

Qoyod Reports

Payroll Trends in Saudi Arabia: An Expanding Labour Market and Protected Digital Wages

A data-driven report on payroll and employment trends in Saudi Arabia: record-low unemployment, female participation that beat the Vision 2030 target, wage levels, and the protected digital payroll system.

2026

In less than a decade, the Saudi labour market has transformed profoundly: unemployment at its lowest level on record, female participation that beat the Vision 2030 target ahead of schedule, and fully protected digital payroll. This report reads, by the numbers, the most important payroll and employment trends in the Kingdom, and what they mean for employers managing their payroll accurately and compliantly.

6.3%

Saudi
unemployment in
Q1 2025, a record
low

36.3%

female labour-
force participation,
beating the Vision
2030 target

SAR
10,238

average monthly
wage (four
sectors)

12.9

million

contributors to
social insurance
(GOSI)

A labour market at its lowest unemployment ever

The Kingdom achieved one of Vision 2030's most notable labour-market milestones: Saudi unemployment fell to 6.3% in Q1 2025, the lowest level recorded, while overall unemployment (including non-Saudis) dropped to 2.8% in Q1 and 3.2% in Q2. Most importantly, Vision 2030's goal of cutting Saudi unemployment to 7% was reached roughly six years early, so the Kingdom raised its ambition to 5% by 2030.

Saudi unemployment: a Vision 2030 target hit early



When a national target is met six years early, decision-makers do not just celebrate, they raise the bar. That is why the unemployment goal was cut from 7% to 5%.

Female participation: a leap beyond the target

One of the strongest drivers of this shift is the accelerating entry of Saudi women into the labour market. Their participation rose from 17% in 2017 to 36.3% in Q1 2025, more than doubling and beating Vision 2030's 30% target. Meanwhile, female unemployment fell from 31.7% in 2018 to 10.5% in 2025, and women's private-sector jobs passed one million for the first time.

Female labour-force participation: target exceeded

2017

17

%

→ **more than doubled** →

beat the 30% target

Q1 2025

36.3

%

Women's private-sector jobs passed 1 million

Source: GASTAT + Ministry of Human Resources, via Arab News, 2025.

Wages: competitive and well-structured

According to the General Authority for Statistics, the average monthly wage of workers across four sectors was about SAR 10,238, including basic pay, allowances, bonuses, overtime and other entitlements. The average wage for Saudi nationals was about SAR 10,016. These levels, alongside Saudization policies, have made private-sector work an increasingly competitive option.

Average monthly wage (four sectors)

SAR 10,238

The average monthly wage includes basic pay, allowances, bonuses and overtime.

Source: General Authority for Statistics (GASTAT). Saudi nationals' average wage was about SAR 10,016 (2023).

Saudization: the biggest hiring driver

Since 2020, more than 2.48 million Saudi men and women have joined the private sector, driven by Saudization ("Nitaqat") programs that tie the Saudization ratio to clear incentives and requirements. One of the program's tools is a SAR 4,000 monthly wage floor at which a Saudi employee counts toward the Saudization ratio. With the launch of the "Enhanced Nitaqat" phase (2026 to 2028), the Kingdom aims to localize more than 340,000 additional private-sector jobs.

Saudization: nationals entering the private sector

2.48 million+

Saudi men and women joined the private sector since 2020.

Saudization wage floor: SAR 4,000/month

Enhanced Nitaqat 2026 to 2028: +340,000 jobs

Source: Ministry of Human Resources and Social Development / SPA, 2025 to 2026.

Payroll is digital and protected

Paying a salary is no longer a private matter between business and employee; it is a monitored digital system. The Wage Protection System (WPS / "Mudad"), overseen by the Ministry of Human Resources in cooperation with the Saudi Central Bank, ensures private-sector salaries are paid on time and in full, electronically. The General Organization for Social Insurance (GOSI) covers about 12.9 million contributors, with the new Social Insurance Law taking effect on 3 July 2025.

Payroll is digital and protected

12.9 million

contributors to social insurance (GOSI),
2026

WPS

Wage Protection System (Mudad): salaries
paid in full and on time, electronically

Source: GOSI + Ministry of Human Resources + Saudi Central Bank. The new Social Insurance Law took effect on 3 July 2025.

Digitizing and protecting payroll is not a burden on the business; it is infrastructure that protects the employee and gives the employer an accurate, audit-ready record.

What does this mean for employers?

Payroll is usually the largest expense line in a business, and at the same time the most compliance-bound: wage protection, social insurance, Saudization and the wage floor. Managing this line accurately is no longer optional. What an employer needs most:

Requirement	Why it matters
Pay via the Wage Protection System (Mudad)	Mandatory for the private sector, and documents salaries paid on time
Accurate social-insurance (GOSI) contributions	Calculated on basic + housing within a set ceiling; errors are costly
Meet the Saudization wage floor (SAR 4,000)	Determines whether a Saudi employee counts toward the Nitaqat ratio
An accurate accounting record of payroll	Payroll is the biggest expense; tracking it precisely protects liquidity and decisions

This is where the accounting system comes in: Qoyod, an Arabic cloud accounting system, records payroll expenses accurately within your books and links them to your financial reports, and integrates with specialized HR and payroll systems (such as Jisr) to complete the payroll cycle from calculation to the accounting entry.

Outlook to 2030 and recommendations

Indicators point to continued hiring growth and expanding female participation, alongside deeper payroll digitization and Saudization. Practical recommendations for businesses:

- Pay salaries via "Mudad" and review social-insurance contributions monthly to avoid violations.
- Link the payroll line to your accounting system so its impact on expenses and liquidity is immediate.
- Plan Saudization early in line with the "Enhanced Nitaqat" phase and the wage floor.
- Invest in the skills of Saudi women, as the market is expanding and the talent pool is widening.

The Saudi labour market today is broader and better organized than ever. A business that manages its payroll accurately and compliantly does not just avoid violations, it builds an enterprise ready to grow in a fast-changing economy.

Sources

- 1 General Authority for Statistics (GASTAT) — average monthly wage of workers.
- 2 GASTAT + Ministry of Human Resources, via Arab News — record unemployment and female participation (2025).
- 3 Ministry of Human Resources and Social Development — Nitaqat, the wage floor and Enhanced Nitaqat.
- 4 General Organization for Social Insurance (GOSI) — contributors and the Wage Protection System (Mudad).

Organize your payroll with Qoyod

An Arabic cloud accounting system that records payroll expenses accurately and integrates with specialized HR and payroll systems.

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