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NEWS ADVISORY
April 29, 2019

Saudi intensifies nationalization program

The Kingdom of Saudi Arabia has intensified the drive to nationalize its workforce and limit its reliance on foreign workers by 2020.

The Saudi government has decided to stop the renewal of residency permits for foreign workers in 35 professions and will terminate and deport workers from ages 35 to 54. The move will give opportunity for young Saudi graduates to work in the Kingdom and end the prevailing unemployment crisis.

The 35 affected professions are the following: purchasing officer; dealer of auto show; information recorder; central commissar; housing supervisor; secretary; customer accountant; debt collector; ATM; written functions; tour guide; pharmacist; assistance pharmacist; medical secretary; financial references; administrative clerk; relationship jobs; storekeeper; prospecting; support staff; human resources officer; personnel manager; receptionists; employees in employees units; treasurer; references to government departments; security guard; administrative manager; librarian; training manager; purchasing manager; bookseller; mail dispenser; and administrative assistant.

In 2018, the Saudi Ministry of Labour and Development has issued a decree limiting jobs in 12 retail store categories to Saudis including watch shops; optical stores; medical equipment stores; electrical and electronic shops; outlets selling car spare parts; building materials; carpets store; automobile and motorbike shops, home furniture and office material, garments, household utensils and pastry shops. The restriction was later expanded to include car rental, and gold and jewelry shops.

In July 2017, the Saudi government imposed a tax of SAR 100 for dependents of expatriate workers which was doubled in July 2018. The tax on dependents would increase to SAR 300 by July 2019.

Saudi Arabia also imposed in January 2018 a tax of SAR 400 per month for every expat worker from companies whose foreign workers outnumber locals. The levy increased to SAR 600 in January 2019 and will increase to SAR 800 per month by 2020. /END