

## Industrial production decreases by 10.5% in December 2023

In December 2023, the Industrial Production Index (IPI) decreased by 10.5% compared to December 2022, due to the decline in both mining and quarrying activity and manufacturing activity.

### Annual growth rates of IPI

At a negative growth rate of 10.5% in December 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 went 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 December 2023, mining and quarrying decreased by 14.3% compared to December 2022 as Saudi Arabia decreased its oil production to 8.9 million barrels per day in December 2023. Manufacturing activity decreased by 3.3% compared to the same month of the previous year. Electricity and gas supplies increased by 25.8%.

Compared to November 2023, overall IPI increased by 0.4%, mining and quarrying sector increased by 1.4%, manufacturing sector stabilized at the level of the previous month, and electricity & gas supplies decreased by 14%. However, due to the low weight of this activity, it did not have a significant impact on the index.

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	-11.2
December	-7.6	11.2	7.3	-10.5

Figure 1. IPI 2023 Compared to the Previous Years

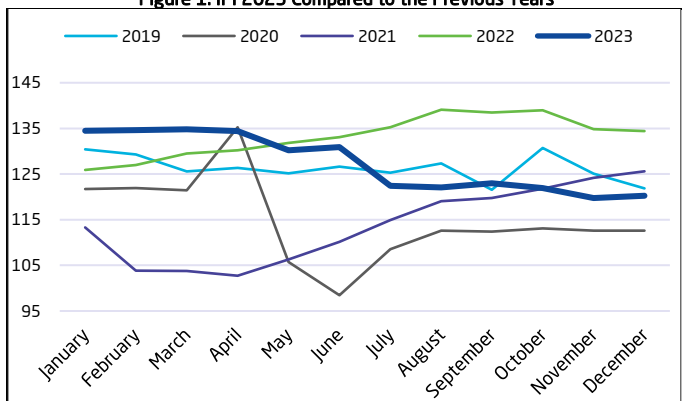


Figure 2. IPI & Three Sub-Indices (2018-2023)

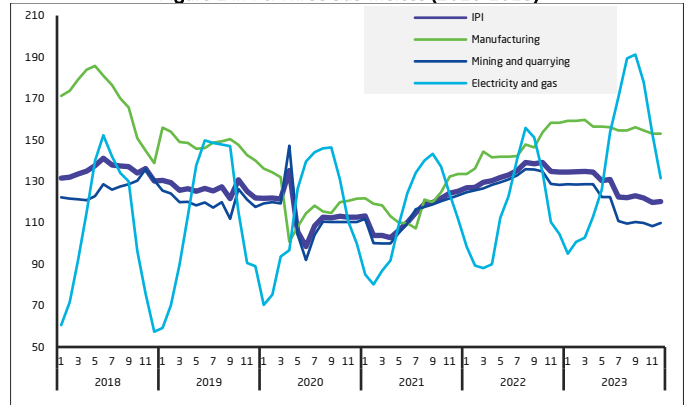


Figure 3. IPI & the Three Sub-Indices (2019-2023) - Annual Growth Rates

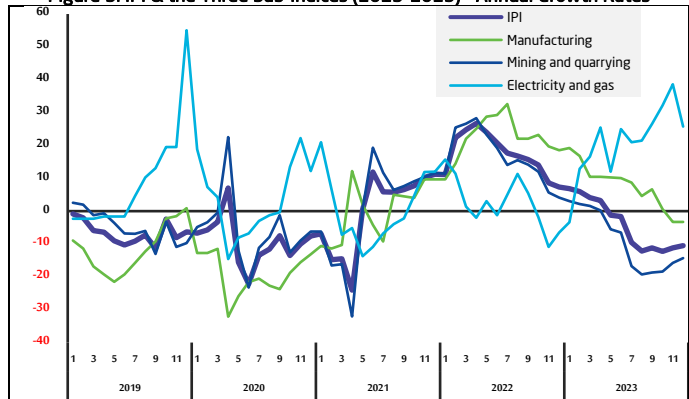
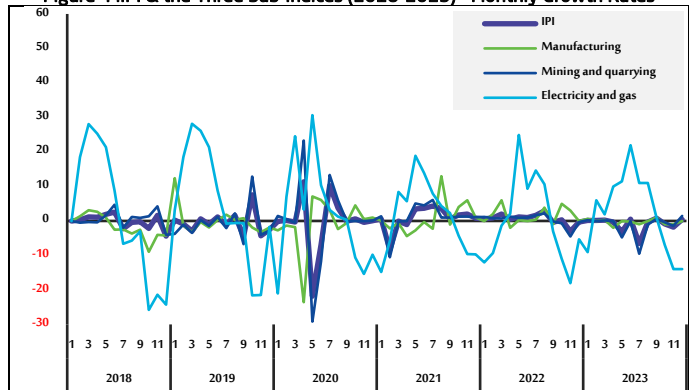


Figure 4. IPI & the Three Sub-Indices (2018-2023) - Monthly Growth Rates



### 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](#)