

Industrialized countries facing stagnation in their paths to recovery

Global manufacturing growth is further stabilizing in September 2020 after the economic disruptions triggered by the first wave of the COVID-19 pandemic. The latest production data indicate that China is already following its pre-crisis growth trends, while industrialized countries seem to be reaching a plateau, still registering mostly negative year-over-year growth rates. It remains to be seen how the health crisis develops during the next months as industrialized countries moved into the center of the pandemic again.

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

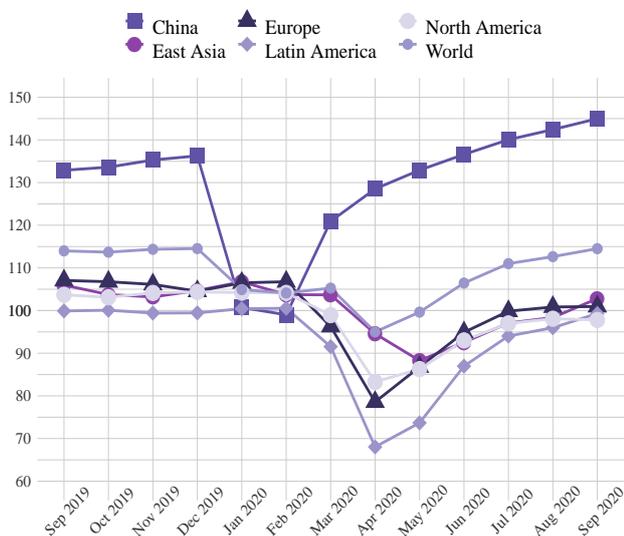
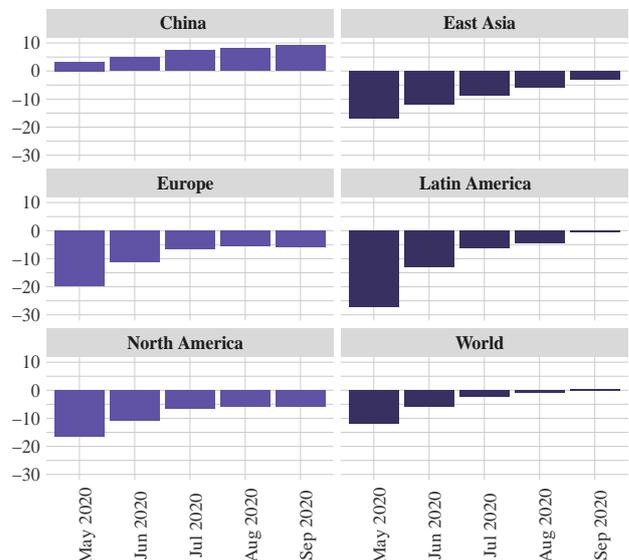


Figure 2: Growth of manufacturing output of specific regions, percentage change compared to the same period of the previous year

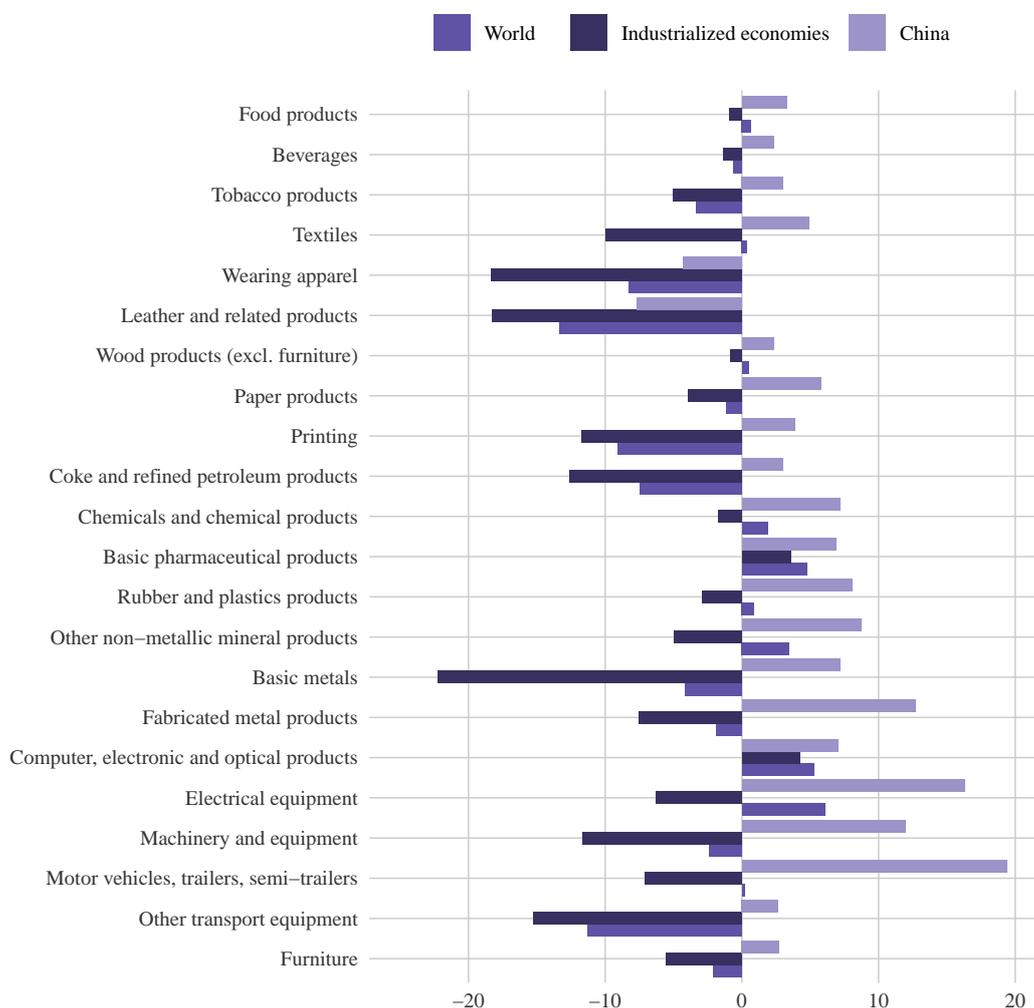


Global manufacturing production is still recovering after the drastic decline due to the COVID-19 pandemic (see figures 1 and 2). China's economy recovered fast after the drastic plunge in January 2020 and it already exceeded its pre-crisis production level in June 2020. The production in Latin America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

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September 2020 onwards, forced many countries, such as Israel and most EU members, to restrict their economic activity again starting in October 2020. Therefore, another economic slowdown is expected in the upcoming months.

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



Focusing on aggregate data by industrial sector (figure 3), computer, electronic and optical products as well as basic pharmaceutical products are the only groups with production growths across all country groups, reflecting the 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

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trends across country groups.

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 than industrialized countries, but also seem to be recovering faster.

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

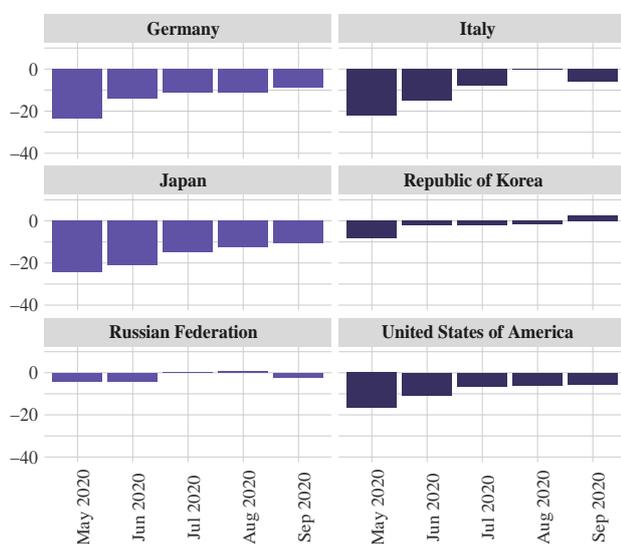
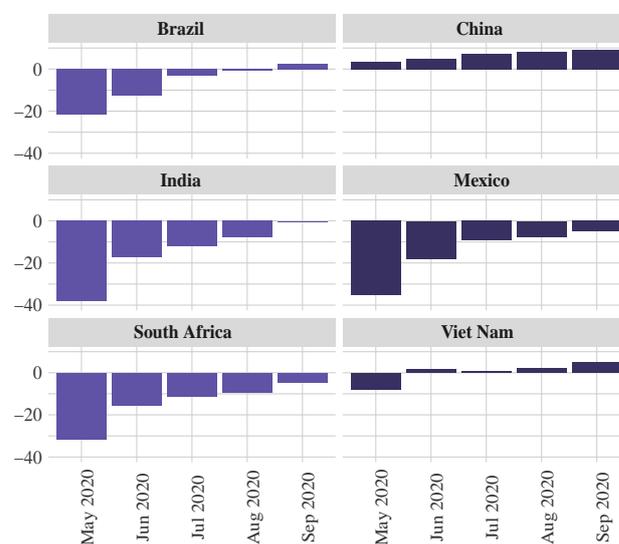


Figure 5: Growth of manufacturing output for specific developing and emerging economies, percentage change compared to the same period of the previous year



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 monthly¹ or quarterly² 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 document³ as well as in a document on seasonal adjustment.⁴

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

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

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

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

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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	107.4	99.9	104.9	112.4
Feb 2019	126.5	104.7	107.9	100.8	104.4	112.4
Mar 2019	128.2	104.2	108.0	99.9	104.3	112.9
Apr 2019	126.8	105.6	107.1	101.1	103.4	112.4
May 2019	128.6	106.0	108.0	101.0	103.5	113.1
Jun 2019	130.2	104.9	106.8	99.9	104.1	113.0
Jul 2019	130.5	106.4	106.9	100.1	103.7	113.5
Aug 2019	131.8	104.6	106.6	100.2	104.4	113.5
Sep 2019	132.9	106.0	107.1	99.9	103.7	114.0
Oct 2019	133.6	103.8	106.8	100.1	103.1	113.7
Nov 2019	135.3	103.2	106.1	99.4	104.1	114.4
Dec 2019	136.3	104.7	104.5	99.5	104.4	114.5
Jan 2020	100.7	106.7	106.5	100.4	104.2	104.9
Feb 2020	99.0	103.7	106.8	100.5	104.1	104.1
Mar 2020	120.9	103.7	96.3	91.5	98.9	105.3
Apr 2020	128.5	94.6	78.6	68.0	83.3	95.0
May 2020	132.9	88.3	86.8	73.7	86.3	99.6
Jun 2020	136.6	92.6	94.9	87.0	93.0	106.4
Jul 2020	140.1	97.1	99.9	94.0	97.0	111.0
Aug 2020	142.4	98.4	100.8	96.0	98.1	112.6
Sep 2020	145.0	102.8	100.9	99.3	97.8	114.5

Source: UNIDO Statistics.

Note: Seasonally adjusted data.