

Industrial Production down by 3.29% in March 2020

In March 2020, the Industrial Production Index (IPI) decreased by -3.29% compared to the same month of the previous year (March 2019). The decrease of Industrial Production resulted mainly from lower production in non-oil manufacturing activities (-11.46%), as the COVID-19 pandemic led some factories to reduce the production operations late in the month. The dominant mining and quarrying activity continued to operate at almost unchanged levels (-0.43%) compared to March 2019. As the IPI is a volume index, measuring production quantities, the oil price changes experienced in March 2020 did not have an immediate impact on the IPI's development.

Mining and quarrying dominates Industrial Production

- Almost three quarters of the Saudi Arabia's industrial production (index weight share 74.5%) is driven by mining and quarrying activities, which only slightly decreased in March 2020 (-0.43%) as Saudi oil production continued to operate at high volumes.
- Non-oil manufacturing activity decreased by a rate of -11.46% compared to March 2019 and displayed substantial differences between industries. The production of rubber and plastic products (-30.1%), the manufacturing of clothes (-23.2%) and the production of machines and equipment (-20.8%) suffered large reductions compared to March 2019. On the other hand, the manufacturing of fabricated metal products achieved an increase in volumes produced of 10.7% and the production of beverages maintained last year's production levels (+0.2%).
- Electricity and gas supply activity recorded an increase of 4.26%, but it has the lowest weight in the IPI (2.9% of the index).

Industrial Production decreased by 0.36% compared to February 2020

- Compared to the previous month (February 2020) the IPI decreased by -0.36%. This decrease resulted mainly from a reduction of the mining and quarrying activity (-0.48%).
- Non-oil manufacturing activity decreased by -1.8%. All industries showed a decrease of volumes produced compared to February 2020, whereas the largest reductions were observed in the production of clothing (-9.1%), rubber and plastics (-6.5%) and basic metals (-5.7%).
- The electricity and gas supply increased by 24.52%, however, with little impact on the IPI because of its low weight.

Methodology

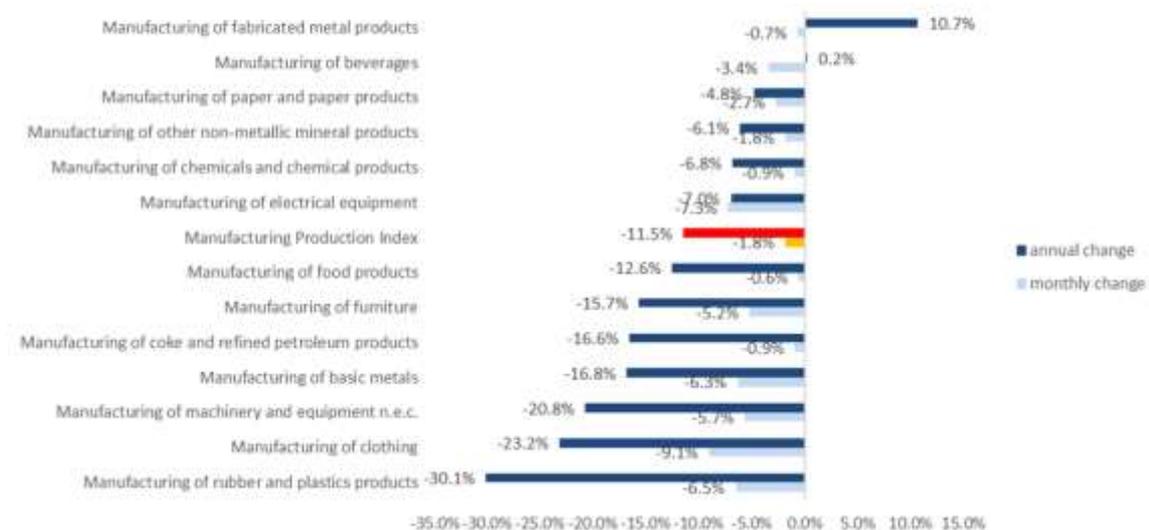
The Industrial Production Index (IPI) is an economic indicator reflects the relative changes in the volume of industrial output based Industrial Production survey by visiting a sample of industrial establishments. Where the survey sample was chosen by identifying, (3000) establishments engaged in the targeted industrial activities. The bulletin 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, March 2020

Economic activity	Percent change in March 2020 compared to		weight
	Mar 2019	Feb 2020	
GENERAL INDEX	-3.29	-0.36	100
Mining and quarrying	-0.43	-0.48	74.5
Manufacturing	-11.46	-1.80	22.6
Electricity and gas	4.26	24.52	2.9



Non-oil Industrial Production
March 2020 (annual and monthly changes)



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