



## Industrial Production Decreases by 11.6% in August 2020

In August 2020, the Industrial Production Index decreased by 11.6% compared to the same month in the previous year (August 2019). The decline in industrial production resulted almost exclusively from lower production in mining and quarrying activity (index weight shares 74.5%), which fell by 7.9%. Saudi Arabia reduced its oil production from 9.7 million barrels per day in August 2019 to 8.9 million barrels per day in August 2020. In August, manufacturing activities decreased by 22.7% compared to August 2019 as COVID-19 pandemic led many factories to reduce production operations. Although the performance of the index improved in August compared to last month by 3.7%, it is still lower than it was before the pandemic as it decreased by 8% than it was on February before the pandemic started.

### Mining and Quarrying Dominate Industrial Production

- Saudi Arabia's industrial production is driven by mining and quarrying activity (including oil production), which significantly decreased in August by 7.9%, as Saudi oil production operated at low volumes.
- Non-oil manufacturing activity decreased by 22.7% compared to August 2019.
- Electricity and gas supply activity recorded a decrease of 1.3%, but it has the lowest weight in the IPI (2.9% of the index).

### Industrial Production Increases by 3.7% compared to July 2020

- Compared to the previous month (July 2020), the IPI increased by 3.7%. This increase resulted mainly from the mining and quarrying activity 6.0% as oil production went up from 8.4m barrel/day in July to 8.9 m barrel/day in August.
- Non-oil manufacturing activity decreased by -2.3%.
- The electricity and gas supply increased by 1.3%, with little impact on the IPI because of its low weight.

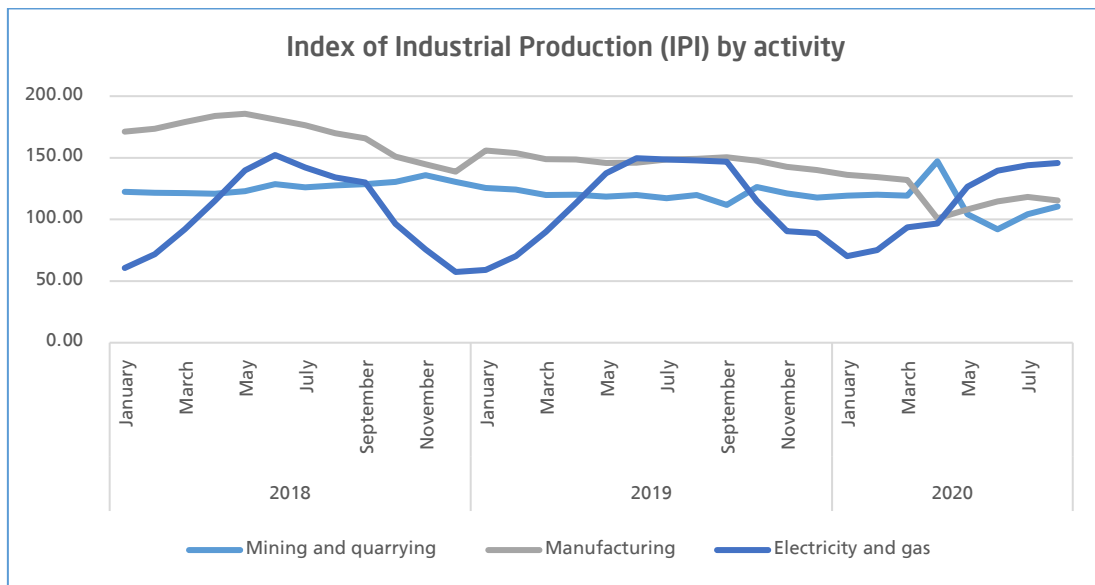
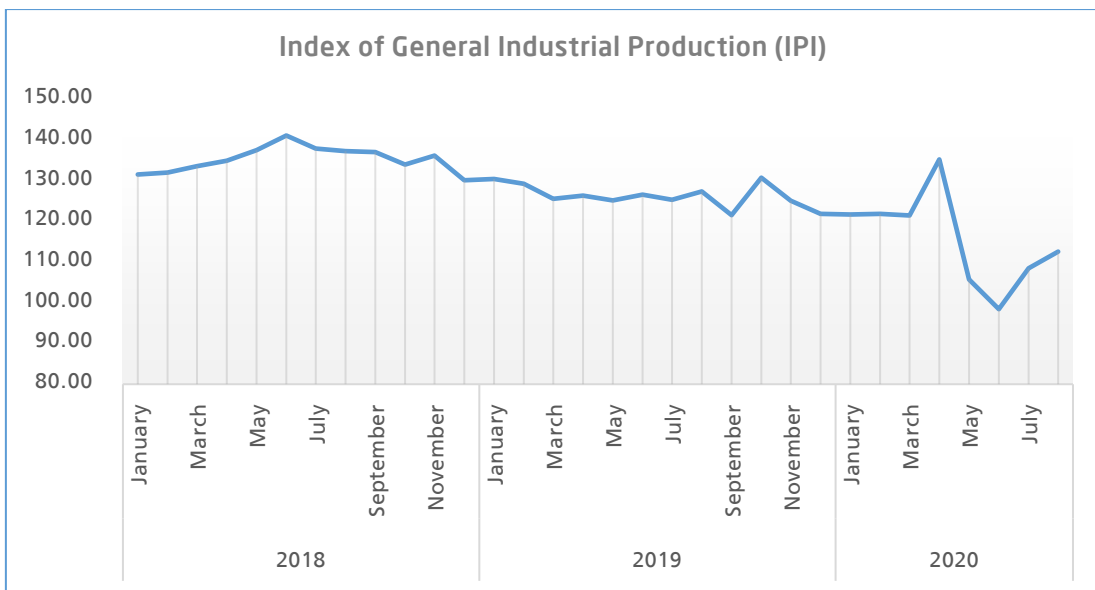
## Methodology

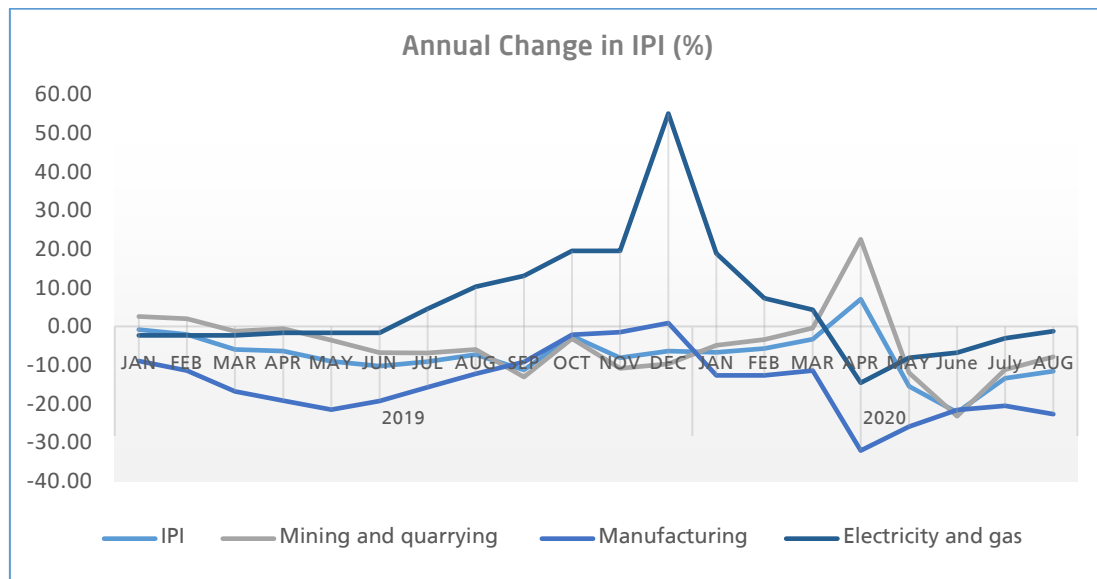
The Industrial Production Index (IPI) is an economic indicator, reflecting the relative changes of the volume of industrial output. It is calculated based in the industrial production survey. The IPI data is based on the International Standard Industrial Classification of Economic Activities (ISIC\_4). The IPI is published on a monthly basis.

The General Authority for Statistics (GASTAT) is aiming for high quality when publishing official statistics. Due to difficulties in the data collection during Covid – 19 pandemic, the publication of the Industrial Production Index had to be suspended for the reporting months August to October 2020. These reporting months are now being published together with the most recent reporting month, November 2020, after implementing quality assurance measures. Given the difficulties in the data collection process, manufacturing data can only be published at the aggregate level to ensure a high level of accuracy.



Annual and Monthly Change in IPI by activity, August 2020			
Economic activity	Percent change in August 2020 compared to		
	August -19	July-20	weight
<b>GENERAL INDEX</b>	<b>-11.6%</b>	<b>3.7%</b>	<b>100</b>
Mining and quarrying	-7.9%	6.0%	74.5
Manufacturing	-22.7%	-2.3%	22.6
Electricity and gas	-1.3%	1.3%	2.9





Links: [All Tables](#), [Methodology](#)