



## Industrial Production Decreases by 7.6% in December 2020

In December 2020, the Industrial Production Index decreased by 7.6% compared to the same month in the previous year (December 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 6.2%. Saudi Arabia reduced its oil production from 9.5 million barrels per day in December 2019 to 8.9 million barrels per day in December 2020. In December 2020, manufacturing activities decreased by 13.1%, compared to December 2019 as COVID-19 pandemic led many factories to reduce production operations. In December 2020, the Industrial Production Index is 8% below its level in February 2020, before the pandemic started.

## Mining and Quarrying Dominate Industrial Production

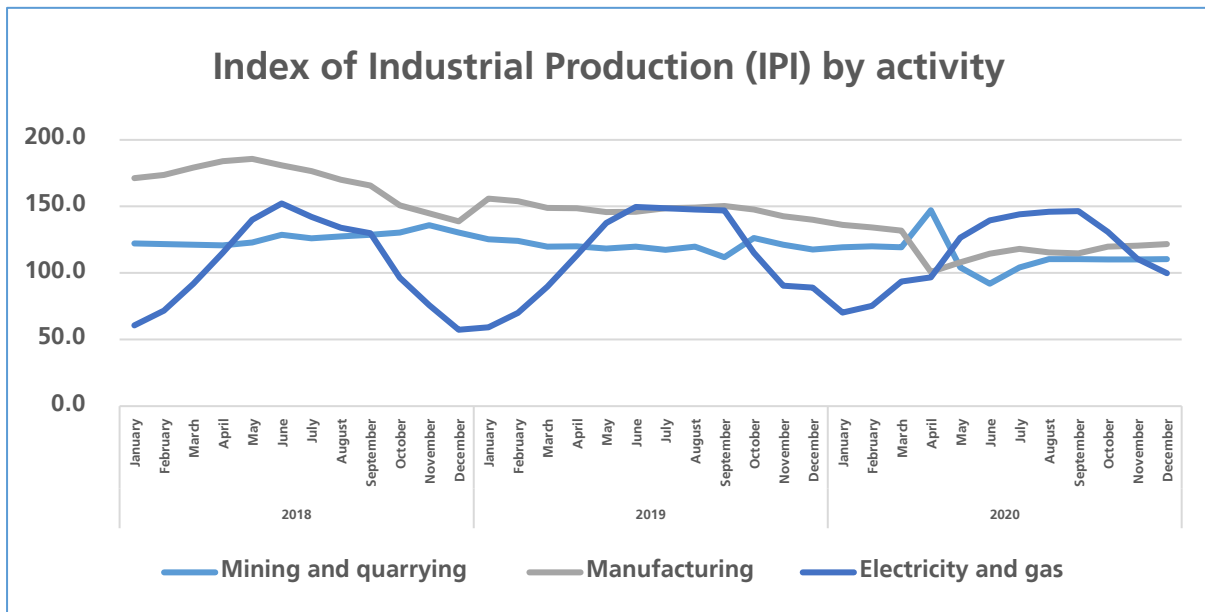
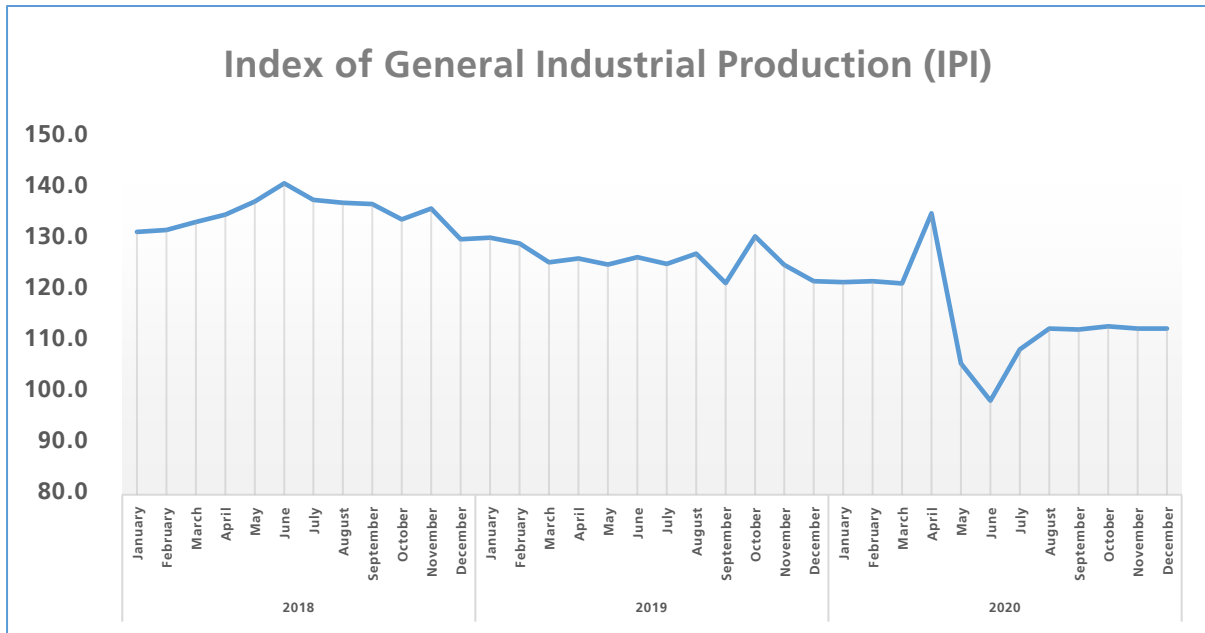
- Saudi Arabia's industrial production is driven by mining and quarrying activity (including oil production), which decreased in December by 6.2%, as Saudi oil production operated at low volumes.
- Non-oil manufacturing activity decreased by 13.1% compared to December 2019.
- Electricity and gas supply activity recorded an increase of 12.2%, but it has the lowest weight in the IPI (2.9% of the index).

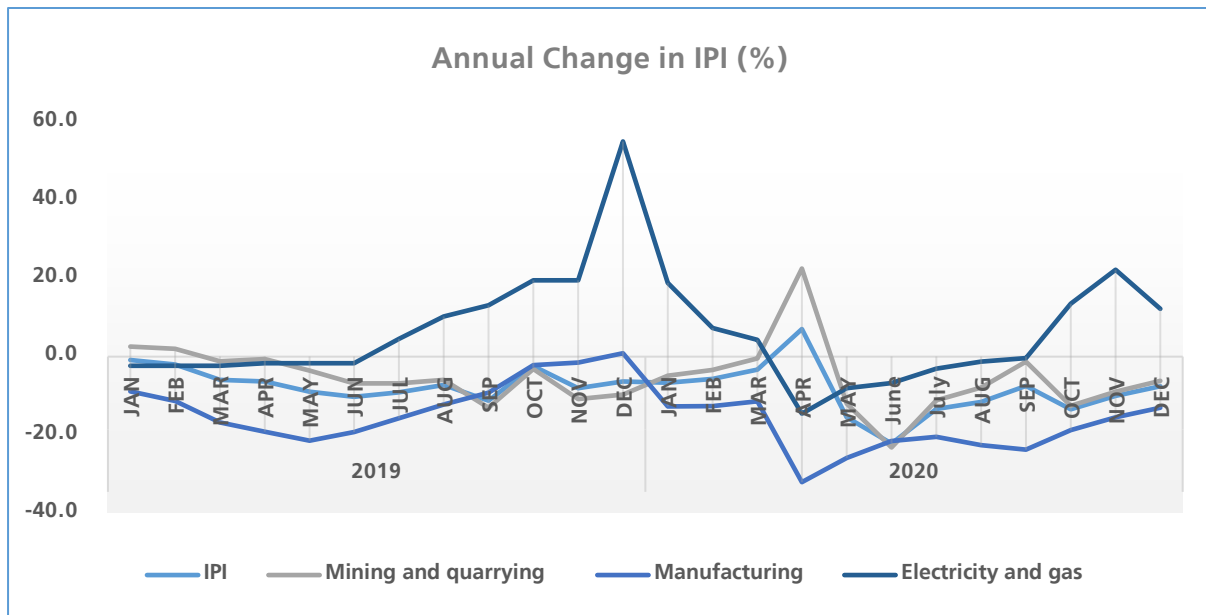
## Stability in the Industrial Production Compared to November 2020

- There is stability in the IPI compared to the previous month (November 2020).
- Mining and quarrying activity increased by 0.1%.
- Non-oil manufacturing activity increased by 1.0%.
- The electricity and gas supply decreased by 9.8%, with a 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 on 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.





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