

Industrial Production increases by 6.8% in January 2023

In January 2023, the Industrial Production Index (IPI) increased by 6.8% compared to January 2022. The IPI continued to show positive growth rates due to the high production in mining & quarrying, manufacturing activity.

The annual growth rate in the IPI during 2022

During 2022, the industrial production index recorded positive growth rates that peaked in April 2022, the annual growth rates began to gradually decrease from month to another since May 2022, to recorded 6.8% increase in January 2023.

Mining and quarrying main driver of IPI in January 2023

Relative weights of the mining and quarrying, manufacturing and electricity and gas supply sectors in the IPI are 74.5%, 22.6% and 2.9%, respectively. Thus, the trend of the industrial production index in the mining and quarrying sector dominates the trend in the general IPI.

In January 2023, mining and quarrying grew by 3% compared to January 2022 as Saudi Arabia increased its oil production to more than 10 million barrels per day in January 2023. Manufacturing activity increased by 19.2% compared to the same month of the previous year. Electricity and gas supplies decreased by 3.4%. Compared to December 2022, overall IPI increased by 0.1% due to the increase in the mining & quarrying sector which increased by 0.2%, and manufacturing sector which increased by 0.6%. Electricity & gas supplies decreased by 9%.

Table 1. Annual Growth Rate of IPI (%)

Month	2020	2021	2022	2023
January	-6.7	-6.9	11.1	6.8
February	-5.7	-14.8	22.3	
March	-3.3	-14.5	24.8	
April	7.0	-24.0	26.7	
May	-15.5	0.5	24.0	
June	-22.2	11.9	20.8	
July	-13.4	5.9	17.7	
August	-11.6	5.8	16.8	
September	-7.5	6.5	15.7	
October	-13.5	7.7	14.1	
November	-10.0	10.3	8.6	
December	-7.6	11.2	7.3	

Figure 1. IPI 2023 Compared to the Previous Years

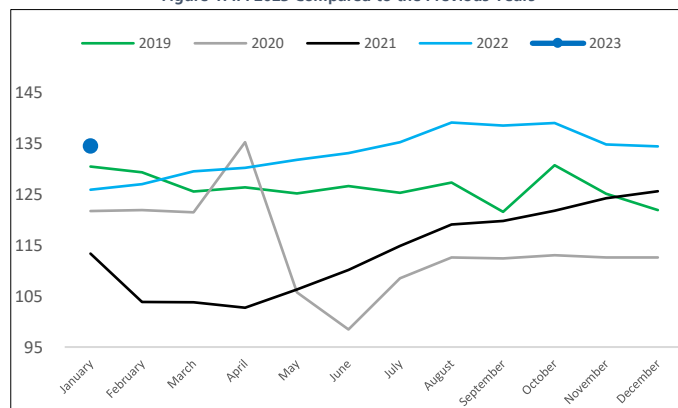


Figure 2. IPI & Three Sub-Indices (2018-2023)

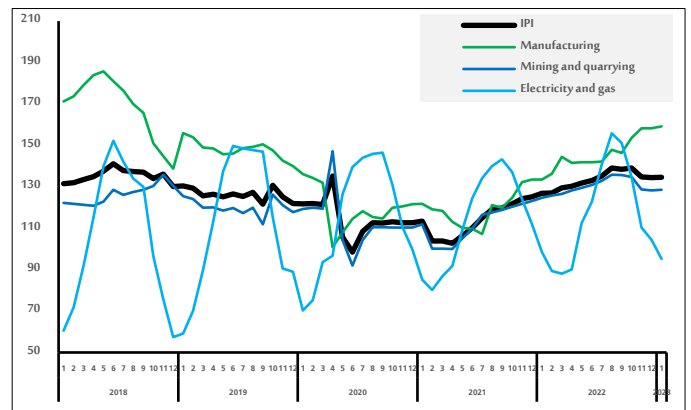


Figure 3. IPI & the Three Sub-Indices (2019-2023) – Annual Growth Rates

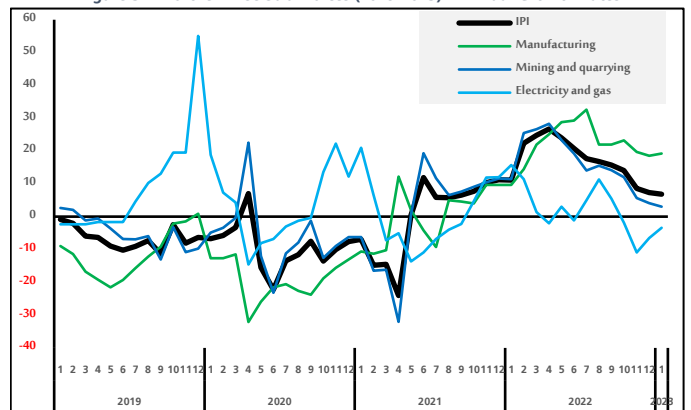
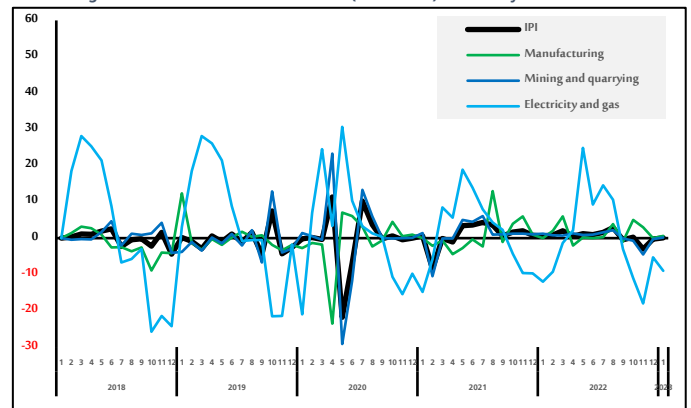


Figure 4. IPI & the Three Sub-Indices (2018-2023) – Monthly Growth Rates



Methodology

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](#).