

Ongoing recovery of manufacturing production with uncertain future

During August 2020, global manufacturing growth is stabilizing further after the economic disruptions triggered by COVID-19 in the beginning of the year. The latest production data indicate that China is already on its path to stable manufacturing growth, while other countries are recovering at a slower pace. Industrial production figures seem to be stabilizing at levels significantly lower than in the pre-pandemic months.

Figure 1: Index of world manufacturing output for specific regions (base 2015)

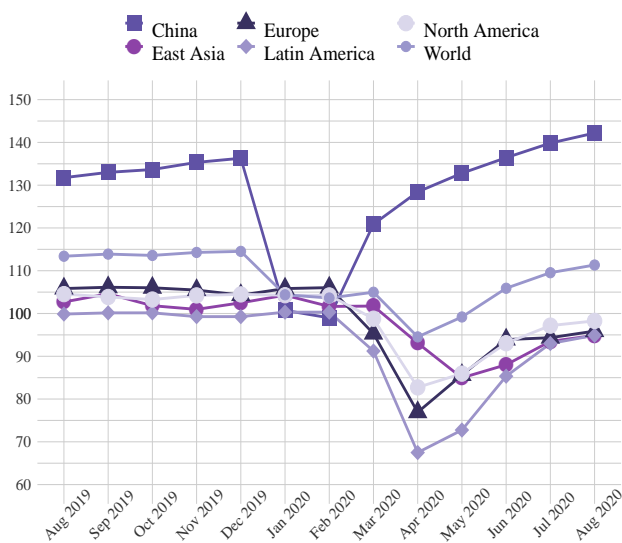
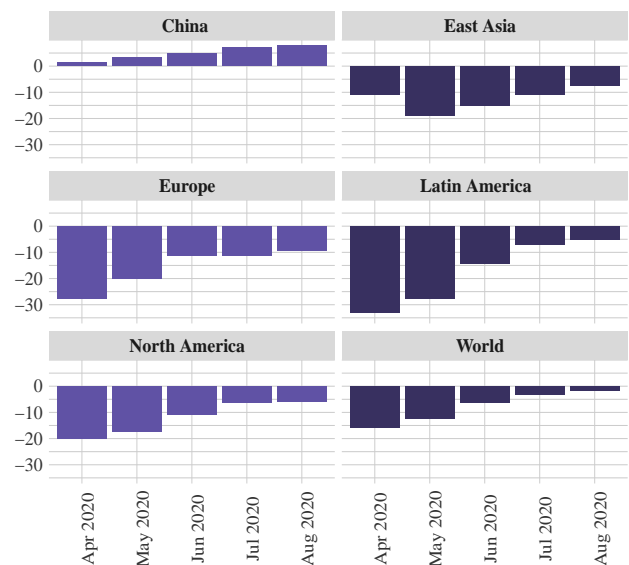


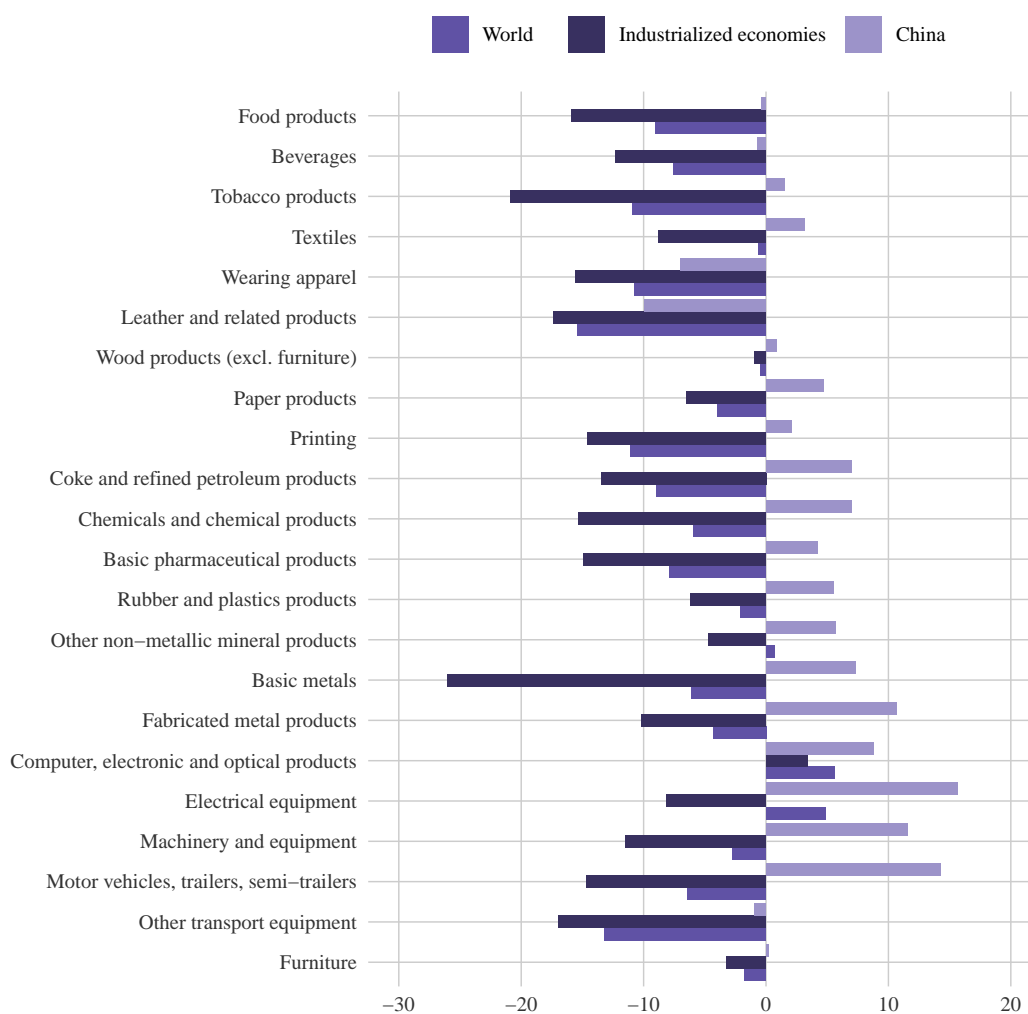
Figure 2: Growth of manufacturing output of specific regions, percentage change compared to the same period of the previous year



Global manufacturing production is still recovering after the drastic decline due to the COVID-19 pandemic (see figures 1 and 2). China's economy recovered fast after the drastic plunge in January 2020 and already exceeded its pre-crisis production level since June 2020. The production in Latin America and industrialized countries (grouped by North America, Europe and East Asia) reached its lowest point in April 2020 due to COVID-19 measures. Many countries began reopening their economies in May 2020 and kept it open and running until now. The rapidly increasing infection numbers in most

regions of the globe from September 2020 onwards, point to another expected economic slowdown as further measures to contain the virus are implemented.

Figure 3: Estimated growth by industry, percentage change compared to the same period of the previous year, August 2020



Focusing on aggregate data by industrial sector (figure 3), Computer, electronic and optical products is the only group with production growths across all country groups. Besides, electrical equipment shows the largest growth rate for the world average.

Figure 4 and 5 highlight countries with a large contribution to world manufacturing but with ongoing economic uncertainties due to the current pandemic. Most of the highlighted countries, both

World Manufacturing Production in August 2020

industrialized (figure 4) and developing or emerging industrial economies (Dev. and EIE, figure 5), registered a significant decrease in production. Countries categorized as Dev. and EIE generally witnessed more intense production decreases than industrialized countries.

Figure 4: Growth of manufacturing output for specific industrialized economies, percentage change compared to the same period of the previous year

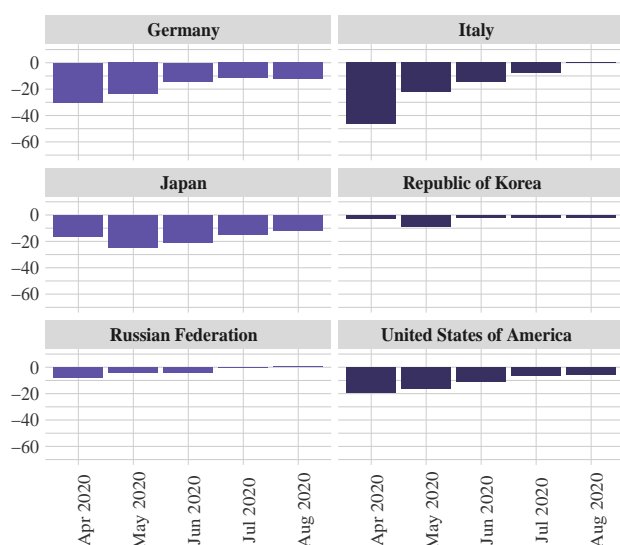
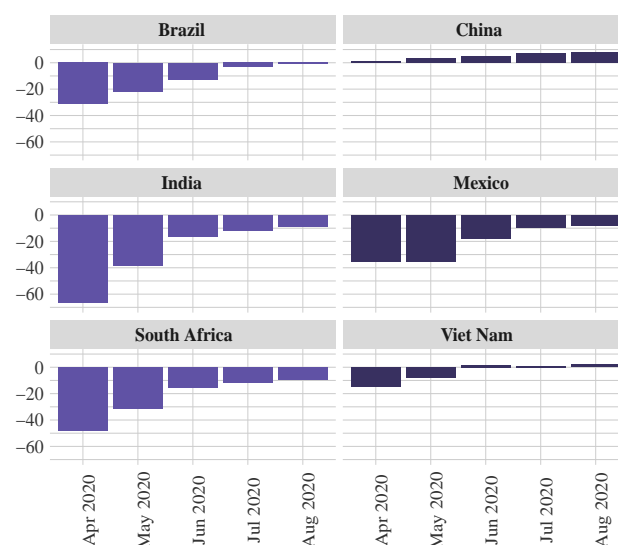


Figure 5: Growth of manufacturing output for specific developing and emerging economies, percentage change compared to the same period of the previous year



Methodological note: Preliminary index numbers of industrial production (base 2015) are derived from national statistical sources. UNIDO conducts seasonal adjustment where necessary and appropriate. The most recent monthly data are available on the UNIDO Statistics data portal.¹ Country coverage is limited due to data availability, with the aggregate of world manufacturing output including around 40 countries and a share of approximately 80 per cent of global manufacturing output. Information on the methodology of index numbers, estimation procedures and a compilation of country group indices can be found in a methodological document² and on the website³. Quarterly indices are also published regularly in UNIDO's Quarterly IIP database.⁴

¹<https://stat.unido.org/database/Monthly%20IIP>

²<https://stat.unido.org/content/publications/world-manufacturing-production-%2528methodological-note%2529>

³<https://stat.unido.org/content/learning-center/seasonal-adjustment>

⁴<https://stat.unido.org/database/Quarterly%20IIP>

World Manufacturing Production in August 2020

Table 1

Estimated index of industrial production, selected country groups (base 2015)

	China	East Asia	Europe	Latin America	North America	World
Jan 2019	126.5	103.9	106.9	99.9	105.1	112.4
Feb 2019	126.5	103.6	107.3	100.8	104.5	112.3
Mar 2019	128.2	103.6	107.3	99.8	104.5	112.9
Apr 2019	126.8	104.3	106.5	101.1	103.6	112.3
May 2019	128.6	105.0	107.2	100.8	103.8	113.1
Jun 2019	130.2	103.5	106.0	99.7	104.3	112.9
Jul 2019	130.5	104.8	106.2	99.9	103.9	113.4
Aug 2019	131.8	102.7	105.8	99.9	104.5	113.4
Sep 2019	133.0	104.6	106.1	100.1	103.9	113.9
Oct 2019	133.7	101.8	106.0	100.2	103.3	113.6
Nov 2019	135.3	101.0	105.5	99.3	104.2	114.3
Dec 2019	136.3	102.5	104.3	99.3	104.5	114.5
Jan 2020	100.7	104.3	105.8	100.3	104.3	104.4
Feb 2020	99.0	101.7	106.0	100.3	104.2	103.6
Mar 2020	120.9	101.7	95.3	91.2	98.8	105.0
Apr 2020	128.4	93.1	76.9	67.5	82.7	94.5
May 2020	132.8	85.0	85.6	72.8	86.0	99.2
Jun 2020	136.4	88.0	93.9	85.3	93.1	105.9
Jul 2020	139.8	93.5	94.3	93.0	97.2	109.5
Aug 2020	142.2	94.9	95.9	94.9	98.3	111.3

Source: UNIDO Statistics.

Note: Seasonally adjusted data.