

## Industrial Production increases by 11.1% in January 2022

In January 2022, the Industrial Production Index increased by 11.1% compared to the same month of the previous year (January 2021) it continued to show positive growth rates for the ninth month in a row. The increase of industrial production resulted to a large extent from higher production in the three sub-sectors mining & quarrying, manufacturing, and electricity & gas supply.

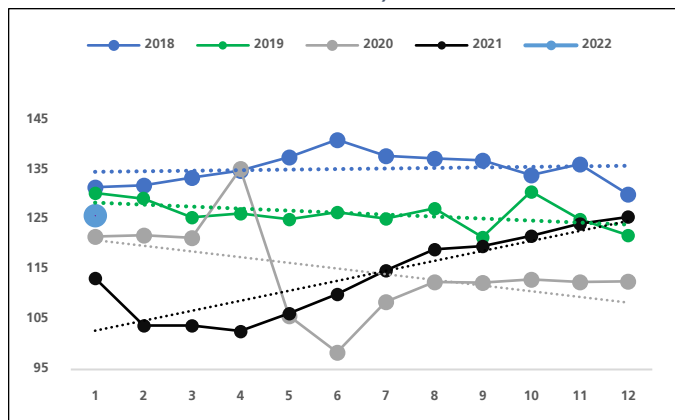
### Recovery in the Industrial Production sector

In January 2022, the year-on-year growth rate of the Industrial Production Index (IPI) was 11.1%, the third highest rise in the last three years. Taking a longer-term view, growth of the IPI turned positive in May 2021 after a long period of negative growth rates in 2019 and 2020, partly impacted by the effects of the worldwide pandemic. Since mid-2021, the IPI growth showed a positive trend, accelerating at the end of 2021.

The annual growth rate of the IPI (%)

Month	2019	2020	2021	2022
January	-0.9	-6.7	-6.9	11.1
February	-2.0	-5.7	-14.8	
March	-6.0	-3.3	-14.5	
April	-6.4	7.0	-24.0	
May	-9.0	-15.5	0.5	
June	-10.3	-22.2	11.9	
July	-9.1	-13.4	5.9	
August	-7.3	-11.6	5.8	
September	-11.3	-7.5	6.5	
October	-2.5	-13.5	7.7	
November	-8.1	-10.0	10.3	
December	-6.3	-7.6	11.2	

Figure 1. IPI 2022 Compared to the Previous Three Years (dotted lines show the 12m trend) Table



### Mining and Quarrying main driver of the IPI

The relative importance of the mining and quarrying, manufacturing and electricity and gas supply sectors in the IPI is 74.5%, 22.6% and 2.9%, respectively. Thus, the trends of the industrial production index in the mining and quarrying sector dominates the trend in the general IPI.

In January 2022 mining and quarrying grew by 11.4% compared to (January 2021) as Saudi Arabia increased its oil production to its highest level by more than 10 million barrels per day in January 2022. Manufacturing grew by 9.7% and electricity and gas supplies by 15.7%.

Compared to December 2021 the overall IPI increased by 0.6%. Mining & quarrying showed a month-on-month growth rate of 1.2%, the manufacturing sector stabilized at the level of the previous month, electricity & gas supplies decreased by 12%. The impact of the large contraction in the electricity & gas supplies index on the IPI was limited due to its small weight in the index.

Figure 2. Industrial Production Index & the three Sub-indices (2018-2022)

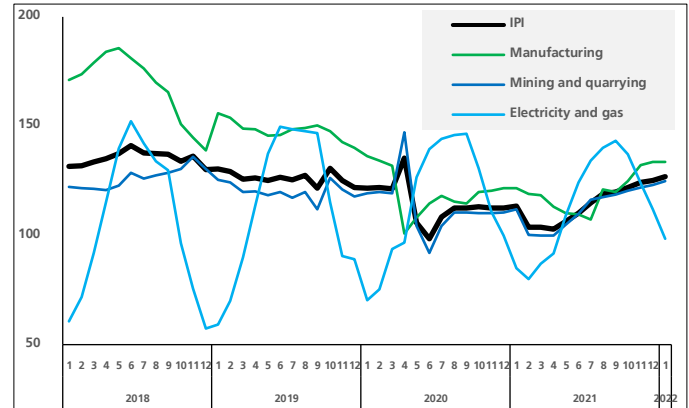


Figure 3. Industrial Production Index & the three Sub-indices (2019-2022) – Annual Growth Rates

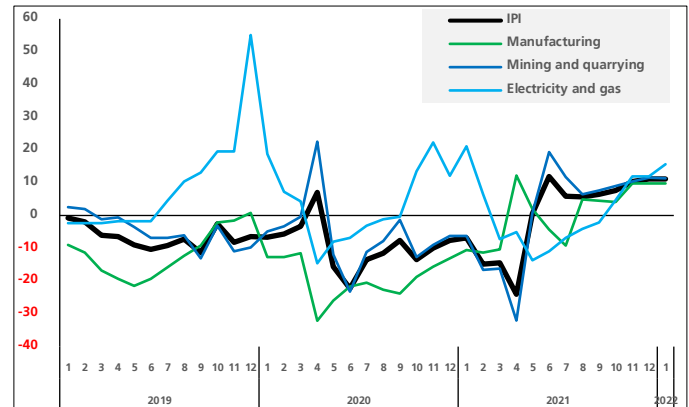
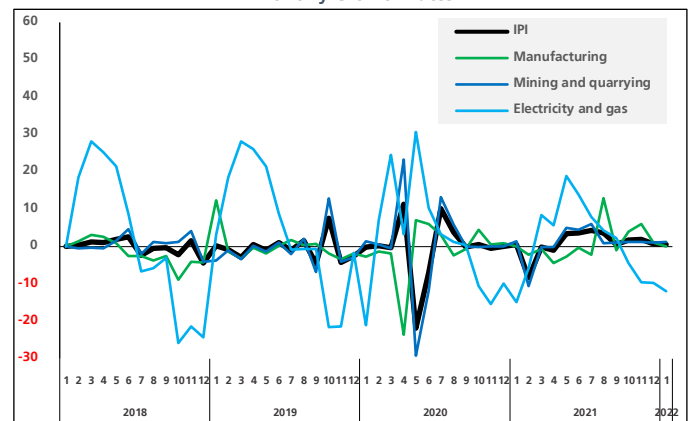


Figure 4. Industrial Production Index & the three Sub-indices (2018-2022) – Monthly Growth Rates



### Methodology

The 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). This index is published monthly. For detailed information, click [methodology](#).