الهيئة العامة للإحصاء
General Authority for Statistics

Index of Industrial Production (IIP)

2nd Quarter ٢٠١٧

Indicators

Index of Industrial Production of the Second Quarter 2017 with A (2010 = 100) Base

The general index of the second quarter 2017 reached (130.26) points. The mining and quarrying activity index recorded (121.69) points. However, the manufacturing industry activity recorded (157.62) points, whereas the electricity and gas supply activity recorded (137.20) points.

When comparing the results of the second quarter 2017 with the results of the first quarter 2017, we find that the production quantities have posted a growth of 1.8% in all industrial activities when compared to the first quarter of 2017. Hence, the production growth rate in the mining and quarrying activity edged up 1.95%. However, the production decline rate amounted to 2.53% in the manufacturing industry activity, while the electricity and gas supply activity grew by 58.61%.

As for comparing the results of the second quarter 2017 with the results of the same quarter of 2016, we find that the production quantities have increased by 0.96% in all industrial activities when compared to the second quarter of 2016. The production decline rate in the mining and quarrying activity reached 4.35%. However, the production growth rate recorded 17.04% in the manufacturing industry activity, while the production rate of electricity and gas supply fell by 0.05%.

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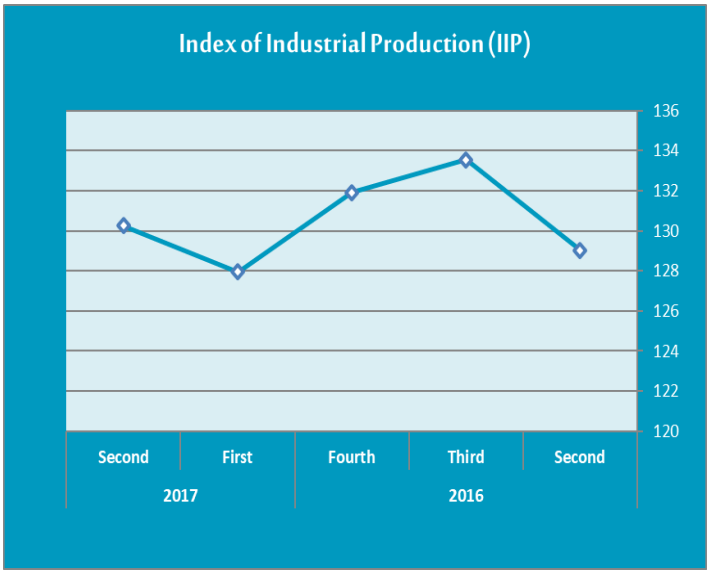


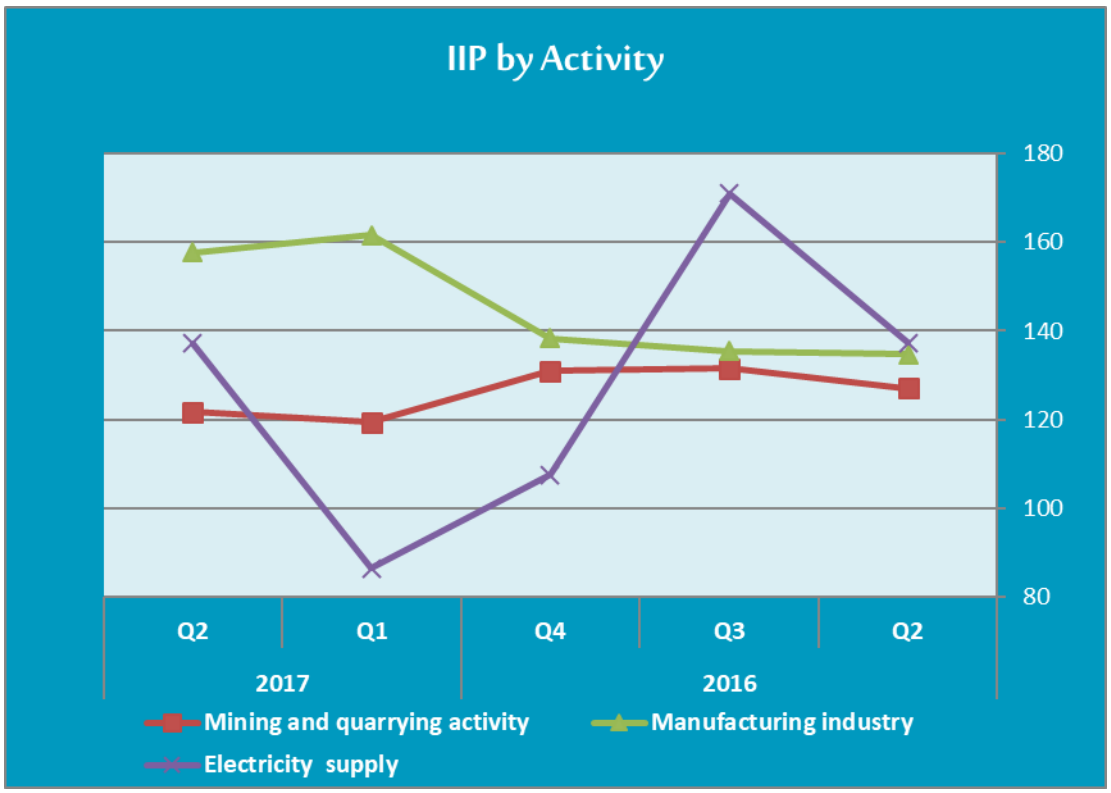
General Index of Industrial Production (IIP)

Year	Quarter	Index	Change (٪)
٢٠١٦	Second	129.02	0.47 ▲
	Third	133.54	3.50 ▲
	Fourth	131.92	1.23 ▼
٢٠١٧	First	127.95	3.10 ▼
	Second	130.26	1.81 ▲

Source: General Authority for Statistics

IIP by Main Sections

	Main sections	2016			2017	
		Q2	Q3	Q4	Q1	Q2
IIP	IIP	129.02	133.54	131.92	127.95	130.26
	Mining and quarrying activity	126.99	131.51	130.91	119.36	121.69
	Manufacturing industry	134.67	135.43	138.37	161.60	157.62
	Electricity supply	137.27	171.00	107.49	86.50	137.20



Metadata

Index of Industrial Production

Indicator Description: An indicator that measures the relative change. It reflects any development in the production quantities (material or commodities) based on the time differences. The time based on which we measure the change is called the base year. Whereas the time based on which we measure the change range is called the comparison year.

Concepts and Definitions

Industrial Production: The process of transforming raw material (inputs) into consumption material as commodities (outputs) for the purpose of achieving a return for the establishment.

Production Quantity: The produced quantity of a specific commodity.

Extractive Industry: The Extracted raw material from land. This kind of industries depends on the natural resources that cannot be renewed or repaired, such as oil and minerals.

Manufacturing Industry: Industries that transfer raw materials into final products or intermediary products.

Electricity, Gas, and Water Supply: Includes the electricity and gas conduction. In addition to water supply, sanitation activities, and waste processing.

Raw Material: Represents the production inputs or raw material that is used in producing a specific product. These materials are not processed but they can be renewed and remain effective.

Commodities: The tangible material that can be purchased by consumers for the purpose of final consumption. They can be classified into durable and non-durable commodities. It can also be defined as the benefits which any consumer can get to fulfil his/her needs.

Change: A quarterly growth. Each quarter measures the statistical change and compare it with the same period of the previous year.

Data periodicity: Quarterly.

Methodology Used in Composing IIP:

Data Source: Data have been extracted from the results of the industrial production survey, which has been conducted in all the administrative regions of Saudi Arabia in the fourth quarter of 2017. Data about the production quantities have been collected from the industrial institutions depending on the material, commodities, and services they extract and produce.

Survey Scope: The industrial production survey contained all industrial economic activities according to (ISIC 4)
as follows:

- Mining and Quarrying
- Manufacturing Industries
- Electricity, Gas, and Water Supply

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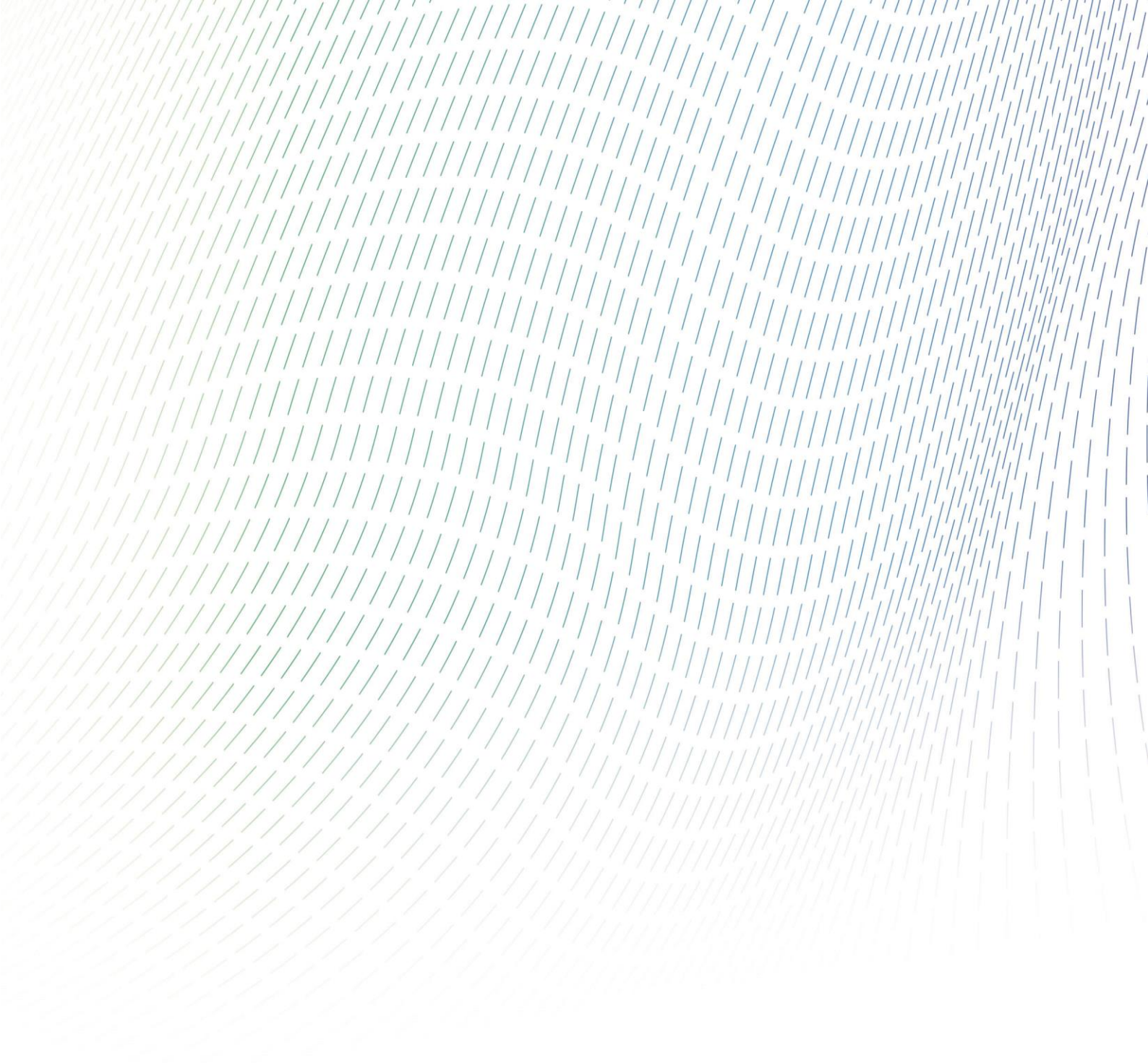
Relative Significance (weights): The added value of the base year (2010) has been used to calculate the industrial activities relative significance.
The relative significance of mining and quarrying (including oil) registered the highest percentage with 74. 33%. However, the relative significance of manufacturing industries registered 22.94%, whereas the electricity, gas, and water supply registered
3.73%.

The equation used: (Laspeure) formula has been used to calculate the production quantities. It depends on the base year 2010 (weights) to calculate and compose the production index in the industrial sector, as follows:

Where:

IQ = Index of industrial production quantity
Q_1 = quantity in comparison period
Q_0 = quantities in the base year
W= weight

$$I_Q = \frac{\sum \frac{Q_1}{Q_0} \times W}{\sum W} \times 100$$



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