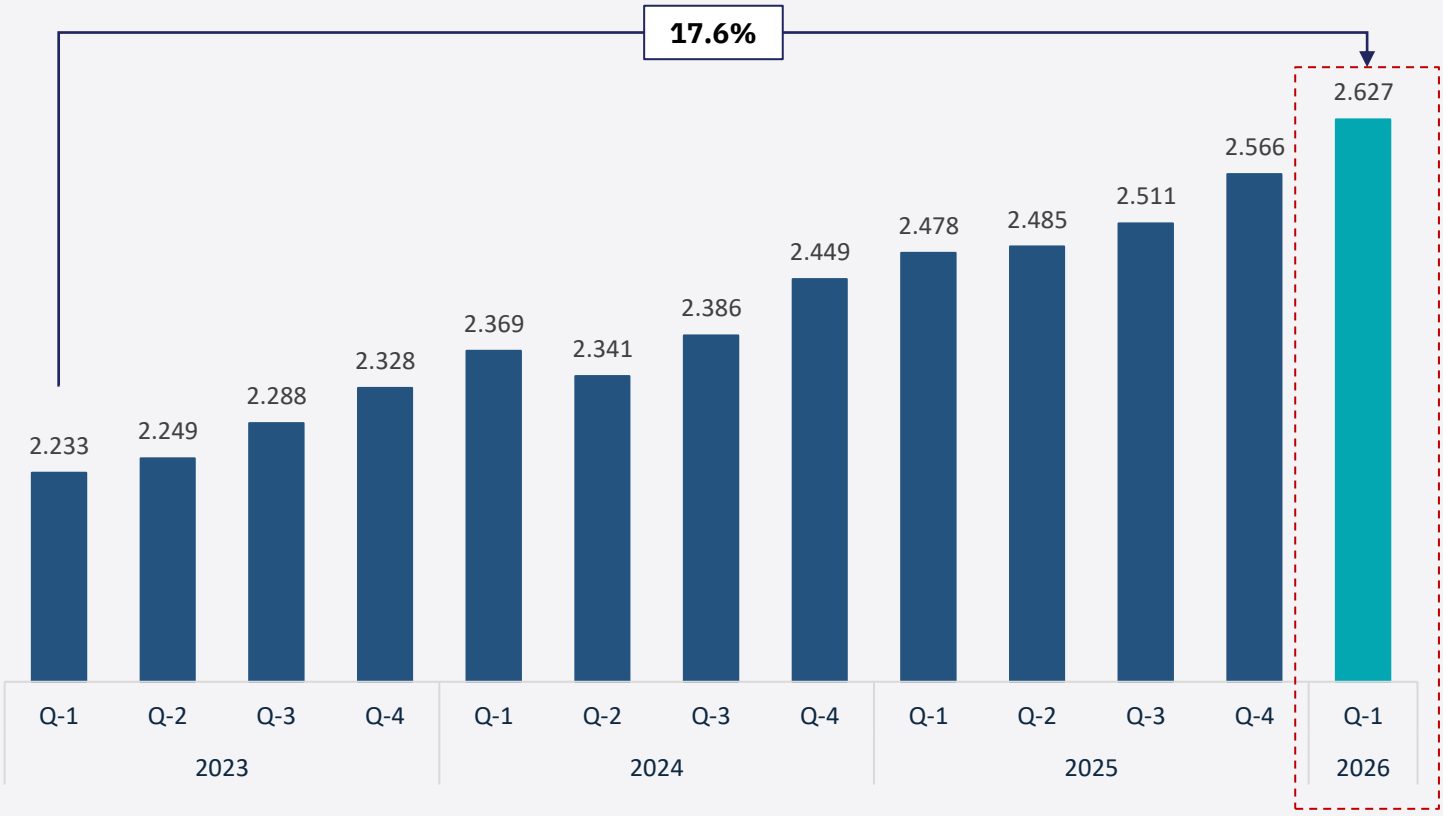
# Private Sector Employees

## 4. Private Sector Employees

### 4.1. Historical Trends in the Number of Saudi Employees in the Private Sector

In recent years, the Kingdom has undertaken structural economic reforms, which have clearly contributed to improving the business environment and strengthening the role of the private sector. Data indicate a clear upward trend in the historical number of Saudis employed in the private sector. The total number of Saudi employees increased from 2.233 million in Q1 2023 to 2.627 million in Q1 2026, representing an increase of approximately 394 thousand employees and a growth rate of about 17.6% compared to Q1 2023. This reflects continued improvement in the private sector's absorption of national talent and its capacity to create jobs across various economic activities. On a year-on-year basis, Q1 2026 recorded growth compared to Q1 2025 (2.478 million), with an increase of 149 thousand employees and a growth rate of approximately 6.0%.

Figure 2: Historical Trends in the Number of Saudi Employees in the Private Sector (in millions) | Q1 2023 – Q1 2026




**Source:** Ministry of Human Resources and Social Development data – Q1 2026

## 4.2. Private Sector Employees by Nationality

Between Q1 2025 and Q1 2026, private sector employment grew by around 1.097 million employees, an increase of 8.8%, bringing the total to 13.570 million employees. This increase is driven by the continuous and accelerating growth in the private sector and in small and medium enterprises, supported by improved business conditions and major developmental projects that play a key role in generating job opportunities.

Saudi employment increased between Q1 2025 and Q1 2026 to reach more than 2.627 million employees in Q1 2026, reflecting a net increase of 149 thousand Saudis over the same period. On the other hand, non-Saudi private sector employees totaled 10.942 million in Q1 2026.

The continued increase in non-Saudi private sector employment reflects the ongoing expansion of major development and housing projects. In this context, the construction sector stands out as one of the main sectors attracting low-skilled foreign labor, given its high demand for manpower to implement economic projects linked to strategic infrastructure.

Figure 3: Distribution of the Private Sector Employees by Nationality (million) | Q1 2025 – Q1 2026

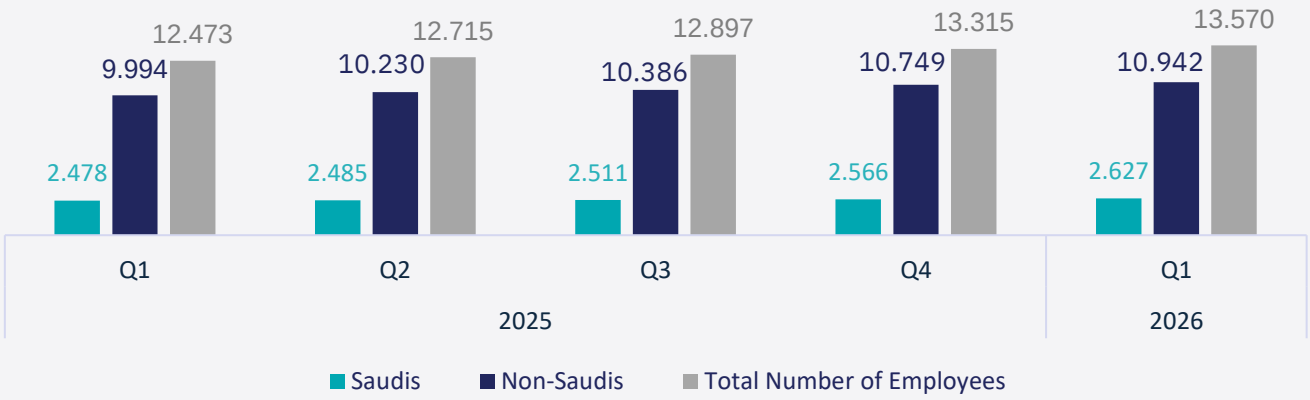



Table 2: Employment Growth Rate in the Private Sector by Nationality

| Nationality | Growth Rate | |
|---|---|---|
| | Between Q1 2025 and Q1 2026 | Between Q4 2025 and Q1 2026 |
| **Saudis** | ▲ **6.0%** | ▲ **2.4%** |
| **Non-Saudis** | ▲ **9.5%** | ▲ **1.8%** |
| **Total** | ▲ **8.8%** | ▲ **1.9%** |

**Source:** Ministry of Human Resources and Social Development data – Q1 2026

## 4.3. Saudi Private Sector Employees by Gender

The number of Saudi male employees in the private sector exceeded 1.528 million in Q1 2026. Meanwhile, the number of Saudi female employees exceeded 1.099 million. Notably, Saudi females represented 42% of the total Saudi employees in the private sector. Furthermore, the share of Saudi women in senior management positions reached 33% in Q1 2026, reflecting the success of the initiatives, programs, and policies launched by the Ministry of Human Resources and Social Development to empower women and enhance their leadership roles by increasing their participation and contribution to economic and social development across various fields.

Figure 4: Distribution of the Private Sector Employees by Gender (in millions) | Q1 2025 – Q1 2026

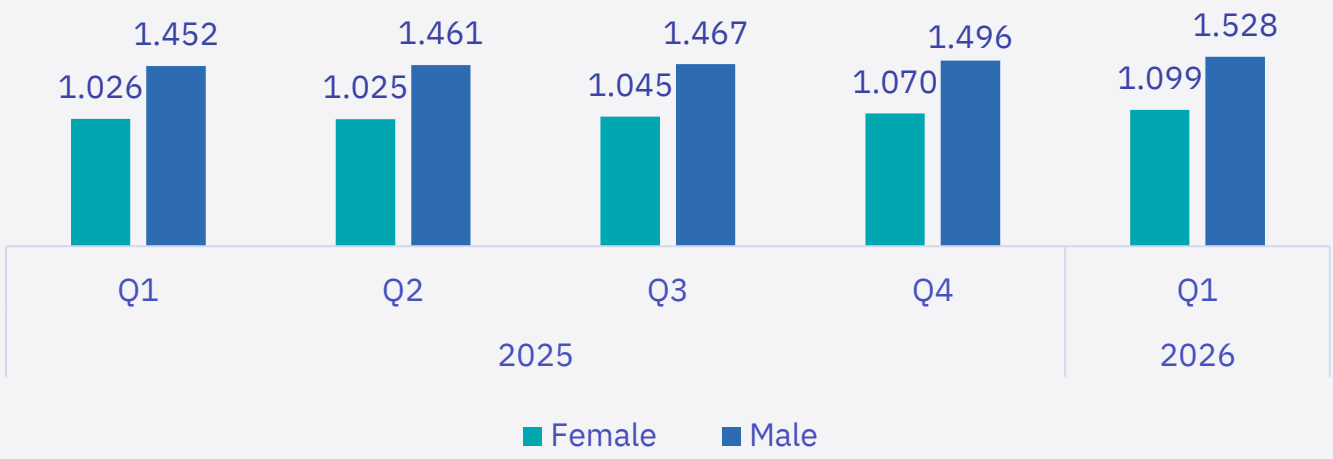



Table 3: Employment growth rate for Saudis in the private sector by gender

| Gender | Growth Rate | |
|---|---|---|
| | Between Q1 2025 and Q1 2026 | Between Q4 2025 and Q1 2026 |
| **Male** | ▲ **5.2%** | ▲ **2.1%** |
| **Female** | ▲ **7.1%** | ▲ **2.7%** |

**Source**: Ministry of Human Resources and Social Development data – Q1 2026
***Senior management positions include:** Board members, senior management, executive management, managers

## 4.4. Non-Saudi Private Sector Employees by Gender

Non-Saudi females recorded 518 thousand employees in the private sector with a growth rate of 16.7% between Q1 2025 and Q1 2026, while the number of non-Saudi males reached 10.425 million employees with a growth rate of about 9.1% over the same period.

Figure 5: Distribution of the Non-Saudi Employees in the Private Sector by Gender (in millions) | Q1 2025 - Q1 2026

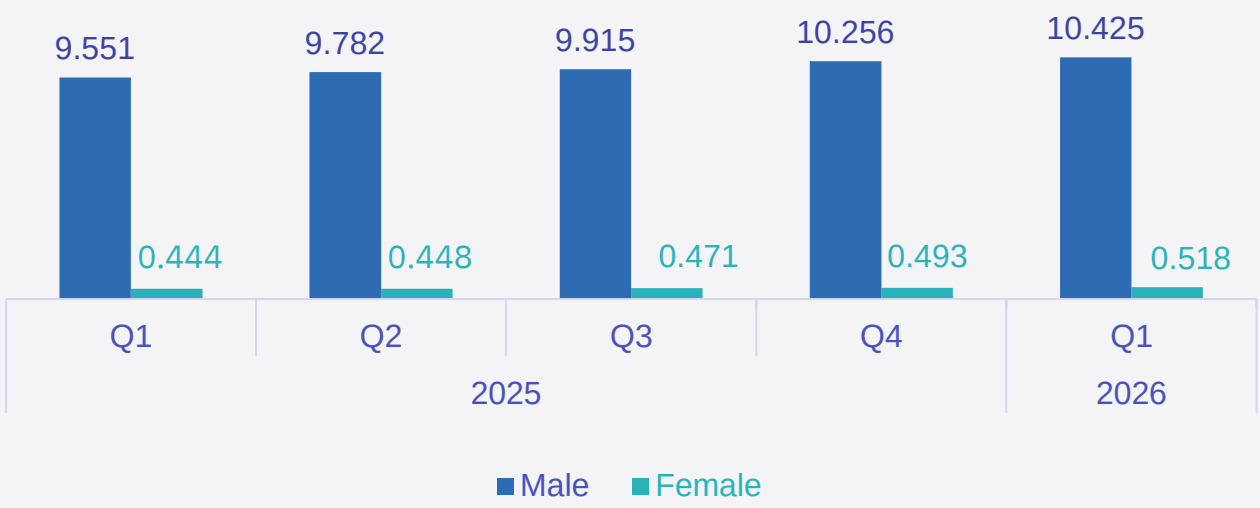



Table 4: Employment Growth Rate for Non-Saudis in the Private Sector by Gender

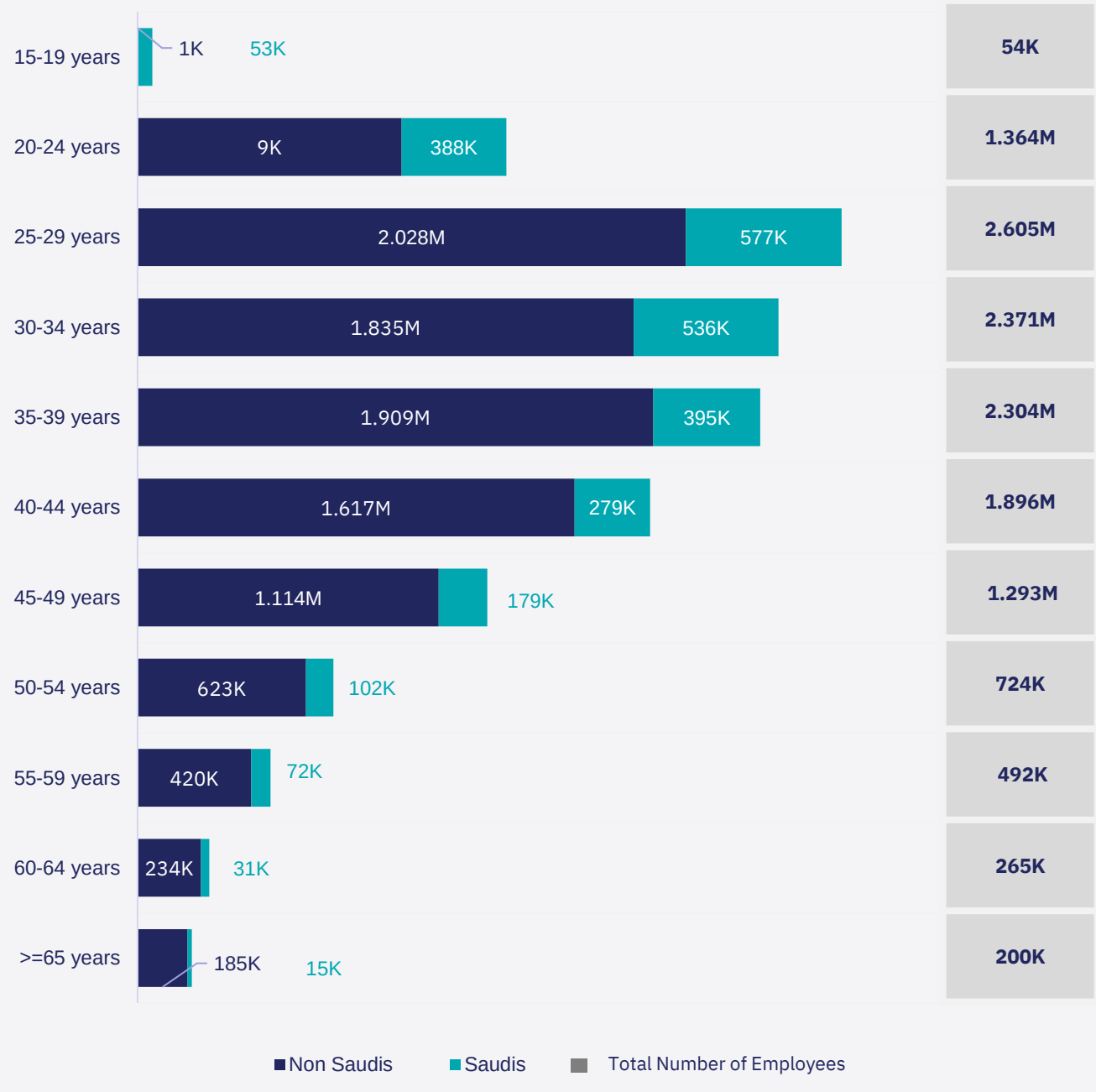
| Gender | Growth Rate | |
|---|---|---|
| | Between Q1 2025 and Q1 2026 | Between Q4 2025 and Q1 2026 |
| **Male** | ▲ **%9.1** | ▲ **%1.6** |
| **Female** | ▲ **%16.7** | ▲ **%5.1** |

**Source**: Ministry of Human Resources and Social Development data - Q1 2026

## 4.5. Private Sector Employees by Age Group

The (25–29 years) age group recorded the highest number of Saudi workers in the private sector compared to other age groups during Q1 2026, reaching 577 thousand workers, representing approximately 22% of the total Saudi workforce in the private sector. The (25–29 years) age group also recorded the highest number of non-Saudi workers, exceeding 2.028 million workers, representing 18.5% of the total expatriate workforce in the private sector.

Figure 6: Distribution of private-sector workers by age group and nationality | Q1 2026




**Source**: Ministry of Human Resources and Social Development data - Q1 2026

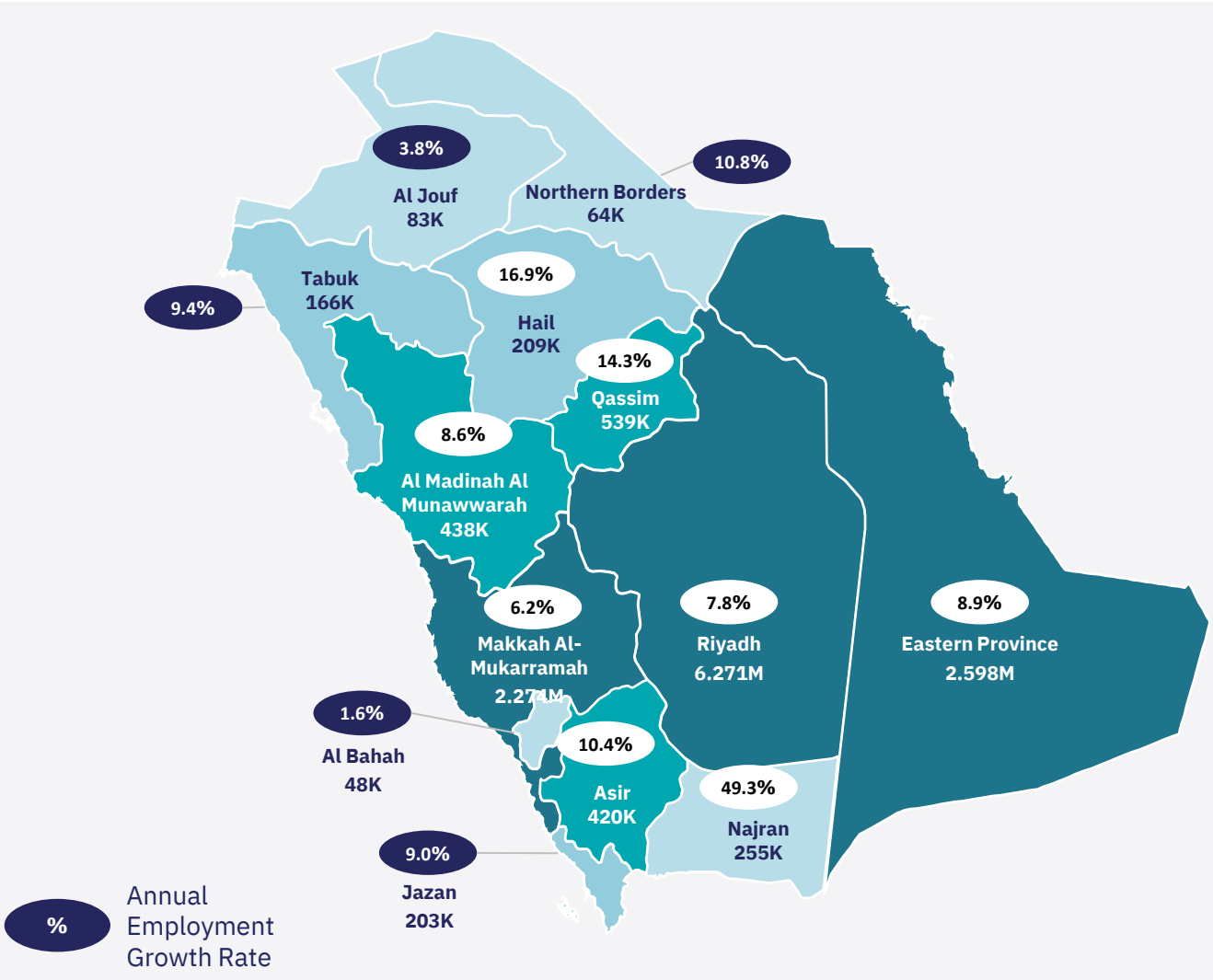
## 4.6. Private Sector Employees by Region

Riyadh recorded the highest number of private sector employees, reaching 6.271 million employees in Q1 2026. This is followed by the Eastern Region with around 2.598 million and Makkah with around 2.274 million. In contrast, other regions recorded lower numbers of the private sector employees, as Al Baha, Northern Borders and Al-Jouf had the smallest shares of the private sector employment in Q1 2026, with 48 thousand, 63 thousand, and 83

thousand employees, respectively.

Comparing between Q1 2026 and Q1 2025, data revealed that Najran achieved the highest growth rates in the private sector employment at 49.3 %, followed by Hail at 16.9% and Al Qassim at 14.3%. In contrast, Al Baha and Al-Jouf recorded the lowest growth rates at 1.6% and 3.8%, respectively.

Figure 7: Distribution of Employees in the Private Sector by Region | Q1 2026

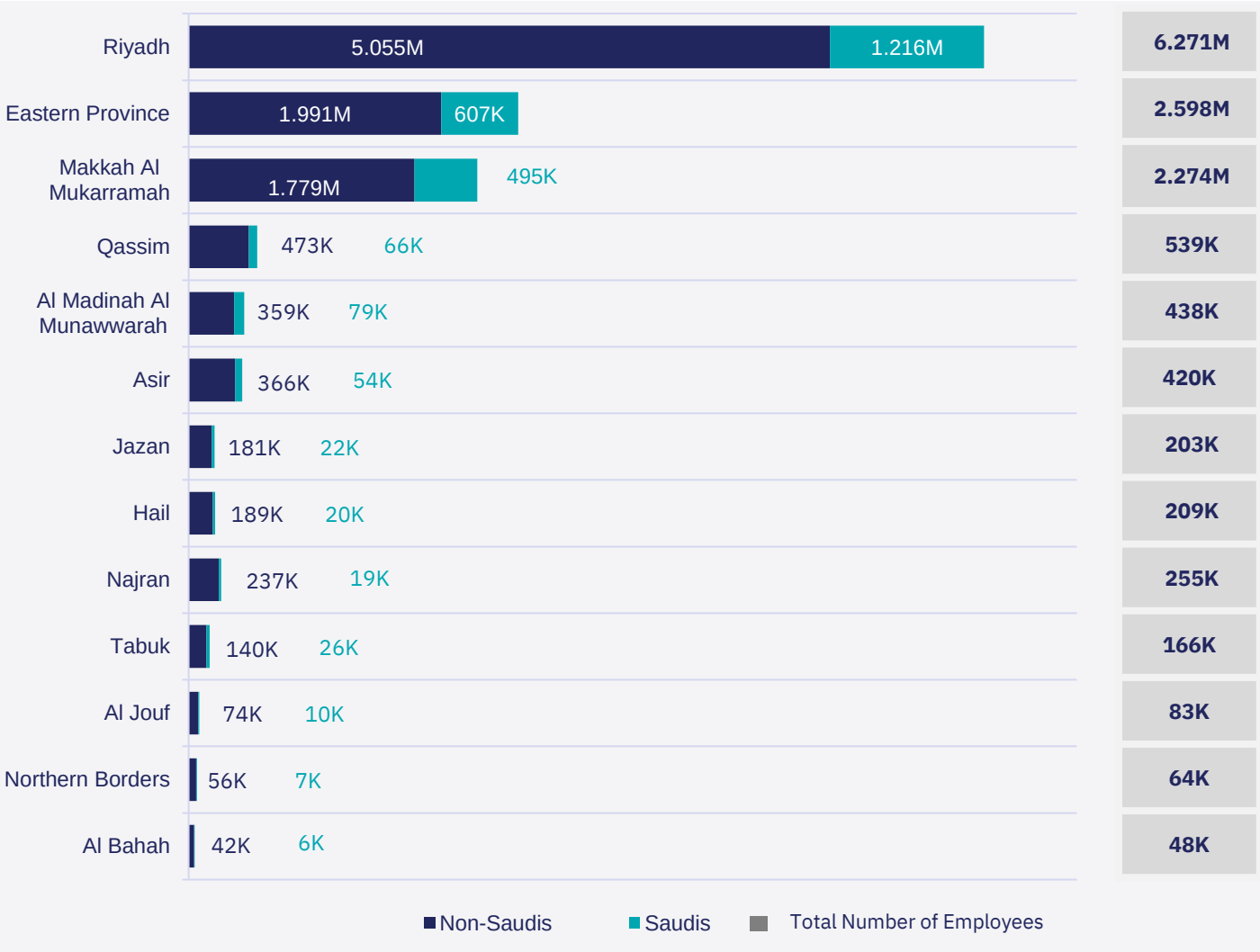



**Source**: Ministry of Human Resources and Social Development data - Q1 2026

Riyadh recorded the highest number of the Saudi private sector employees in Q1 2026, with around 1.216 million employees, constituting 46.3% of the total Saudi employees in the private sector. It was followed by the Eastern Region and Makkah at 23.1% and 18.8%, respectively. In contrast, the percentage of Saudi employees in the private sector in the remaining regions reached 11.8% out of the total Saudi employees, with Al Baha, Northern Borders, and Al Jouf recording the lowest numbers of Saudi employees in the private sector during the same period. As for non-Saudi employees, Riyadh also recorded the highest number of employees by the end of Q1 2026, with around 5.055 million employees constituting 46.2% of the total non-Saudi employees in the private sector.

The geographic concentration of the workforce in the Kingdom's main regions, Riyadh, the Eastern Region, and Makkah, reflects a balance between the distribution of human resources and centers of economic activity. Under Saudi Vision 2030, the Kingdom continues to advance toward regional balance through major projects in promising regions, paving the way for broader development and employment opportunities across the Kingdom.

Figure 8: Number of employees by region and nationality | Q1 2026




**Source**: Ministry of Human Resources and Social Development data - Q1 2026

## 4.7. Private Sector Employees by Establishment Size

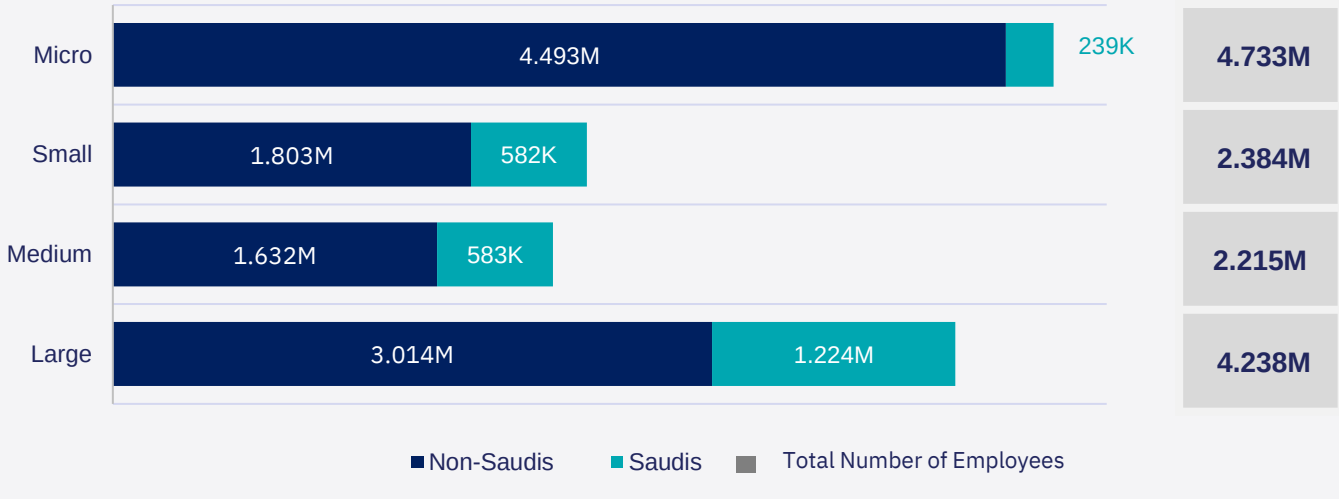
Micro enterprises achieved the highest year-on-year employment growth rate at 16.7% between Q1 2025 and Q1 2026. In contrast, large enterprises recorded the lowest year-on- year employment growth rate with maximum of 3.8%.

Micro enterprises recorded the highest number of private sector employees at 4.733 million in Q1 2026, followed by large enterprises with around 4.238 million employees. The majority of Saudi employees in the private sector were employed mainly in large enterprises with 1.224 million, followed by small enterprises with around 582 thousand, then medium enterprises with around 583 thousand. On the other hand, micro enterprises employed the smallest number of Saudis with 239 thousand.

Figure 9: Distribution of the Private Sector Employees by Enterprise Size (in millions) | Q1 2025–Q1 2026




Figure 10: Number of Employees in the Private Sector by Establishment Size and Nationality | Q1 2026



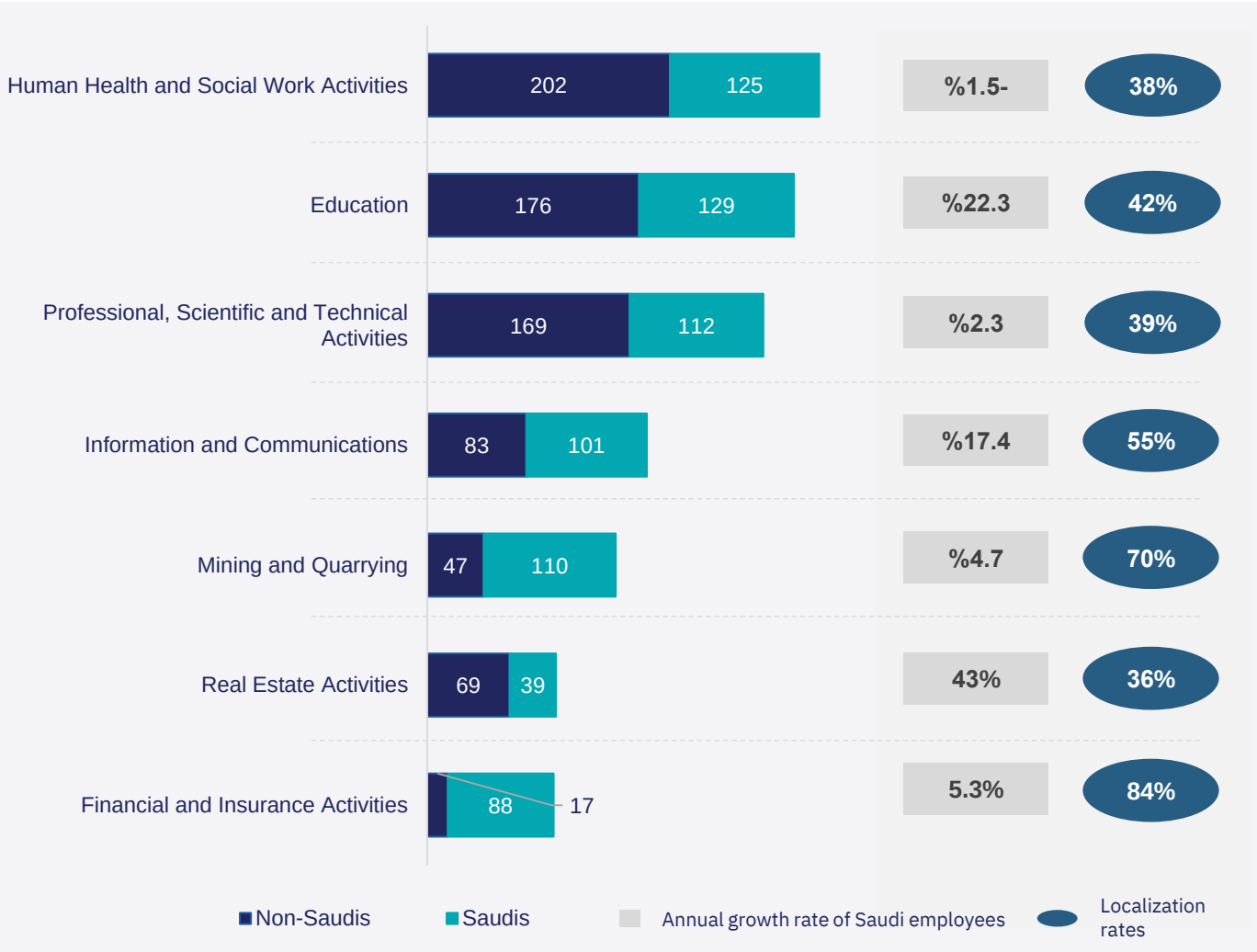

**Source**: Ministry of Human Resources and Social Development data - Q1 2026

## 4.8. Private Sector Employees by Economic Activity

Figure (11) presents the leading economic activities in terms of localization rates during Q1 2026. Financial and insurance activities recorded the highest localization rate among economic activities at 84% of the total workforce in the activity (105 thousand employees), including 88 thousand Saudi employees, followed by mining and quarrying with a localization rate of 70%. This reflects the effectiveness of implementing localization decisions across most economic activities.

The data indicate that the number of Saudi employees in the private sector achieved notable growth across most economic activities. Real estate activities recorded annual growth of approximately 43% in Saudi employment within the sector. Education and information and communications activities recorded annual growth of 22.3% and 17.4%, respectively. In contrast, “Human health and social work activities” recorded an annual decrease in the number of Saudi employees of 1.5%.

Figure 11: Distribution of the Private Sector Employees by Nationality and Economic Activities by localization rates (in thousands) | Q1 2026

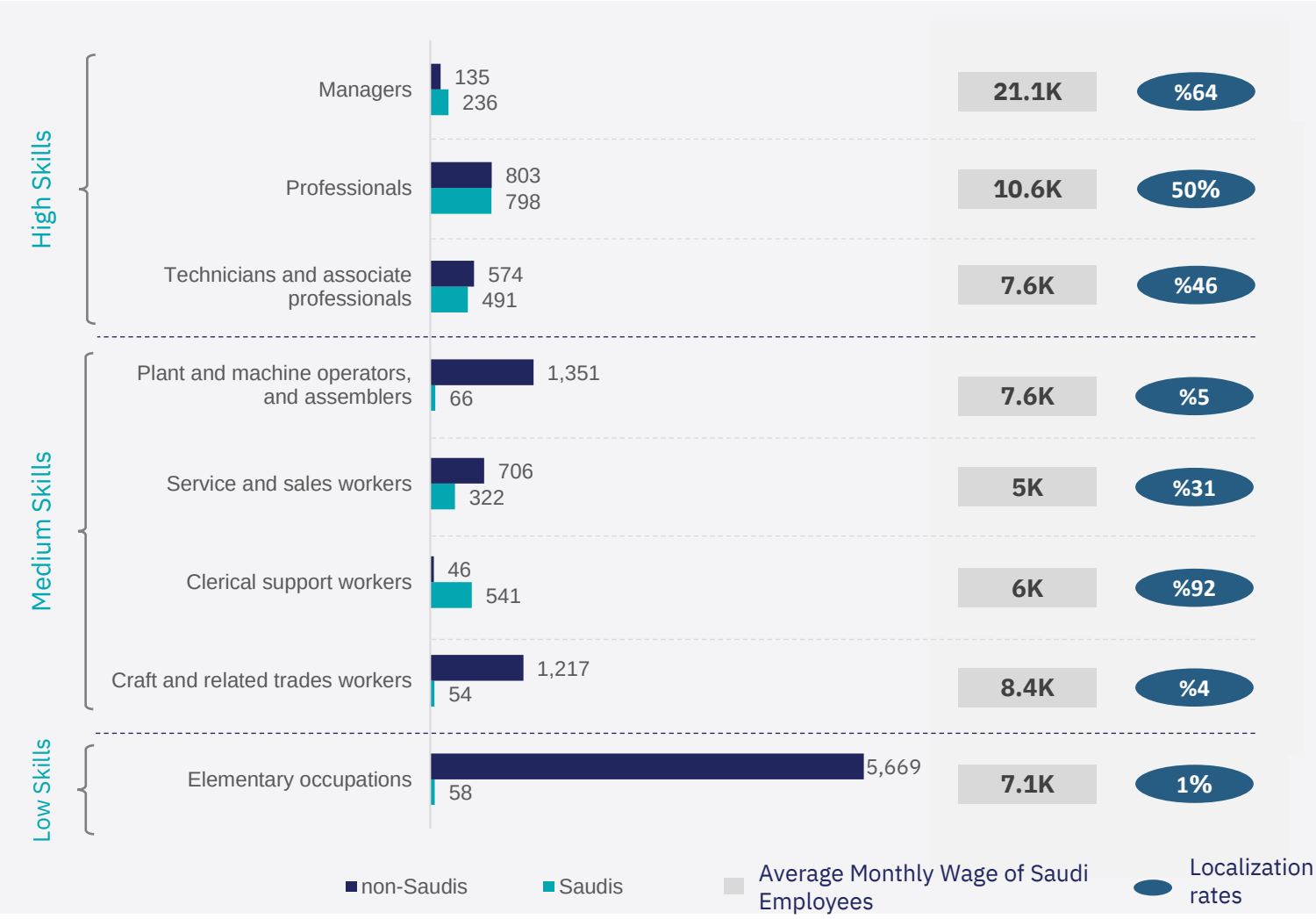



**Source**: Ministry of Human Resources and Social Development data - Q1 2026

## 4.9. Private Sector Employees by Skills and Occupations

Figure (12) shows the distribution of employees, Localization rates, and average wages for Saudi employees across the major occupational groups during Q1 2026. The data indicate a concentration of non-Saudi employees in elementary occupations, totaling 5.67 million employees compared to 58 thousand Saudi employees, with a Localization rate not exceeding 1%. Localization priorities are directed toward high-skill occupations, as reflected in the increase in localization among professionals to 50%, with an average monthly wage of SAR 10.6 thousand, and among technicians and associate professionals, with a localization rate of 46%. Managers also recorded a localization rate of 64%, with the highest average monthly wage at SAR 21.1 thousand. Localization in clerical support workers reached approximately 92%, with an average monthly wage of SAR 6 thousand.

Figure 12: Distribution of the Private Sector Employees (in thousands) and Localization Rates and Average Monthly Wage for Saudis by Major Occupational Groups* | Q1 2026




**Source**: Ministry of Human Resources and Social Development data - Q1 2026
* A number of employees are not classified under specific occupations in the Saudi Standard Classification of Occupations; they totaled approximately 37 thousand Saudi employees and 84 thousand non-Saudi employees.

## 4.10. Private Sector Employees by Skill Level

The data indicate a gradual change in the composition of Saudi employees across high- and medium-skill levels during the period from Q1 2023 to Q1 2026. The number of Saudi employees in high-skill occupations increased by 360,000, recording a growth rate of 31% by the end of Q1 2026 compared to the same period in 2023, alongside an increase in the Localization rate for this category from 47% to 50%. The total number of Saudi employees in medium-skill occupations also increased from approximately 924,000 in Q1 2023 to 985,000 in Q1 2026 - an increase of around 61,000 employees; however, the Localization rate declined and stabilized at 23%. This positive performance and improvement in Localization levels reflect the strategic direction toward localizing critical sectors and high-quality (specialized and technical) jobs. By contrast, low-skill occupations show a different trend: the number of Saudi employees increased by about 6,000, while the Localization rate remained very low at around 1% over the same comparison period.

Figure 13: Trends in the Number of Saudi Private Sector Employees by Skill Level | Q1 2023–Q1 2026

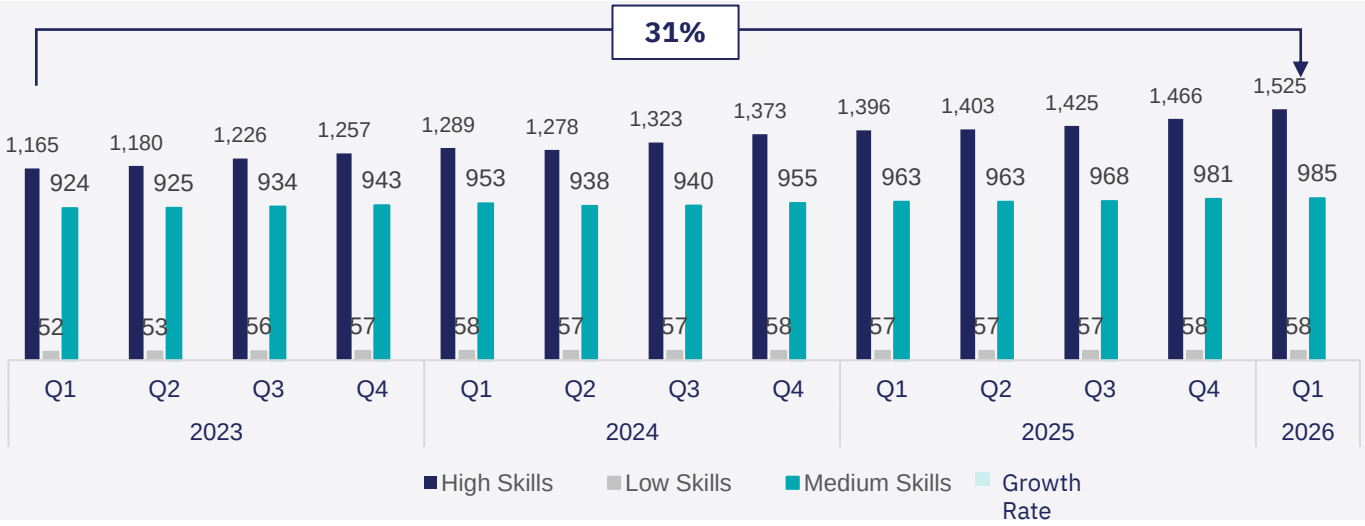
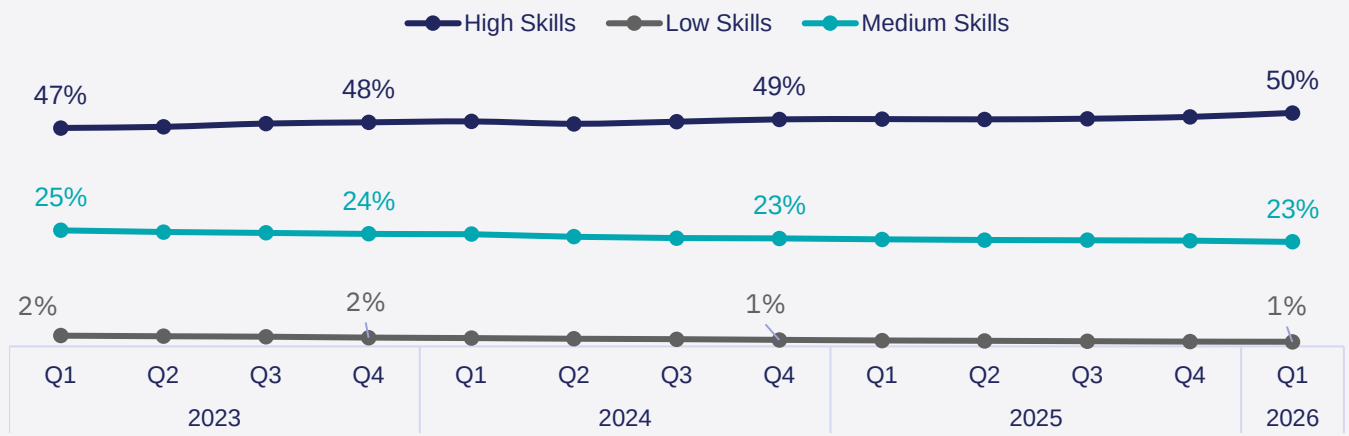



Figure 14: Localization Rates of Saudis Employed in the Private Sector by Skill Level | Q1 2023–Q1 2026




**Source**: Ministry of Human Resources and Social Development data - Q1 2026

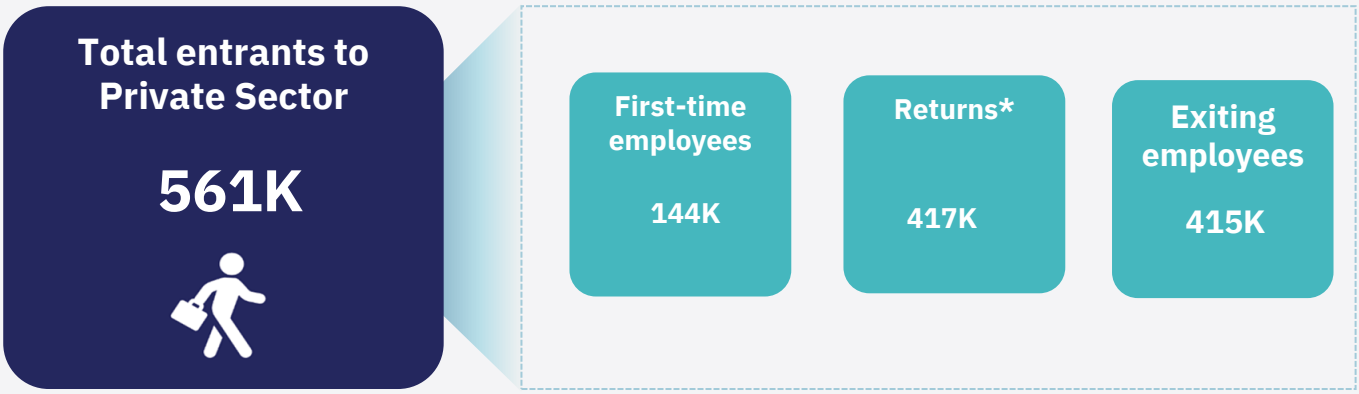
# 05

# Saudi Entrants to and Exits from the Private Sector

## 5. Saudi Entrants to and Exits from the Private Sector

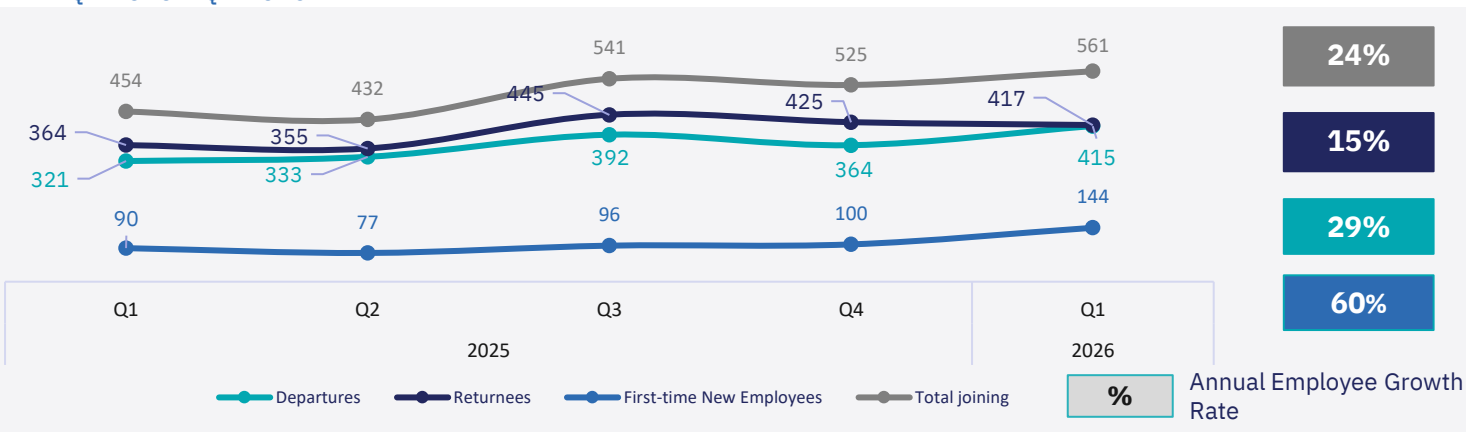
Figure (15) shows the total number of entrants who joined the private sector during Q1 2026 which reached approximately 561 thousand Saudi employees, including 417 thousand returns to the private sector employment after suspension. It also shows the number of employees who exited the labor market and did not return to work during Q1 2026, totaling approximately 415 thousand employees.

Figure 15: Saudis entrants (including returnees and new entrants) and exiting the private sector (in thousands) | Q1 2026




The total number of entrants to the private sector increased by 24% reaching approximately 561 thousand Saudis in Q1 2026. Over this period, the number of employees who returned to work in the private sector increased by 60% reaching 144 thousand in Q1 2026. On the other hand, the percentage of new employees joining the private sector for the first-time recorded a more stable decrease, amounting to approximately 15% during the same period. The number of individuals exiting the labor market reached 415 thousand by the end of Q1 2026.

Figure 16: Returns and first-time new employees, and those exiting among Saudis in the private sector (in thousands) | Q1 2025 – Q1 2026




**Source:** Data from the Ministry of Human Resources and Social Development - Q1 of the year 2026

## 5.1. Saudis Entrants to and Exits from the Private Sector by Gender

Figure (17) shows the distribution of Saudi entrants to the private sector by gender where males and females recorded comparable numbers of the total entrants, amounting to 293 thousand males compared to 268 thousand females. It can be noticed that the number of males entrants joining the private sector for the first time is higher compared to Saudi females with 74 thousand males compared to 70 thousand males. The continued acceleration of female entry into the labor market reflects the growing flexibility in the Saudi labor market and the clear trajectory towards narrowing the gender gap, which is expected to lead to a more balanced distribution between genders in the coming years.

Figure 17: Saudis entrants (including returnees and new entrants) and Exiting the Private Sector by Gender (in thousands) | Q1 2026

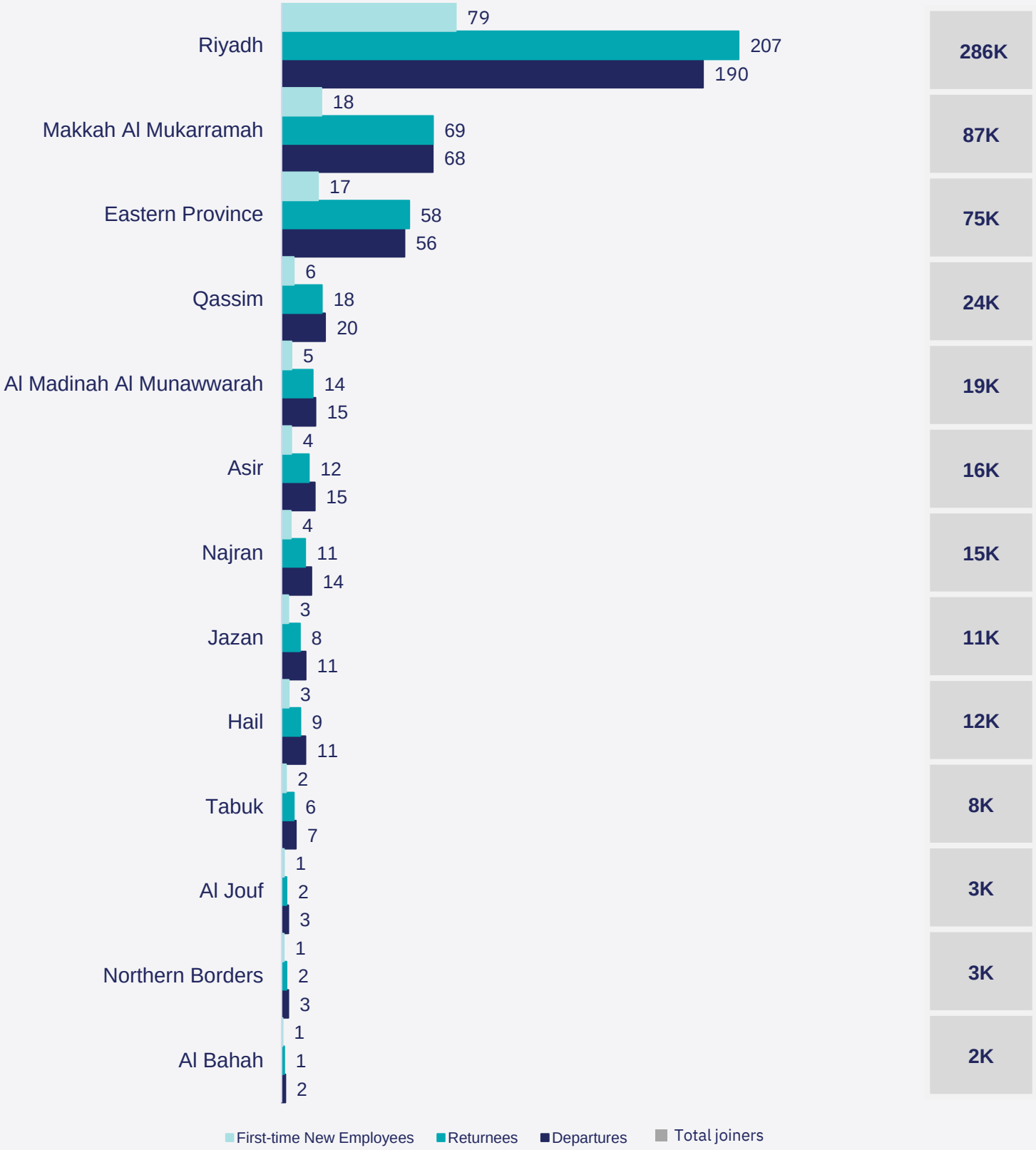



## 5.2. Saudis Entrants to and Exits from the Private Sector by Region

Riyadh witnessed high employment movement, whereas 286 thousand Saudis (including nearly 207 thousand returns and more than 79 thousand first-time new employees) entered the private sector. Similarly, Makkah and the Eastern Region witnessed high employment movement, whereas nearly 87 thousand and 75 thousand employees were hired in Makkah and the Eastern Region respectively in Q1 2026.

**Source**: Ministry of Human Resources and Social Development data - Q1 2026

Figure 18: Returns and first-time new employees, and exits among Saudis in the private sector by region (in thousands) | Q1 2026



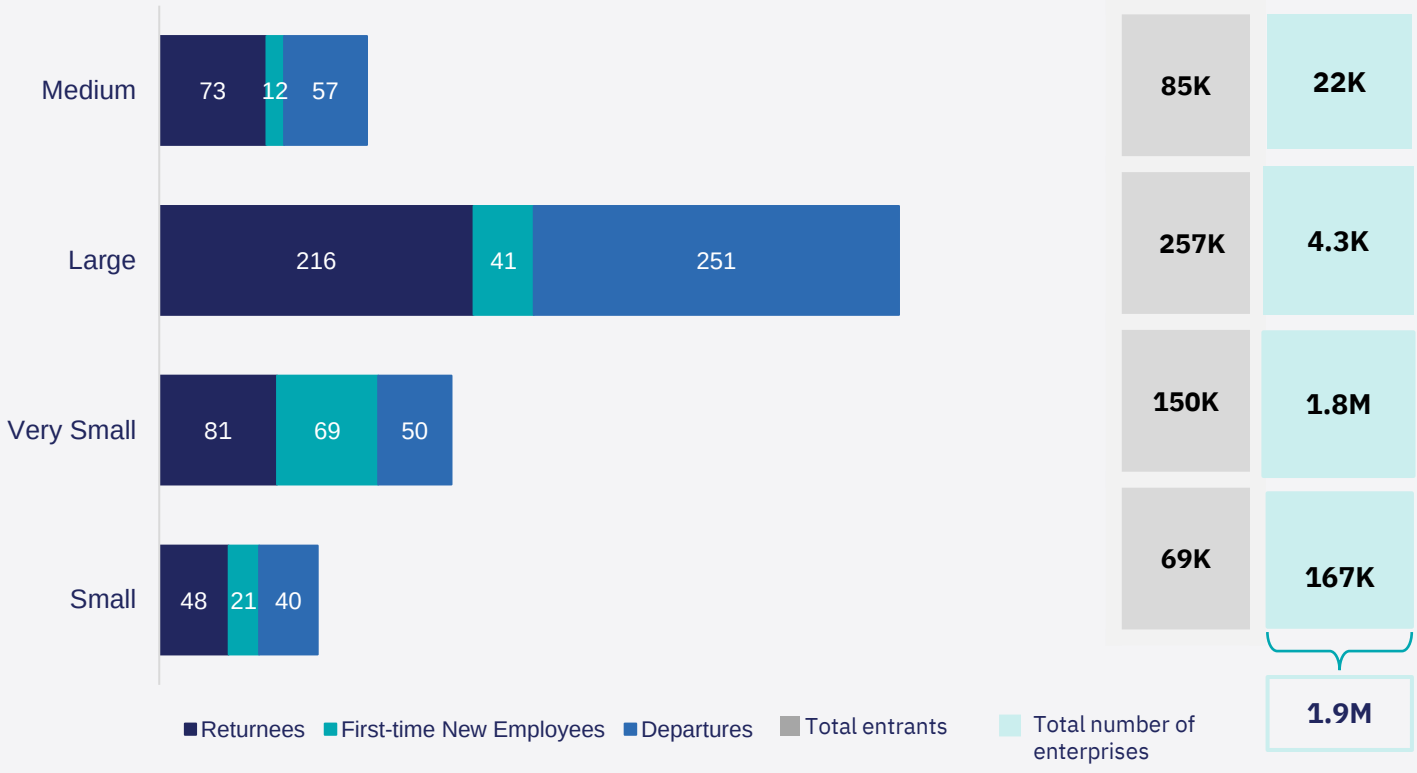

**Source**: Ministry of Human Resources and Social Development data - Q1 2026

## 5.3. Saudi Entrants to and Exits from the Private Sector by Establishment Size

Large enterprises recorded the highest number of Saudis entrants to the private sector in Q1 2026 which exceeded 257 thousand, including around 216 thousand returns to employment and more than 41 thousand new entrants. Micro establishments ranked second, with a total of 150 thousand entrants, distributed between 69 thousand first-time new employees and around 81 thousand returns in the private sector. Medium enterprises reached 85 thousand entrants to the private sector, with nearly 12 thousand new entrants and 73 thousand returns to private-sector employment. On the other hand, small enterprises recorded lower employment activity compared to other enterprises, with a total of 69 thousand Saudi entrants to the private sector in Q1 2026. This includes 48 thousand returns and about 21 thousand new entrants to private sector employment.

It is worth noting that enterprises have witnessed significant expansion and growth in recent years, with the total number of enterprises in the Kingdom reaching approximately 1.9 million, at an annual growth rate of 11.7% by the end of Q1 2026. Micro enterprises ranked first in terms of number, totaling around 1.8 million enterprises, with an annual growth rate of 12.1%, followed by small enterprises at approximately 167 thousand enterprises with an annual growth rate of 8%, clearly reflecting the substantial expansion in entrepreneurship and small enterprises supported by financing programs and government facilitation. Medium-sized enterprises followed with around 22 thousand enterprises, with an annual growth rate of 5.6%. In contrast, large enterprises were the fewest in number, at approximately 4.3 thousand and an annual decline rate of 0.2%.

Figure 19: Returns, first-time entrants, and exists among Saudis in the private sector by enterprise size* and total number of enterprises (in thousands) | Q1 2026




**Source**: Ministry of Human Resources and Social Development data – Q1 2026
* There are a number of workers who left and are not classified under a specific establishment, totaling 17 thousand workers.

## 5.4. Saudi first-time entrants to the private sector by skill level

The data indicate an upward trend in the number of Saudi nationals newly employed for the first time in the private sector by skill level, with the highest concentration in the high-skill category compared with other categories across all periods. The number of first-time newly employed Saudi nationals in the high-skill category increased in Q1 2026 by 81% compared with the corresponding period in 2025. The medium-skill category also rose by approximately 35% over the same period, while the low-skill category remained relatively low compared with other categories, recording an 8% decline by the end of Q1 2026 compared with the corresponding period of the previous year. This reflects an improvement in the private sector's ability to attract Saudi nationals into quality jobs, which in turn supports the objectives of localization decisions and enhances labor market efficiency.

Figure 20: Saudi nationals newly employed for the first time in the private sector by skill level (thousands) | Q1 2026




**Source**: Ministry of Human Resources and Social Development data – Q1 2026

06

# Monthly Wages for Saudi Employees in the Private Sector

## 6. Monthly Wages for Saudi Employees in the Private Sector

### 6.1. Monthly Wages of Saudis in the Private Sector

Figure 21: Average Monthly Wage for Saudis Employes in the Private Sector | Q1 2026

**Average Monthly Wage for Saudi Employees**

**9,331**

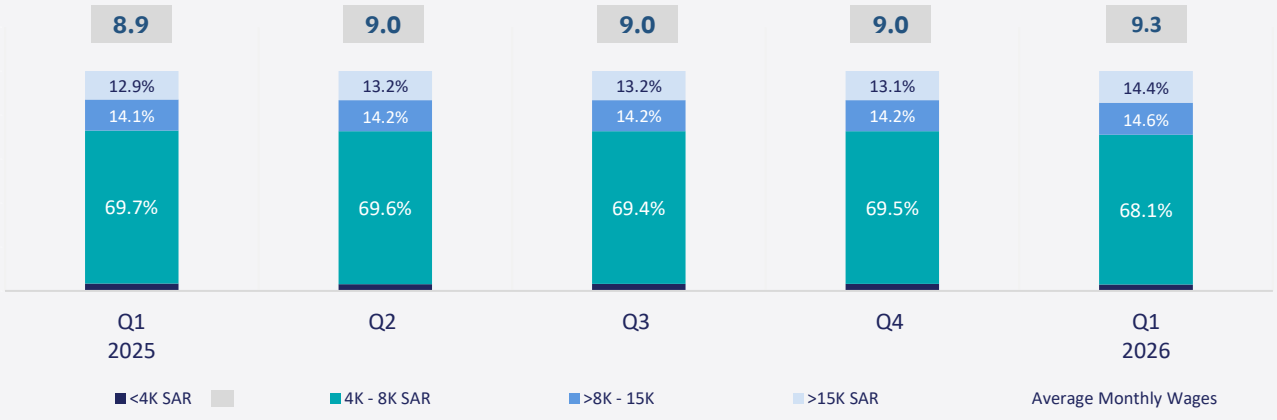
**SAR**

The overall average monthly wage for Saudi employees in the private sector reached approximately SAR 9,331 thousand in Q1 2026, reflecting a 4.7% increase compared to Q1 2025. The median monthly wage for Saudis during the same period reached SAR 5,000 thousand.

In Q1 2026, the private sector recorded an increase in the share of Saudi employees in the monthly wage bracket (more than SAR 15 thousand), with a growth rate of up to 17.9%. The shares of Saudi employees in the monthly wage brackets (more than SAR 8 thousand - SAR 15 thousand) and (SAR 4 thousand - SAR 8 thousand) also increased by 10.3% and 3.6%, respectively. In contrast, the share of Saudi employees in the monthly wage bracket (less than SAR 4 thousand) decreased by 8.2%, compared with the corresponding quarter of 2025. The notable growth in the mid- and high-wage brackets reflects labour market stability and the success of policies supporting the localization of quality jobs in the private sector.

This has led to increase in the average wage of Saudis in the private sector, reaching SAR 9,331 thousand in Q1 2026.

Figure 22: Change of Monthly Wages for Saudi Employees in the Private Sector (in Thousands) | Q1 2025 – Q1 2026




**Source:** Data from the Ministry of Human Resources and Social Development - Q1 of the year 2026

## 6.2. Monthly Wages by Gender

In Q1 2026, the average monthly wage for Saudi males reached SAR 11,289 thousand compared to SAR 6,609 thousand riyals for Saudi females.

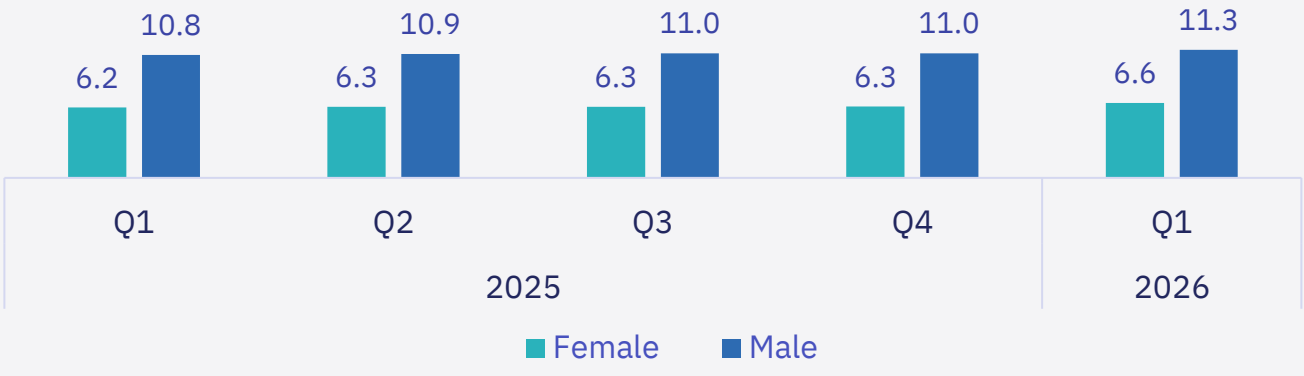
On the other hand, Saudi females account for higher shares than Saudi males in low- and mid-wage jobs, specifically within the monthly wage bracket (SAR 4 thousand–SAR 8 thousand). The gap between the male and female shares in this bracket is 21%. This may be attributable to females' entry into the labor market in recent years, which has led to less accumulated experience compared to males' experience.

Figure 23: Category and Average Monthly Wage of Saudis Employees in the Private Sector by Gender (in thousands) | Q1 2026




The average monthly wage for Saudi males increased by 4.3% to reach more than 11,289 thousand Saudi riyals in Q1 2026 compared to the same quarter of the previous year. Also, the average wage for Saudi females increased by 6.7% to reach 6,609 thousand Saudi Riyals during the same period.

Figure 24: Average Monthly Wage of Saudis Employed in the Private Sector by Gender (in thousands) | Q1 2025–Q1 2026

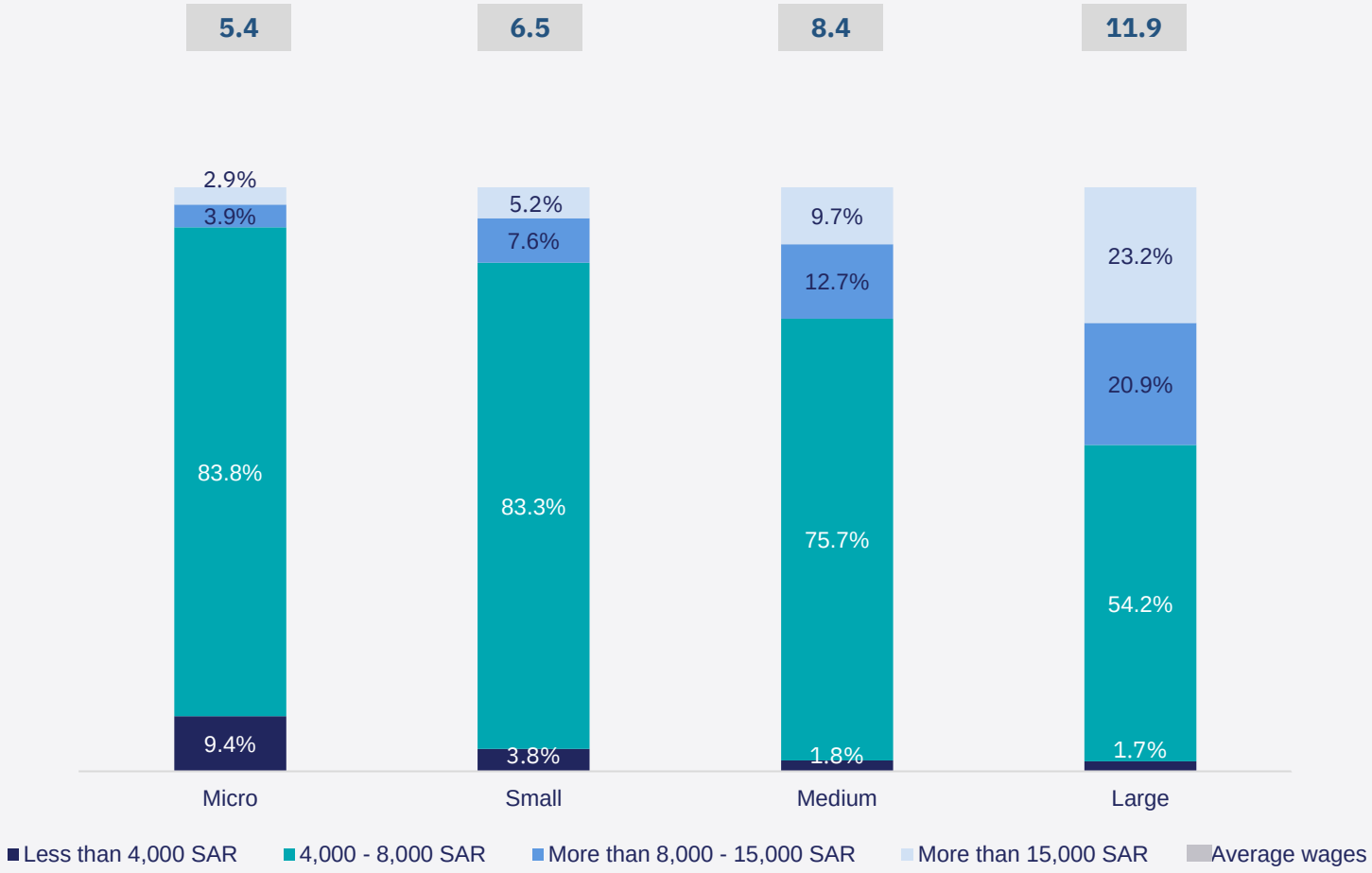



**Source**: Ministry of Human Resources and Social Development data – Q1 2026

## 6.3. Monthly Wages by Establishment Size

Figure (25) shows that the average monthly wage has increased proportionally with the enterprise size in Q1 2026. Large enterprises achieved significant diversity in the distribution of their workforce across different wage categories, with a large portion of employees falling under middle wage categories More specifically, 23.2% of the large enterprise employees earned wages of more than 15 thousand riyals per month, and 20.9% of the large enterprise employees earned wagers ranging between 8 thousand to 15 thousand Saudi Riyals. In contrast, most of the small and micro enterprise employees fall under the wage category (4 thousand to 8 thousand riyals), with a very small portion falling under the highest wage category (15 thousand riyals or above).

Figure 25: Category and Average Monthly Wage for Saudi Employees in the Private Sector by Enterprise Size (in thousands) | Q1 2026

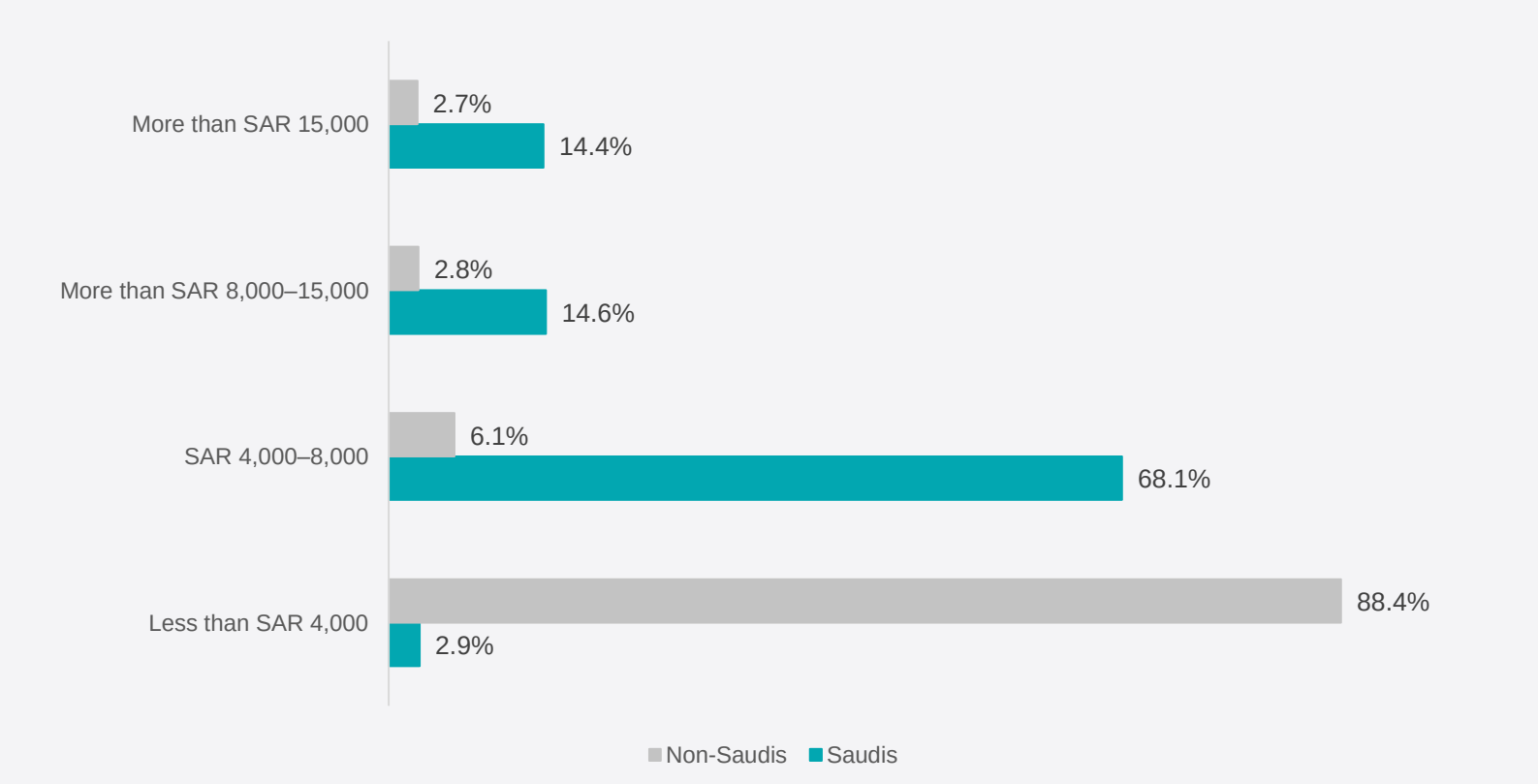



**Source**: Ministry of Human Resources and Social Development data – Q1 2026

## 6.4. Comparison of Monthly Wages of Saudis and Non-Saudis in the Private Sector

In Q1 2026, the average gross monthly wage of Saudis employed in the private sector was approximately SAR 9,331. In comparison, the average gross monthly wage of non-Saudis employed in the private sector was approximately SAR 2,615 during the same period. Figure (26) shows a comparison of the relative distribution across wage brackets between Saudis and non-Saudis in Q1 2026. Saudis in the private sector were concentrated in the SAR 4,000–8,000 wage bracket, representing 68.1% of all Saudis employed in the private sector. Non-Saudis were primarily concentrated in the wage bracket below SAR 4,000, accounting for 88.4% of all non-Saudis employed in the private sector—by a wide margin, the highest share among all brackets. This is followed by the SAR 8,000–15,000 wage bracket, in which Saudis accounted for 14.6% of all Saudis, while non-Saudis accounted for 2.8% of all non-Saudis in the same bracket. The concentration of non-Saudis in the lower wage bracket indicates that the majority work in essential operational and service roles requiring low to medium skills; the results indicate that approximately 83% of all non-Saudis work in low- and medium-skill occupations. Conversely, the higher wage level among Saudis reflects their concentration in high-skill jobs, at approximately 58% of all Saudis employed in the private sector; non-Saudis in high-skill jobs accounted for 14% of all non-Saudis employed in the private sector.

Figure 26: Comparison of the Relative Distribution Across Wage Brackets for Saudis and Non-Saudis Employed in the Private Sector | Q1 2026




**Source**: Ministry of Human Resources and Social Development data – Q1 2026

07

# Summary of Findings

## 7. Summary of Findings

### Enterprise Sizes and Employment Shifts

Large enterprises accounted for the largest share of Saudis joining the private sector during Q1 2026; however, total Saudi employment remained concentrated in large establishments over the same period, given their capacity to absorb larger numbers of workers. Large establishments also recorded the highest average monthly wage among establishment sizes, reflecting their economies of scale and financial capabilities to offer competitive wage levels compared with other establishments. This has made large establishments the preferred destination for a broad segment of job seekers, driven by aspirations for sustainable career growth and long-term professional development

### Employment by skill and occupation levels and Localization rates

Non-Saudi workers were concentrated in elementary occupations in Q1 2026, totaling 5.67 million workers compared with 58 thousand Saudis, resulting in a Localization rate of 1%. In contrast, Saudis were concentrated in professionals, technicians, and associate professionals, at approximately 798 thousand and 491 thousand workers, with localization rates of 50% and 46%, respectively. This reflects a positive relationship between skill level and localization rates in the private sector: as skill levels increase, the share of Saudis in those occupations rises

### Saudi Females Employment and Wage Increases

Saudi women achieved notable progress in employment rates and wage growth in Q1 2026, with wages increasing by 6.7% year-on-year. This is consistent with the Kingdom's efforts to empower women's employment and provide high-quality job opportunities. Saudi women accounted for 42% of total Saudi employees in the private sector, and women held 33% of senior management positions among Saudi employees in the private sector

### Employment by economic activity and Localization rates

Q1 2026 performance reflects positive progress in private sector employment and higher Localization rates. Most economic activities recorded growth in the number of Saudi employees, with key activities achieving high Localization rates, such as financial and insurance activities at 84%. The increase in Saudis employed in real estate, education, and information and communications also indicates an expansion of quality employment opportunities for citizens in high-potential sectors

# 08

# Glossary

## 8. Glossary

| | |
|---|---|
| Employees | On-the-job employees in a government or private entity and receiving a wage under employment contract or agreement whether permanently or temporarily. |
| Private Sector | Activities owned or managed by individuals or for-profit or non-profit companies that are not directly owned or managed by the government. |
| On-The-Job Training (TAMHEER) | Structured training programs that enable graduates to acquire new skills, knowledge and competencies while performing their regular duties. |
| Women in Senior Management Positions | Occupations included in the following major group (1): Managers, as per the Saudi Classification of Occupations, which includes board members, senior management, executive management, and managers. |
| Enterprise Sizes | Divided into four types of enterprises: Micro enterprise (1-5 employees), small enterprise (6-49 employees), medium enterprise (50-249 employees), large enterprise (250+ employees). |
| Returning workers | Total number of Saudis who have returned to work in the private sector more than once after having previously left it. |
| First-Time New Employees | The total number of employees entering the labor market for the first time with no prior work experience. |
| Exiting employees | The total number of departing employees who left their jobs during the specified period due to resignation, termination, contract expiry, or other reasons for exiting employment and did not return during the quarter. |
| Skill Level | Includes high skills (levels 1, 2, and 3 of the Saudi Standard Classification of Occupations), medium skills (levels 4, 5, 6, 7, and 8), and low skills (level 9). |

## Survey to develop and improve products at the National Labor Observatory (Public survey)

The National Labor Observatory assesses the level of public satisfaction with issued products and reports, as well as their relevance and usefulness, with the aim of developing and improving products.

