



### Industrial Production up by 7.04% in April 2020 due to oil production

In April 2020, the Industrial Production Index (IPI) (2010=100) increased by 7.04% compared to the same month of the previous year (April 2019). The increase of Industrial Production resulted almost exclusively from higher production in mining and quarrying activity (including oil production), which increased by 22.53%. Saudi Arabia increased its oil production from 9.7 million barrel per day in March to 12.0 million barrel per day in April, contributing to this result. The IPI is a volume index and does not reflect changes in prices. In April manufacturing activities decreased sharply by 32.11% as the COVID-19 pandemic led many factories to reduce the production operations

### Mining and quarrying dominates Industrial Production

- Saudi Arabia's industrial production is driven by mining and quarrying activity (index weight shares 74.5%), which significantly increased in April 22.53%, as Saudi oil production operated at high volumes.
- Non-oil manufacturing activity decreased by 32.11% compared to April 2019 and displayed substantial differences between industries. The production of clothing products -61.7%, the production of machinery and equipment -56.1% and the production of rubber and plastic -55.1% suffered large reductions compared to April 2019. Only the manufacturing of beverages products increased in volumes produced by 2.7%.
- Electricity and gas supply activity recorded a decrease of 14.58%, but it has the lowest weight in the IPI (2.9% of the index).

### Industrial Production increased by 11.35% compared to March 2020

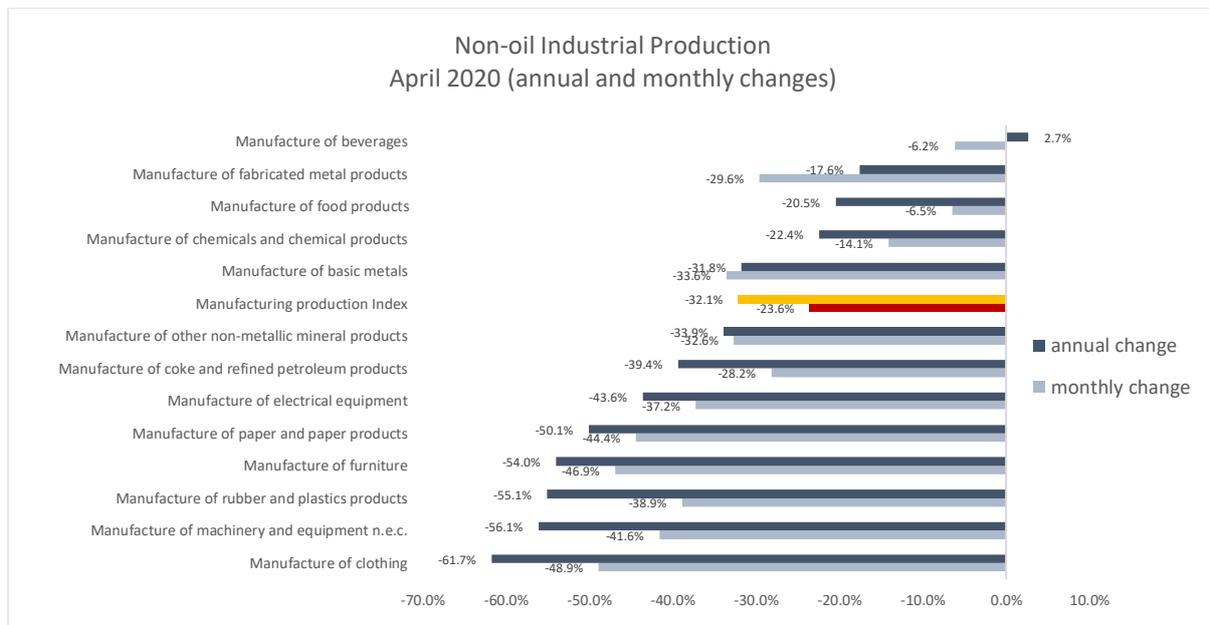
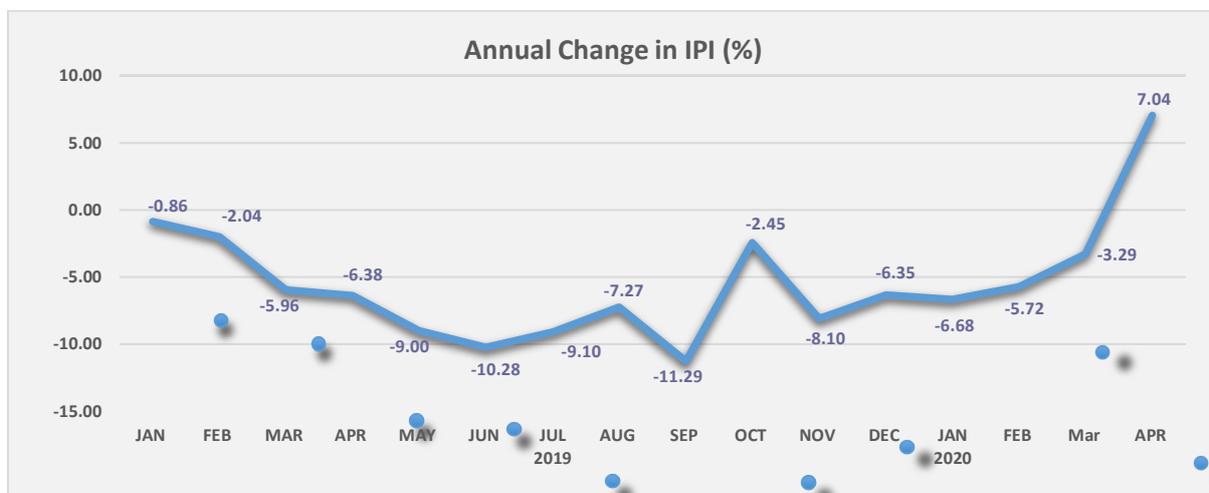
- Compared to the previous month (March 2020) the IPI increased by 11.35%. This increase resulted mainly from the mining and quarrying activity.23.3%
- Non-oil manufacturing activity sharply decreased by 23.55%. All industries showed a decrease of volumes produced compared to March 2020, whereas the largest reductions were observed in the production of clothing -48.9%, furniture -46.9% and paper.-44.4 %
- The electricity and gas supply increased by 3.33%, however, 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 on the basis of the Industrial Production survey of 3000 industrial establishments. The IPI data is based on the International Standard Industrial Classification of Economic Activities (ISIC 4). The IPI is published on a monthly basis



Annual and Monthly Change in IPI by activity, April 2020			
Economic activity	Percent change in April 2020 compared to		
	Apr-19	Mar-20	weight
<b>GENERAL INDEX</b>	<b>7.04</b>	<b>11.35</b>	<b>100</b>
Mining and quarrying	22.53	23.30	74.5
Manufacturing	-32.11	-23.55	22.6
Electricity and gas	-14.58	3.33	2.9



Links: [All Tables](#), [Methodological Note](#)