

## As North America and Europe face a weakening recovery, China's manufacturing production strengthens further

After the economic disruptions caused by COVID-19 since the beginning of 2020, global manufacturing production stabilized and recorded a year-over-year growth of 2.2 per cent. However, this milestone can be mostly attributed to the positive performance of China, while industrialized countries are recovering at a slower pace, still with negative annual growth rate in most cases. It remains to be seen how the health crisis further affects manufacturing production, as many countries returned to stricter containment measures in the last months of 2020.

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

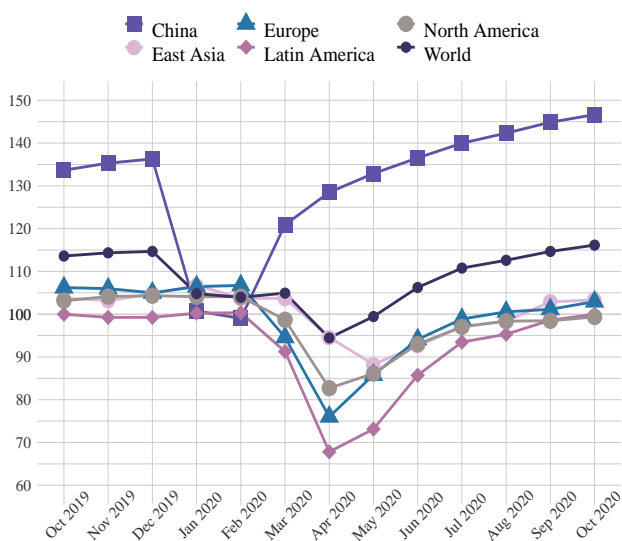
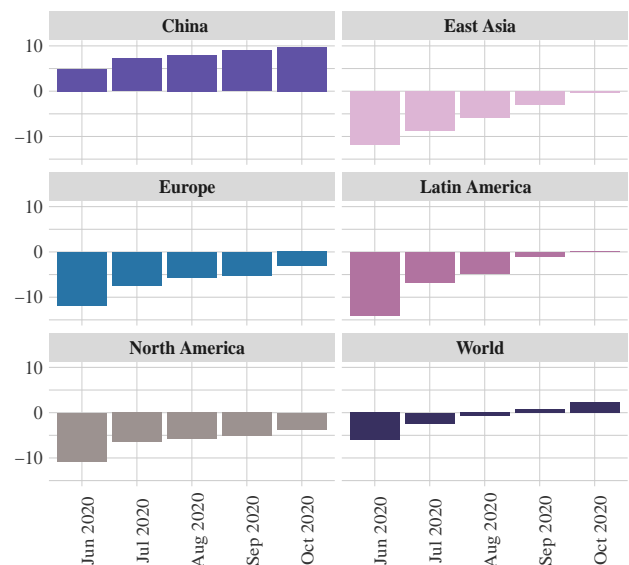


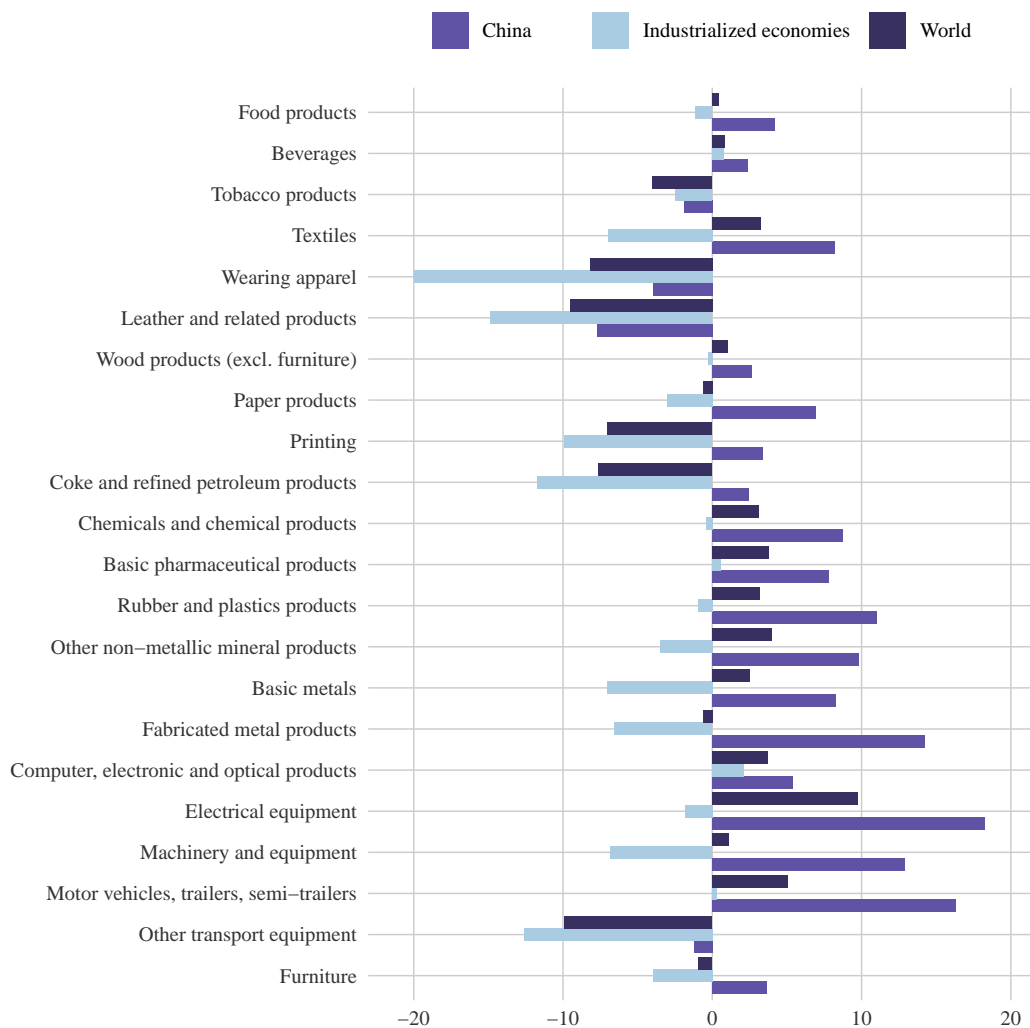
Figure 2: Growth of manufacturing output of specific regions, percentage change compared to the same period of the previous year



Figures 1 and 2 show the global manufacturing production as well as the production of selected country groups, with a focus on the drastic decline due to the COVID-19 pandemic. China's economy recovered fast and it 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 the implemented containment measures and is slowly recovering since then. The rapidly increasing infection numbers from September 2020 forced many

industrialized countries to restrict their economic activity again starting in October 2020. Therefore, the gradual recovery could be short-lived.

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



Focusing on aggregate data by industrial sector (figure 3), beverages, basic pharmaceutical products, computer, electronic and optical products as well as motor vehicles are already registering production growths across all country groups, reflecting mostly sectors where demand was sustained in spite of the economic restrictions. Electrical equipment shows the largest growth rate for the world average, but with diverging trends across country groups.

## World Manufacturing Production in October 2020

At the country level, most industrialized economies (figure 4) and developing or emerging industrial economies (Dev. and EIE, figure 5), registered a significant decrease in production due to COVID-19. Countries categorized as Dev. and EIE generally witnessed more intense production decreases after the plunge in April 2020, but also seem to be recovering faster than industrialized countries.

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

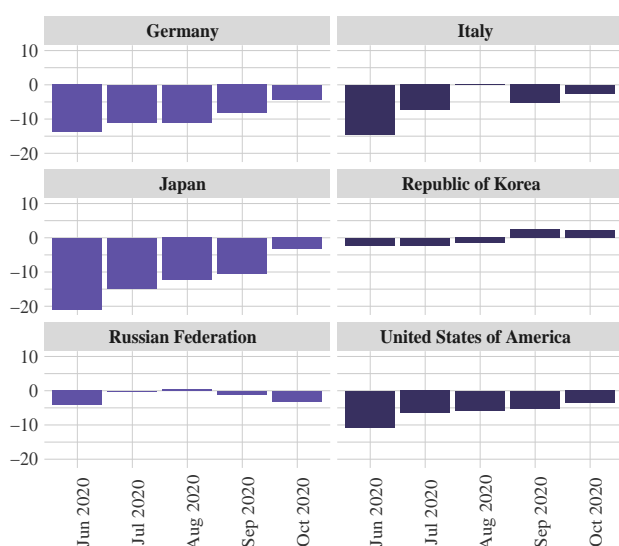
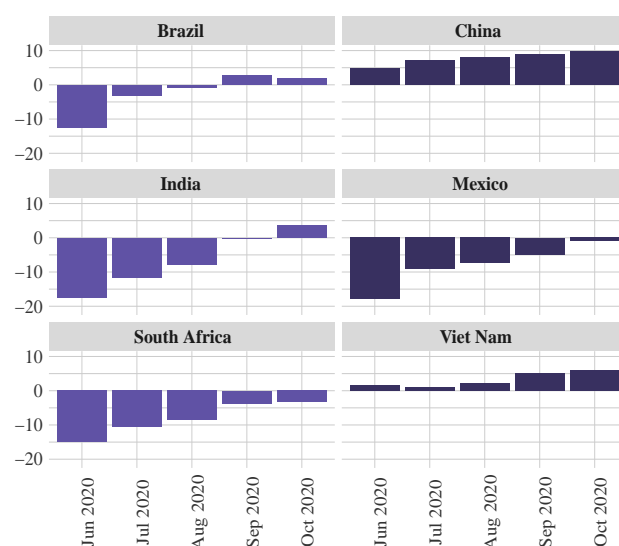


Figure 5: Growth of manufacturing output for specific developing and emerging economies, percentage change compared to the same period of the previous year



**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<sup>1</sup> or quarterly<sup>2</sup> data are available on the UNIDO Statistics data portal. 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 can be found in a methodological document<sup>3</sup> as well as in a document on seasonal adjustment.<sup>4</sup>

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

<sup>2</sup><https://stat.unido.org/database/Quarterly%20IIP>

<sup>3</sup><https://stat.unido.org/content/publications/world-manufacturing-production-%2528methodological-note%2529>

<sup>4</sup><https://stat.unido.org/content/publications/seasonal-adjustment-of-iip>

# World Manufacturing Production in October 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 | 105.0     | 107.6  | 99.8          | 104.9         | 112.5 |
| Feb 2019 | 126.5 | 104.7     | 107.9  | 100.8         | 104.4         | 112.4 |
| Mar 2019 | 128.2 | 104.2     | 108.1  | 99.8          | 104.5         | 112.9 |
| Apr 2019 | 126.8 | 105.6     | 107.1  | 101.1         | 103.5         | 112.4 |
| May 2019 | 128.6 | 106.0     | 107.8  | 100.9         | 103.7         | 113.1 |
| Jun 2019 | 130.2 | 104.9     | 106.8  | 99.8          | 104.2         | 113.0 |
| Jul 2019 | 130.5 | 106.4     | 106.8  | 100.2         | 103.8         | 113.5 |
| Aug 2019 | 131.8 | 104.6     | 106.5  | 100.2         | 104.4         | 113.5 |
| Sep 2019 | 132.9 | 106.0     | 106.6  | 99.6          | 103.7         | 113.9 |
| Oct 2019 | 133.7 | 103.8     | 106.2  | 100.0         | 103.2         | 113.6 |
| Nov 2019 | 135.3 | 103.2     | 106.0  | 99.3          | 104.1         | 114.3 |
| Dec 2019 | 136.3 | 104.7     | 105.0  | 99.3          | 104.3         | 114.7 |
| Jan 2020 | 100.7 | 106.8     | 106.5  | 100.2         | 104.1         | 104.8 |
| Feb 2020 | 99.0  | 103.8     | 106.7  | 100.3         | 104.1         | 104.0 |
| Mar 2020 | 120.9 | 103.7     | 94.6   | 91.3          | 98.7          | 104.9 |
| Apr 2020 | 128.5 | 94.6      | 76.0   | 67.8          | 82.7          | 94.5  |
| May 2020 | 132.9 | 88.3      | 85.8   | 73.1          | 86.1          | 99.4  |
| Jun 2020 | 136.5 | 92.6      | 94.1   | 85.7          | 93.0          | 106.2 |
| Jul 2020 | 140.0 | 97.1      | 98.9   | 93.5          | 97.0          | 110.8 |
| Aug 2020 | 142.3 | 98.4      | 100.5  | 95.3          | 98.4          | 112.6 |
| Sep 2020 | 144.9 | 102.9     | 101.1  | 98.6          | 98.5          | 114.7 |
| Oct 2020 | 146.7 | 103.4     | 102.9  | 100.0         | 99.4          | 116.1 |

Source: UNIDO Statistics.

Note: Seasonally adjusted data.