

Ongoing recovery of manufacturing production after COVID-19 disruptions

Global manufacturing growth, already decelerating in 2019, seems to be stabilizing after the economic disruptions triggered by COVID-19. Latest production data for China already indicate similar growth rates as before the pandemic, while other countries seem to recover slower.

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

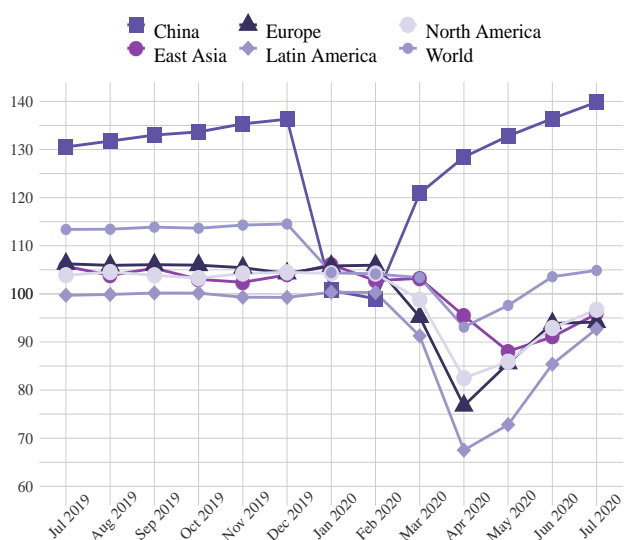
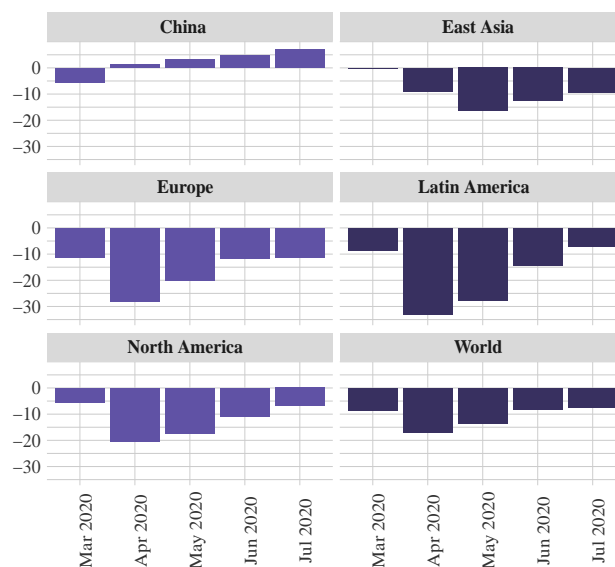
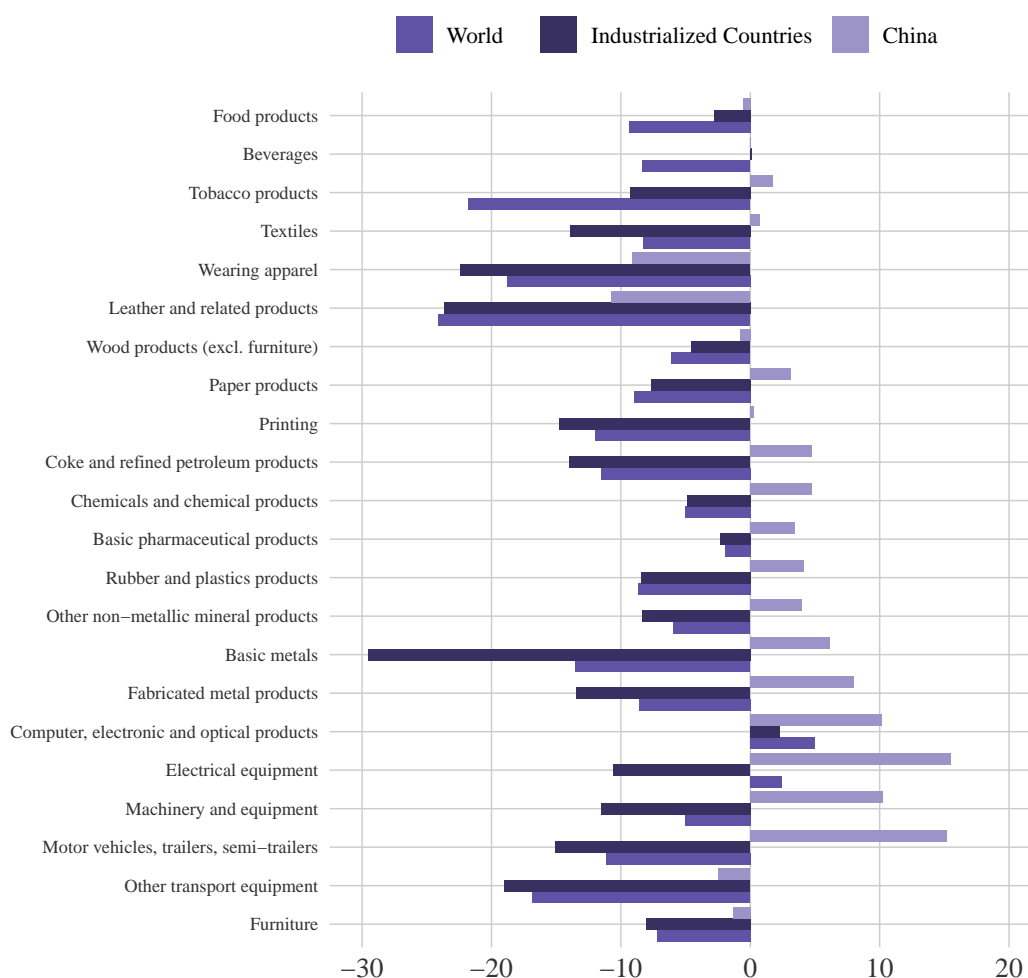


Figure 2: Growth of manufacturing output of specific regions, percentage change compared to the same period of the previous year



A recovery of global manufacturing production is already visible after the drastic decline due to the COVID-19 pandemic (see figure 1 and 2). China's economy recovered fast and already exceeded the production level of January in July 2020 after the plunge in January 2020, primarily due to COVID-19 containment measures. The impact of COVID-19 in Latin America and in industrialized countries (grouped by North America, Europe and East Asia) is visible from March 2020, reaching its lowest point in April 2020. Many countries began reopening their economies in May 2020, albeit not at full capacity. Global data already signal a recovery from May 2020 onwards, but the coming months will show whether the economic downturn will continue in the majority of countries or whether the economy can return to growth.

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



Focusing on aggregate data for industrial groups (figure 3), Computer, electronic and optical products is the only group with production growths in all observed country groups. Moreover, electrical equipment, chemical and pharmaceuticals products show comparatively lower losses than other groups.

Figure 4 and 5 highlight countries with a high contribution to world manufacturing outcome as well as ongoing economic uncertainties due to the current pandemic. Most of the observed countries, both 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 industrialised countries, percentage change compared to the same period of the previous year

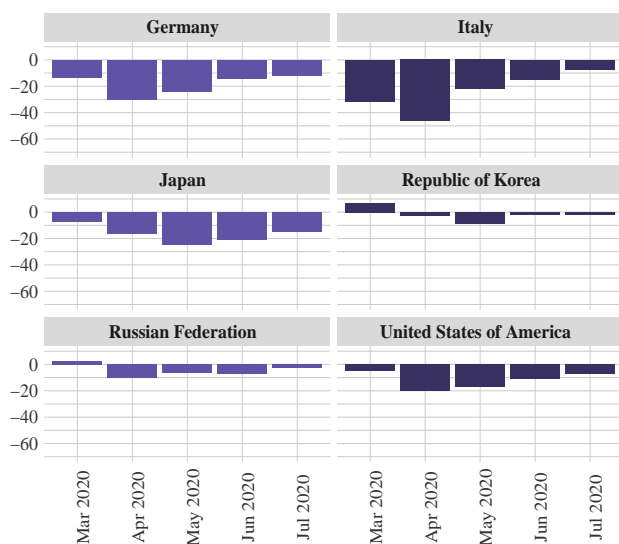
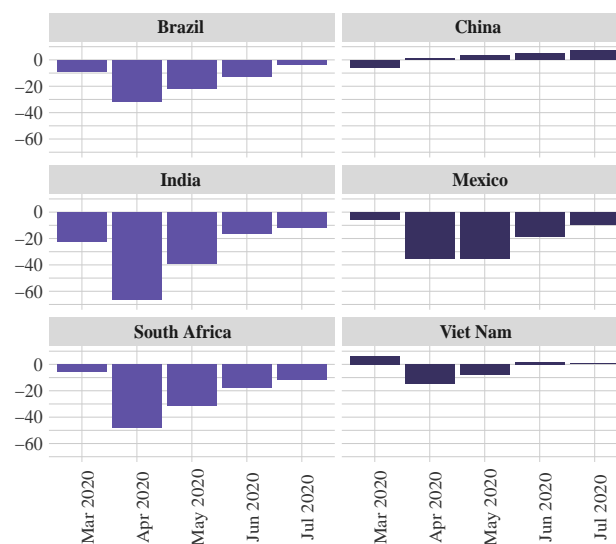


Figure 5: Growth of manufacturing output for specific developing and emerging countries, percentage change compared to the same period of the previous year



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 Aggregates for country groups are calculated with weights referring to the base year 2015. Data coverage is limited due to data availability, whereby the aggregate of world manufacturing output includes 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 groups' 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%253a-methodology-of-the-quarterly-report>

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

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

World Manufacturing Production in July 2020

Table 1

Estimated index of industrial production by specific country groups (base 2015)

	China	East Asia	Europe	Latin America	North America	World
Jan 2019	126.5	104.4	107.0	99.9	105.1	112.4
Feb 2019	126.5	104.1	107.4	100.8	104.5	112.3
Mar 2019	128.2	103.6	107.4	99.8	104.5	113.0
Apr 2019	126.8	104.9	106.5	101.1	103.6	112.3
May 2019	128.6	105.4	107.2	100.8	103.8	113.1
Jun 2019	130.2	104.2	106.1	99.7	104.3	112.8
Jul 2019	130.5	105.7	106.2	99.7	103.9	113.4
Aug 2019	131.8	103.8	105.9	99.9	104.5	113.4
Sep 2019	133.0	105.3	106.1	100.2	103.9	113.9
Oct 2019	133.7	103.0	106.0	100.2	103.3	113.6
Nov 2019	135.3	102.4	105.4	99.3	104.2	114.3
Dec 2019	136.3	103.9	104.2	99.3	104.5	114.5
Jan 2020	100.7	106.1	105.8	100.3	104.3	104.4
Feb 2020	99.0	102.8	106.0	100.3	104.2	104.1
Mar 2020	120.9	103.2	95.2	91.3	98.8	103.4
Apr 2020	128.4	95.4	76.8	67.5	82.5	93.1
May 2020	132.8	88.1	85.6	72.8	85.9	97.6
Jun 2020	136.4	91.1	93.9	85.4	92.9	103.6
Jul 2020	139.8	95.8	94.1	92.7	96.7	104.9

Source: UNIDO Statistics.

Note: Seasonally adjusted data.