

## Industrial Production increases by 17.7% in July 2022

In July 2022, the Industrial Production Index (IPI) increased by 17.7% compared to July 2021. The IPI continued to show positive growth rates due to the high production in mining & quarrying, manufacturing activity, and electricity and gas supply.

### Dynamic development in the Industrial Production Sector

In July 2022, the year-on-year growth rate of the Industrial Production Index (IPI) was 17.7%. 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.

### Mining and quarrying are the main drivers of the IPI

The 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 July 2022, mining and quarrying grew by 14.1% compared to July 2021 as Saudi Arabia increased its oil production to its highest level by more than 10 million barrels per day in July 2022. The manufacturing activity increased by 32.6% compared to the same month of the previous year. The electricity and gas supplies increased by 5%.

Compared to June 2022, the overall IPI increased by 1.6%. Mining & quarrying showed a month-on-month growth rate of 1.6%. The manufacturing sector increased by 0.3%, electricity & gas supplies increased by 14.6%. The impact of growth in the electricity & gas supplies index on the IPI was limited due to its small weight in the index.

Table1. 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	22.3
March	-6.0	-3.3	-14.5	24.8
April	-6.4	7.0	-24.0	26.7
May	-9.0	-15.5	0.5	24.0
June	-10.3	-22.2	11.9	20.8
July	-9.1	-13.4	5.9	17.7
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 Years

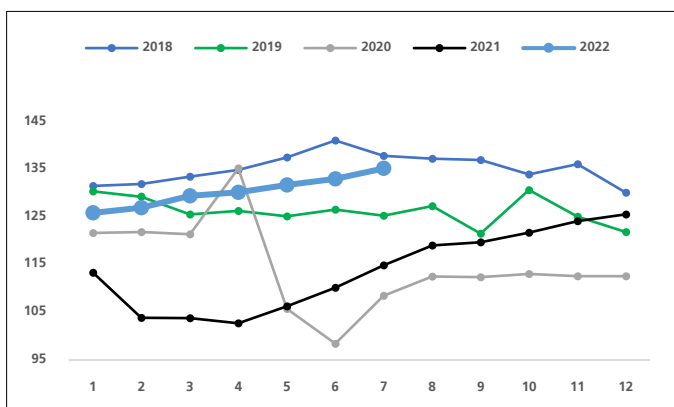


Figure 2. IPI & the Three Sub-Indices (2018-2022)

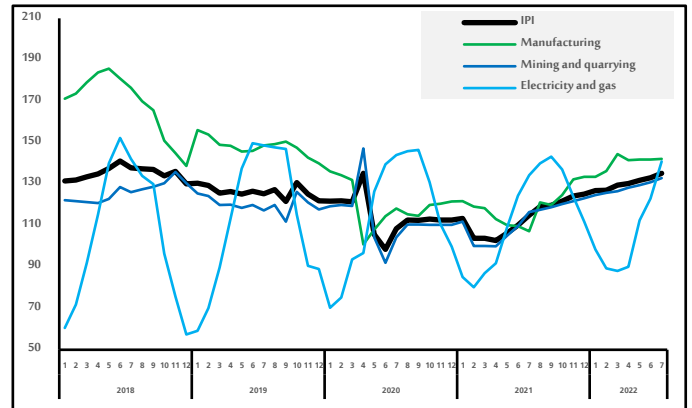


Figure 3. IPI & the Three Sub-Indices (2019-2022) – Annual Growth Rates

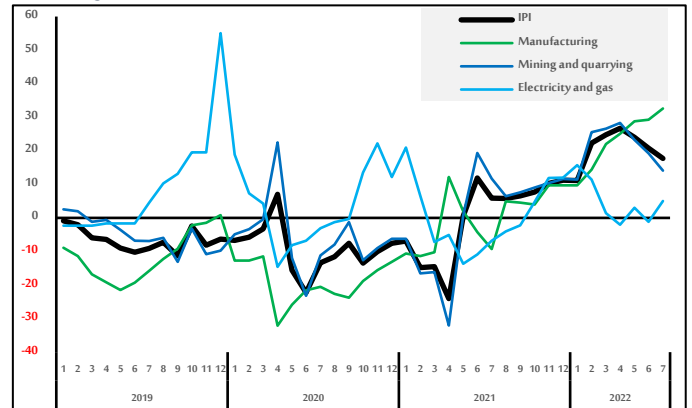
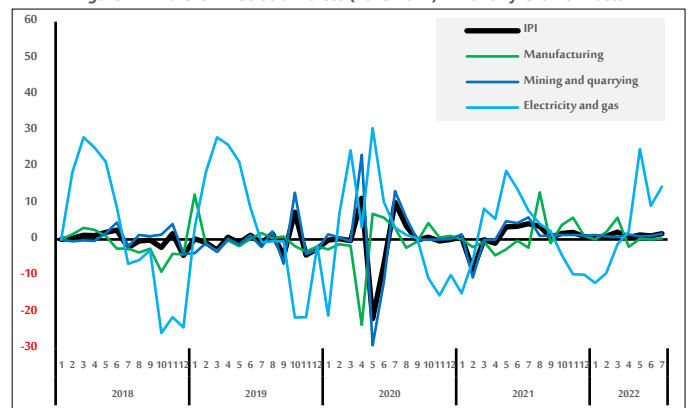


Figure 4. IPI & the Three Sub-Indices (2018-2022) – Monthly Growth Rates



### Methodology

The 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. 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](#).