

Early recovery after global production collapse

Global manufacturing growth, already decelerating in 2019, is declining further due to the economic disruptions triggered by COVID-19. Latest production data for China already indicate the same production level as before the pandemic, while other countries seem to recover slower.

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

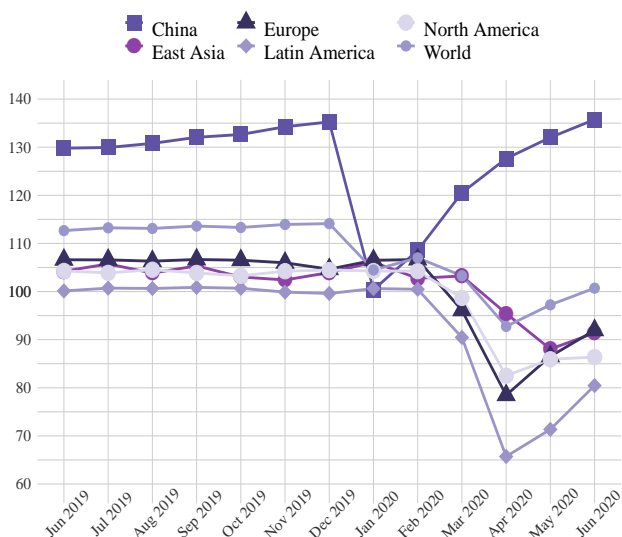
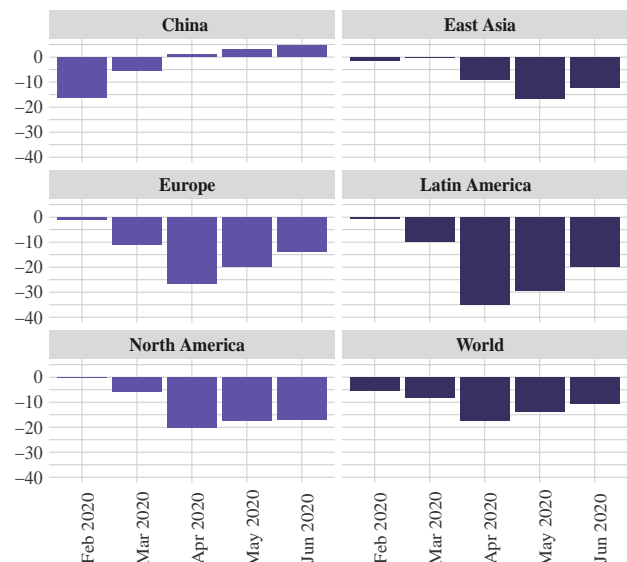
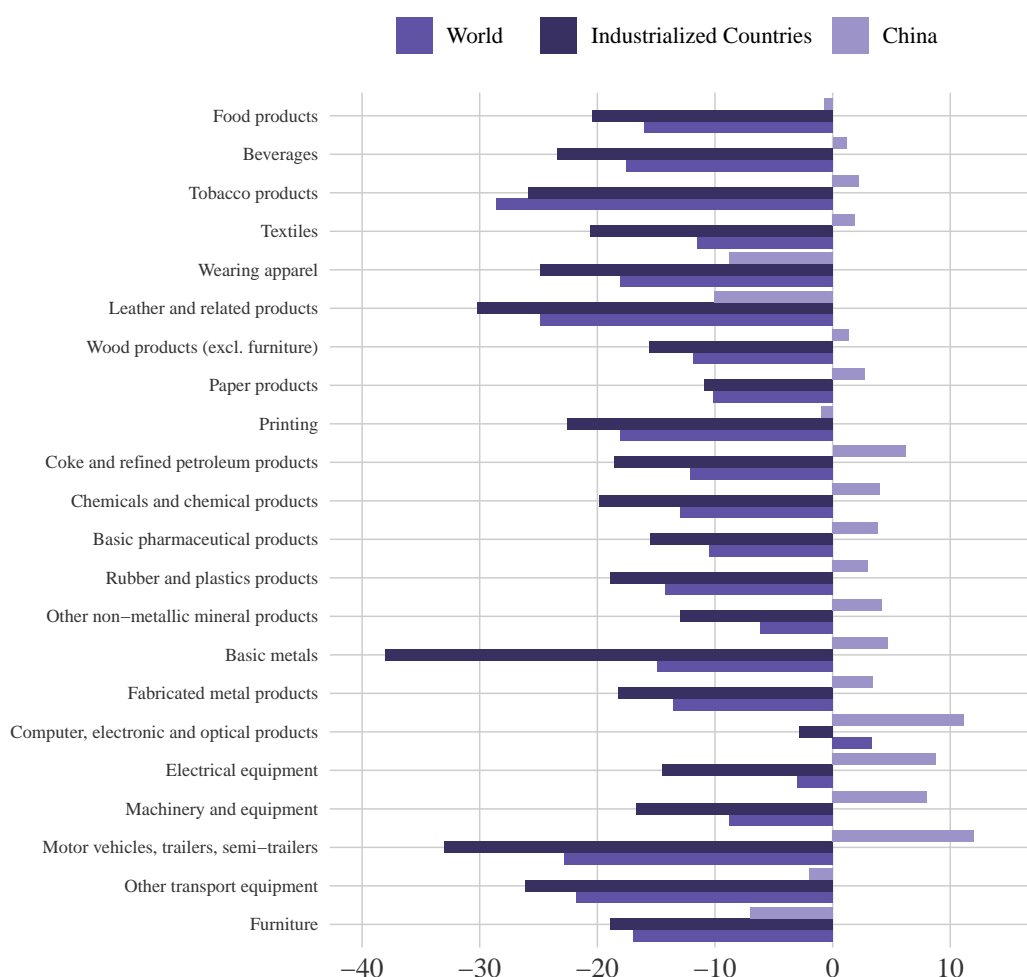


Figure 2: Growth of manufacturing output of specific regions, percentage change compared to the same period of the previous year



Global manufacturing production drastically declined over the last months, although a slow recovery is already visible (figure 1 and 2). In January 2020, China's manufacturing output dropped sharply primarily due to COVID-19 containment measures, although its economy recovered fast and already reached the production level of January in June 2020. 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, June 2020



Aggregated data for industrial groups (figure 3) reveal lower losses in June for electronics, machinery and electrical equipment, while in previous months the less affected industries were related to basic consumer needs, e.g. food and beverages.

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. Only a few countries, such as the Republic of Korea, achieved a stable production level.

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

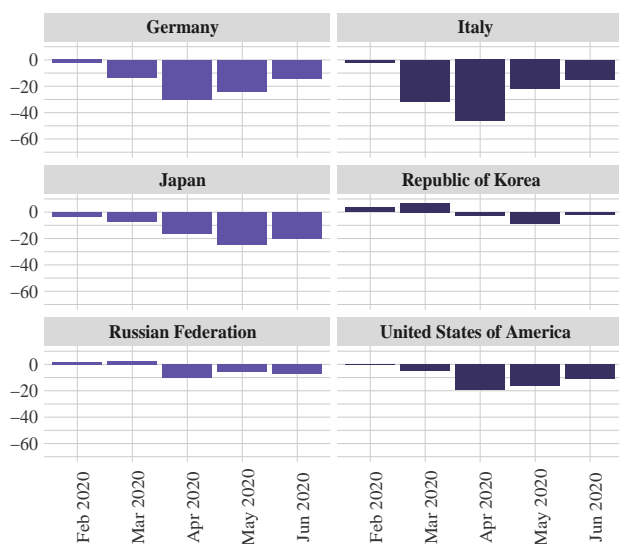
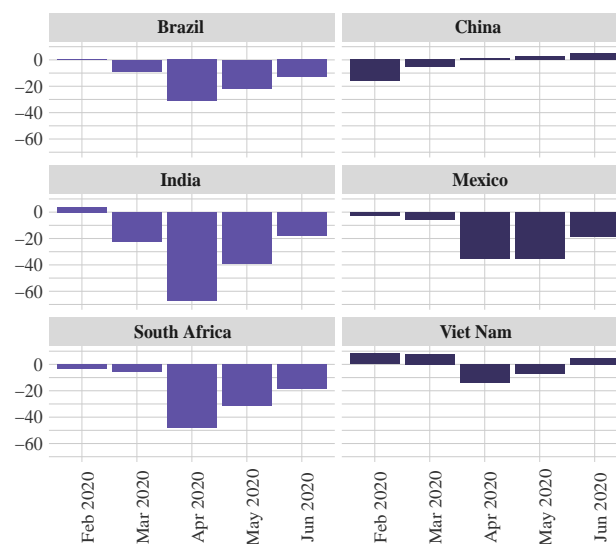


Figure 5: Growth of manufacturing output for specific developing and emerging countries, percentage change compared to the same period of the previous year



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 June 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	125.9	104.4	107.3	100.1	105.1	112.1
Feb 2019	129.4	104.1	107.9	100.9	104.5	113.1
Mar 2019	127.4	103.6	107.9	100.2	104.5	112.7
Apr 2019	126.5	104.9	107.0	101.3	103.6	112.2
May 2019	128.3	105.4	107.7	101.2	103.8	112.9
Jun 2019	129.8	104.2	106.6	100.1	104.3	112.7
Jul 2019	129.9	105.7	106.6	100.7	103.9	113.2
Aug 2019	130.8	103.8	106.3	100.6	104.5	113.1
Sep 2019	132.1	105.3	106.7	100.9	103.9	113.6
Oct 2019	132.6	103.0	106.5	100.7	103.3	113.3
Nov 2019	134.2	102.4	106.0	99.9	104.2	113.9
Dec 2019	135.2	103.9	104.6	99.6	104.5	114.1
Jan 2020	100.4	106.1	106.5	100.6	104.3	104.5
Feb 2020	108.6	102.8	106.7	100.5	104.2	107.0
Mar 2020	120.5	103.2	96.1	90.5	98.7	103.3
Apr 2020	127.6	95.4	78.5	65.7	82.5	92.8
May 2020	132.0	88.0	86.5	71.4	85.9	97.2
Jun 2020	135.7	91.4	92.0	80.5	86.4	100.7

Source: UNIDO Statistics.

Note: Seasonally adjusted data.