

## Industrial production decreases by 12.3% in October 2023

In October 2023, the Industrial Production Index (IPI) decreased by 12.3% compared to October 2022. Although the activity of the manufacturing industry and the activity of electricity and gas supply continued to rise, the decline in the mining and quarrying activity led to a decrease in the general index.

### Annual growth rates of IPI

At a negative growth rate of 12.3% in October 2023, the industrial production index continued its downward movement of previous months. The index had peaked in early 2022, supported by growth rates of mining and quarrying activities, and manufacturing activities during that year. Since then, and in particular in 2023, growth rates have slowed down, mainly driven by mining and quarrying.

### Mining and quarrying main driver of IPI

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 October 2023, mining and quarrying decreased by 18.4% compared to October 2022 as Saudi Arabia decreased its oil production to 8,9 million barrels per day in October 2023. Manufacturing activity increased by 0.6% compared to the same month of the previous year. Electricity and gas supplies increased by 32.2%.

Compared to September 2023, overall IPI decreased by 0.9%, due to the decrease of production in the three sub-sectors. Mining and quarrying sector decreased by 0.4%, manufacturing sector decreased by 1.0%, and electricity and gas supplies sector decreased by 7.0%.

Table1. Annual Growth Rate of IPI (%)

Month	2020	2021	2022	2023
January	-6.7	-6.9	11.1	6.8
February	-5.7	-14.8	22.3	6.0
March	-3.3	-14.5	24.8	4.1
April	7.0	-24.0	26.7	3.2
May	-15.5	0.5	24.0	-1.2
June	-22.2	11.9	20.8	-1.6
July	-13.4	5.9	17.7	-9.5
August	-11.6	5.8	16.8	-12.2
September	-7.5	6.5	15.7	-11.2
October	-13.5	7.7	14.1	-12.3
November	-10.0	10.3	8.6	
December	-7.6	11.2	7.3	

Figure 1. IPI 2023 Compared to the Previous Years

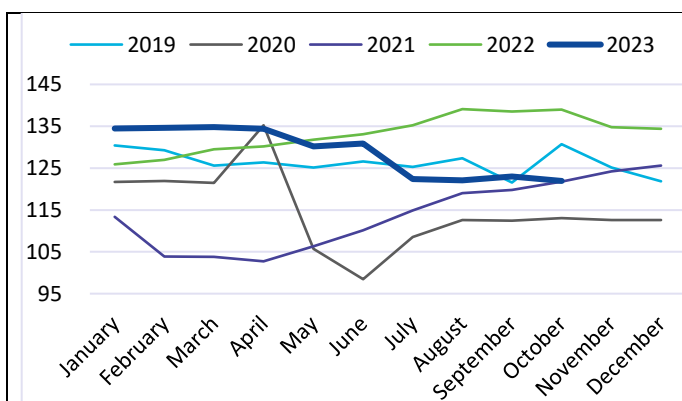


Figure 2. IPI & Three Sub-Indices (2018-2023)

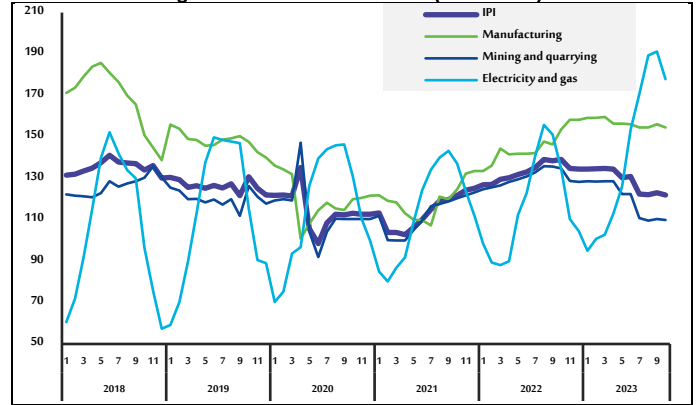


Figure 3. IPI & the Three Sub-Indices (2019-2023) - Annual Growth Rates

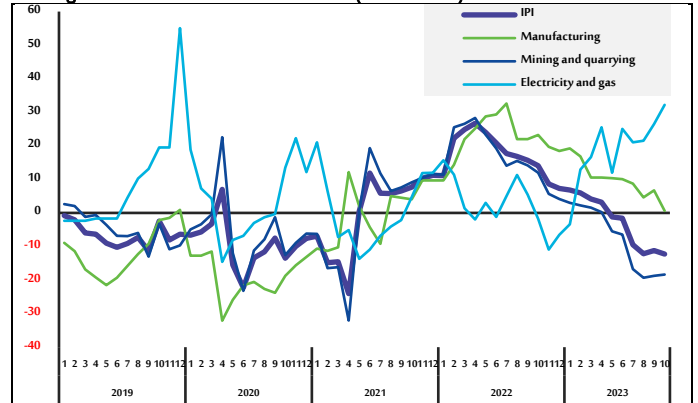
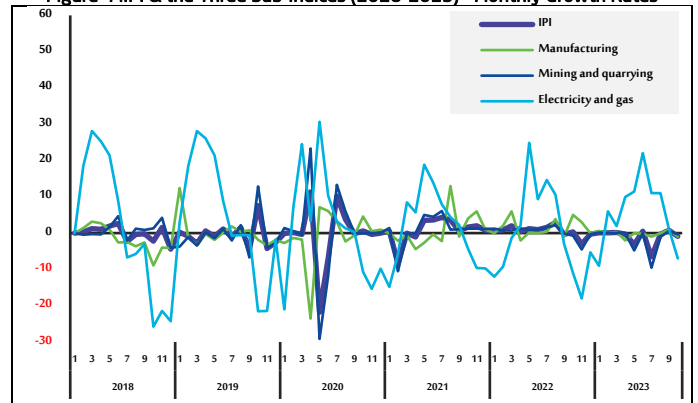


Figure 4. IPI & the Three Sub-Indices (2018-2023) - Monthly Growth Rates



### Methodology

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. 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. [Link](#)