

Industrial production decreases by 8.8% in January 2024

In January 2024, the Industrial Production Index (IPI) decreased by 8.8% compared to January 2023, due to the decline in mining and quarrying activity. Given the relative importance of mining and quarrying activity, which amounted to 61.4% of the index weight, the trend of the industrial production index in the mining and quarrying sector dominates the trend in the general IPI. Followed by the activity of manufacturing industry, and the activity of electricity, gas, steam, and air conditioning supplies, with a relative importance of 35% and 2.8%, respectively, and the activity of water supply, sewerage, waste management and remediation with 0.69%. Compared to December 2023, IPI increased by 0.3% supported by mining and quarrying activity, manufacturing activity and water supply, sewerage, waste management and remediation activities.

Sub index for mining and quarrying

The sub-index for mining and quarrying activity in January 2024 decreased by 14.3% compared to the same month of the previous year, as Saudi Arabia decreased its oil production to 8,9 million barrels per day in January 2024.

On the other hand, the sub-index for mining and quarrying activity increased by 0.1% compared to December 2023.

Sub index for manufacturing

Compared to January 2023, the sub-index for manufacturing activity increased by 0.1%, supported by the increase in the manufacturing of chemicals and chemical products which increased by 1.7%, manufacturing of paper and paper products, and electrical devices by 7.7% and 5.4%, respectively. While manufacturing of coke and refined petroleum products decreased by 4.7%, and manufacturing of food products by 8.2%.

Compared to December 2023, the sub-index for manufacturing activity increased by 1.1%, supported by the manufacturing of coke and refined petroleum products, which increased by 1.7%, followed by the manufacturing of chemicals and chemical products and electrical devices by 1.4% each. While the manufacturing of furniture decreased by 0.5%.

Table 1. Sub-activities of manufacturing industry

Economic Activity ISIC4	Index			change %	
	Jan-24	Dec-23	Jan-23	Annual	Monthly
Manufacture of coke and refined petroleum products	96.5	94.9	101.2	-4.7%	1.7%
Manufacture of chemicals and chemical products	120.7	119	118.7	1.7%	1.4%
Manufacture of food products	113	115.2	123.0	-8.2%	-1.9%
Manufacture of non-metallic products	127.5	126.3	129.1	-1.3%	0.9%
Manufacture of basic metals	118.6	117.1	116.6	1.7%	1.3%
Manufacture of beverages	137.7	136.1	122.2	12.6%	1.2%
Manufacture of paper and paper products	133.1	132.2	123.5	7.7%	0.6%
Manufacture of electrical devices	127.1	125.3	120.6	5.4%	1.4%
Manufacture of furniture	92.1	92.6	113.4	-18.8%	-0.5%
Other Economic Activities	140.1	138.2	125.0	12.0%	1.4%

Sub-index for electricity, gas, steam and air conditioning supply and sub-index for water supply, sewerage, waste management and remediation activities

Sub-index for electricity, gas, steam and air conditioning supply and sub-index for water supply, sewerage, waste management and remediation activities recorded an annual increase of 1.7% and 3.6%, respectively, but due to the low weight of these activities, they did not have a significant impact on the index.

Based on month-on-month trend, the sub-index for electricity, gas, steam, and air conditioning supply decreased by 9.6%, while sub-index for water supply, sewerage, waste management and remediation activities increased by 1%.

Figure 1. General index and monthly growth rates

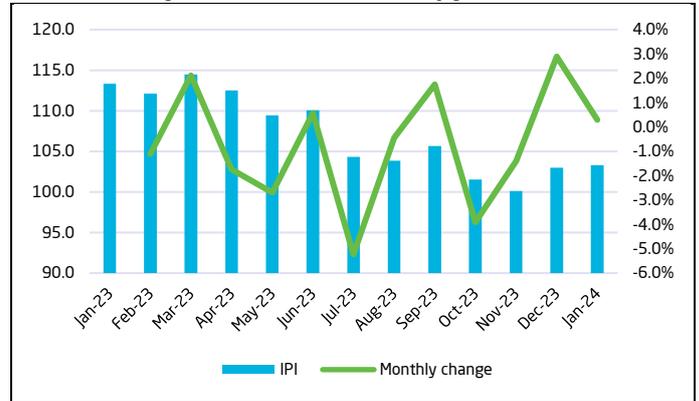


Figure 2: The four Sub-Indices

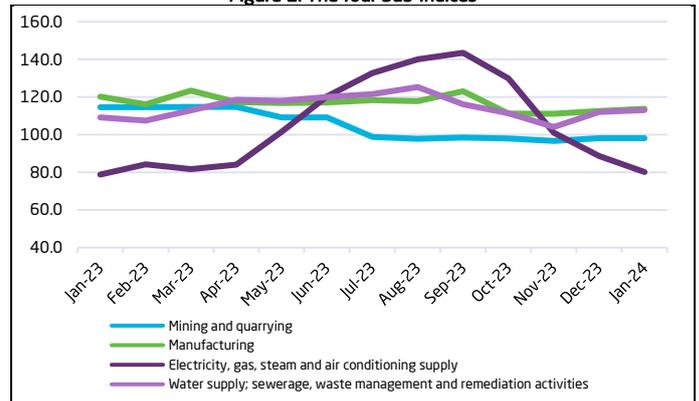
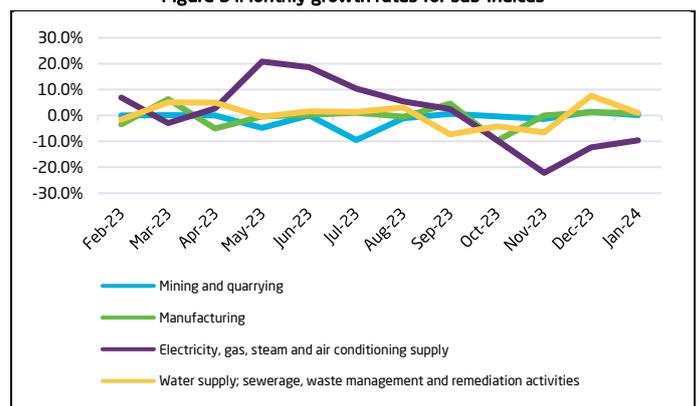


Figure 3. Monthly growth rates for sub-Indices



IPI Reference Metadata

IPI is an economic indicator that reflects the relative changes of the volume of industrial output. It is calculated based on the industrial production survey. IPI data is based on the International Standard Industrial Classification of Economic Activities (ISIC 4). This index is published monthly. For detailed information, click methodology. [Reference Metadata](#)