



Industrial Production Decreases by 13.5% in October 2020

In October 2020, the Industrial Production Index decreased by 13.5% compared to the same month in the previous year (October 2019). The decline in industrial production resulted almost exclusively from lower production in mining and quarrying activity (index weight shares 74.5%), which fell by 12.6%. Saudi Arabia reduced its oil production from 10.3 million barrels per day in October 2019 to 8.9 million barrels per day in October 2020. In October, manufacturing activities decreased by 18.8% compared to October 2019 as the COVID-19 pandemic led many factories to reduce production operations. Although the performance of the index improved in October compared to last month by 0.6%, it is still lower than it was before the pandemic as it decreased by 7% than it was in February before the pandemic started.

Mining and Quarrying Dominate Industrial Production

- Saudi Arabia's industrial production is driven by mining and quarrying activity (including oil production), which decreased in October by 12.6%, as Saudi oil production operated at low volumes.
- Non-oil manufacturing activity decreased by 18.8% compared to October 2019.
- Electricity and gas supply activity recorded an increase of 13.5%, but it has the lowest weight in the IPI (2.9% of the index).

Industrial Production Increases by 0.6% Compared to September 2020

- Compared to the previous month (September 2020), the mining and quarrying activity almost remained stable, decreasing by -0.1%.
- Non-oil manufacturing activity increased by 4.5%.
- The electricity and gas supply decreased by -10.6%, with little impact on the IPI because of its low weight.

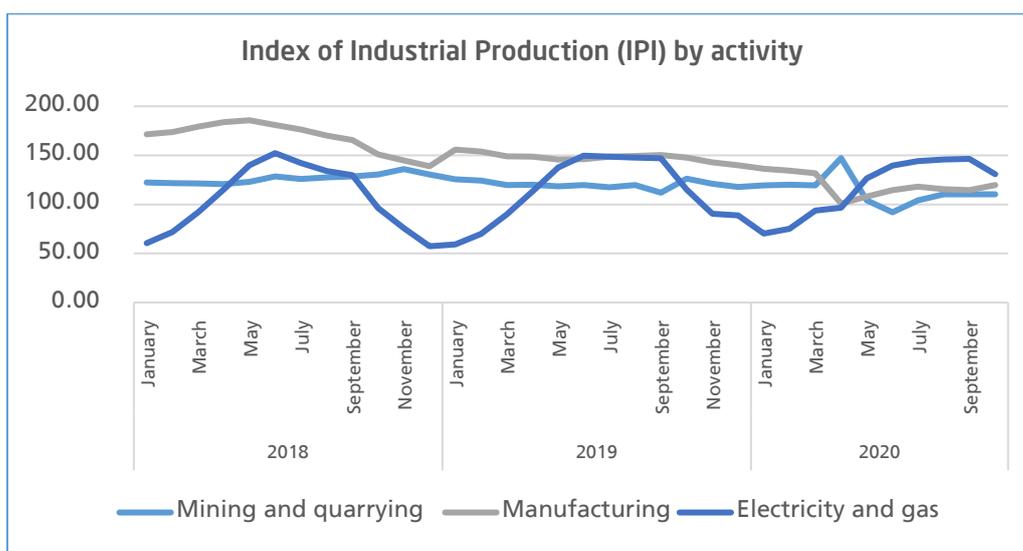
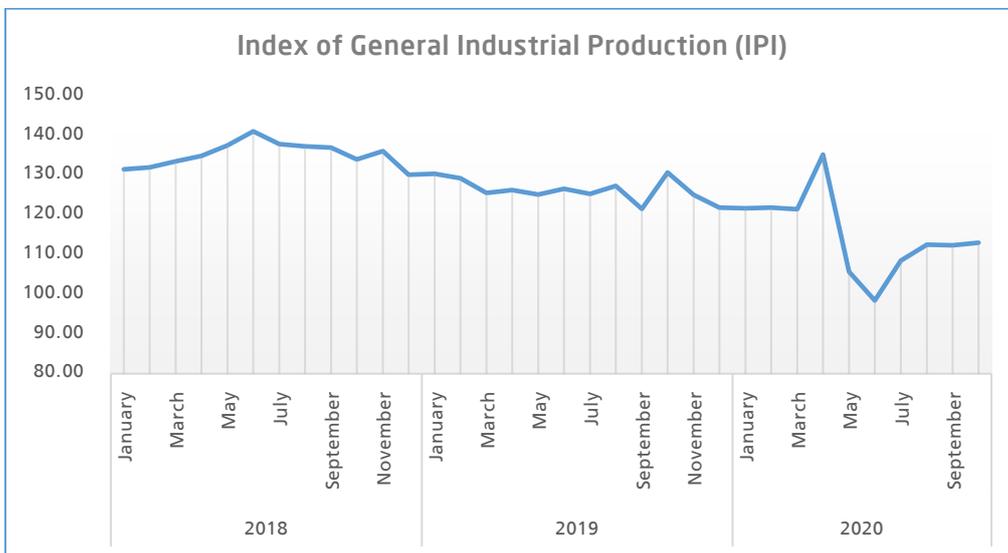
Methodology

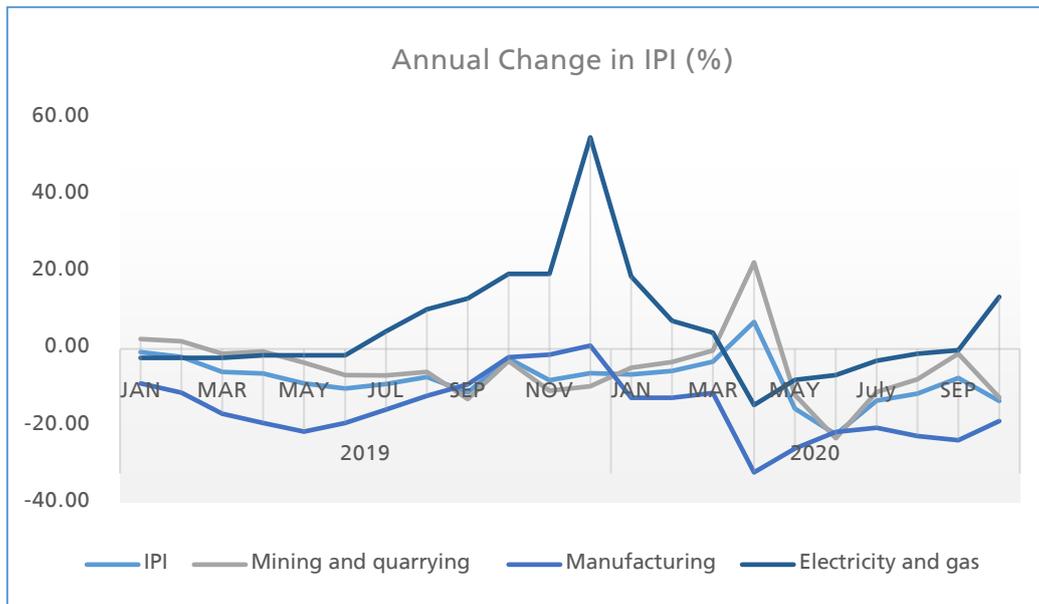
The Industrial Production Index (IPI) is an economic indicator reflecting the relative changes of the volume of industrial output. It is calculated based on the industrial production survey. The IPI data is based on the International Standard Industrial Classification of Economic Activities (ISIC_4). The IPI is published on a monthly basis.

The General Authority for Statistics (GASTAT) is aiming for high quality when publishing official statistics. Due to difficulties in the data collection during the Covid-19 pandemic, the publication of the Industrial Production Index had to be suspended for the reporting months August to October 2020. These reporting months are now being published together with the most recent reporting month, November 2020, after implementing quality assurance measures. Given the difficulties in the data collection process, manufacturing data can only be published at the aggregate level to ensure a high level of accuracy.



Annual and Monthly Change in IPI by activity, October 2020			
Economic activity	Percent change in October 2020 compared to		
	October-19	September -20	weight
GENERAL INDEX	-13.5%	0.6	100
Mining and quarrying	-12.6%	-0.1%	74.5
Manufacturing	-18.8%	4.5%	22.6
Electricity and gas	13.5%	-10.6%	2.9





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