World Manufacturing Production in November 2021

Global manufacturing production has remained stable, growing at a year-over-year rate of about three per cent in the last three months. In comparison, a global growth of three per cent or above was last observed in the end of 2018. Nevertheless, the recent disruptions in the global supply chain are threatening these prospects due to critical distribution delays of raw materials, components and other products. New coronavirus variants are also forcing governments around the globe to reach a balancing act, even though many economies recently started to ease containment measures following reduced pressures on their health care systems.

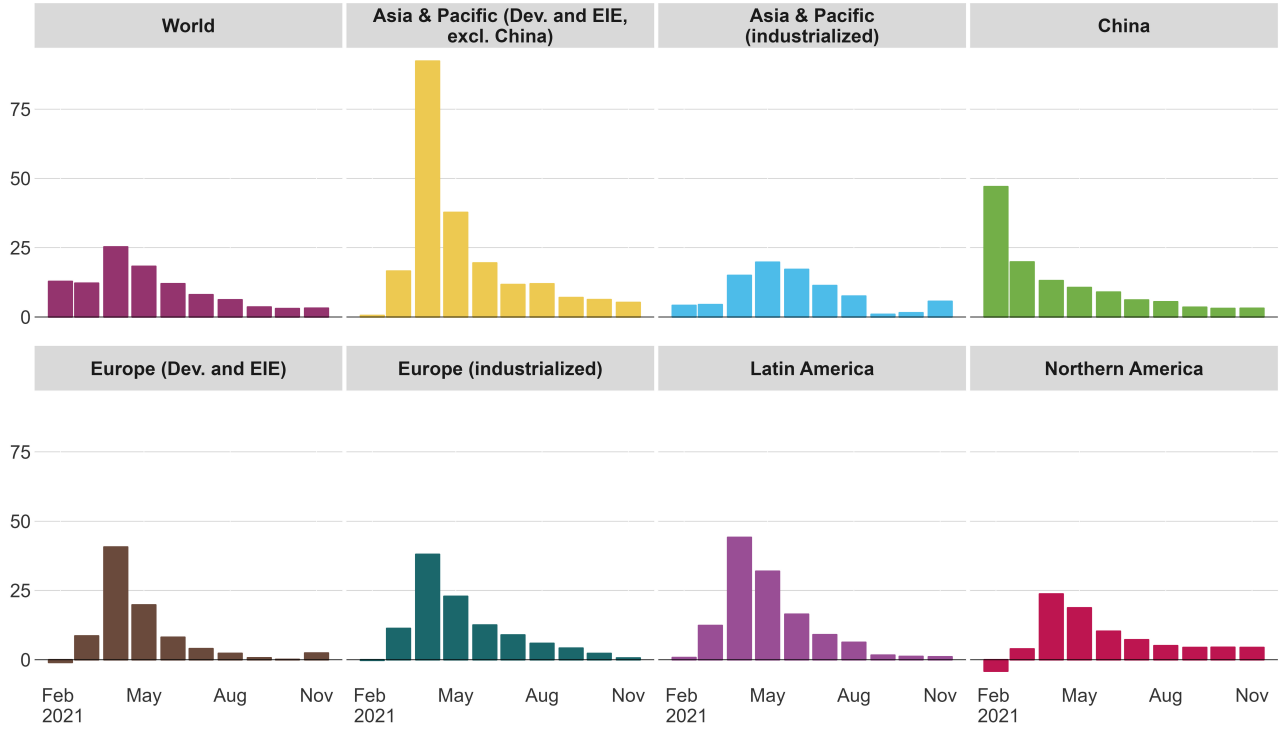

Figure 1: Annual growth rates of manufacturing output for selected country groups

Year-over-year growth rates of manufacturing production in recent months are shown in Figure 1. In November 2021, the best performance among all regions was achieved in the Asia & Pacific region (industrialized as well as Dev. and EIE) with increases of more than five per cent, mostly driven by Taiwan, Province of China, Japan, India, Thailand and the Philippines. Northern America has remained in autopilot, with a stable growth rate of around four per cent in the last months, while China registered a growth of 3.1 per cent. Industrialized economies in Europe faced a comparably lower growth of 0.6 per cent, while manufacturing in Europe (Dev. and EIE) reached an increase of 2.4 per cent. Latin America's manufacturing sector grew by 1.1 per cent. Overall, the economic upturn observed in the middle of the year seems to be weakening, with declining growth rates and several large economies facing a declining production in November 2021, including Germany, France and Brazil.

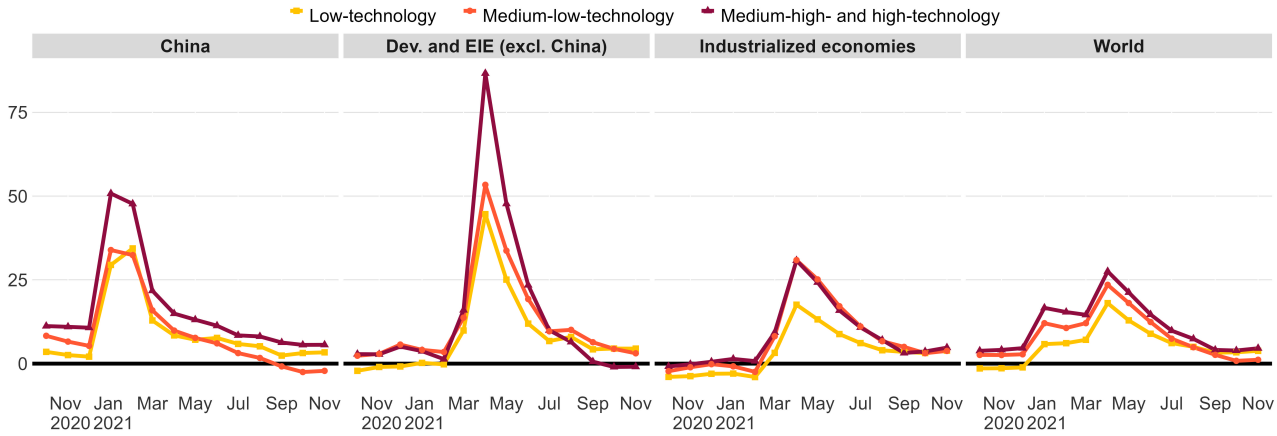

Figure 2: Annual growth rates of manufacturing production grouped by technological intensity for selected country groups

Data on industries grouped by technological intensity (Figure 2) show that industries with a higher technological content are still growing at a faster pace globally, but the gap with lower-technology industries is closing compared to previous months. This trend is mostly attributable to the production of automobiles (-9.1 per cent), a high-technology sector that is facing shortages in raw materials and intermediate goods. However, most other medium-high- and high-technology industries, such as basic pharmaceuticals, computer, electronic and optical products as well as machinery, continue to report comparably high year-over-year growth rates (Figure 3).

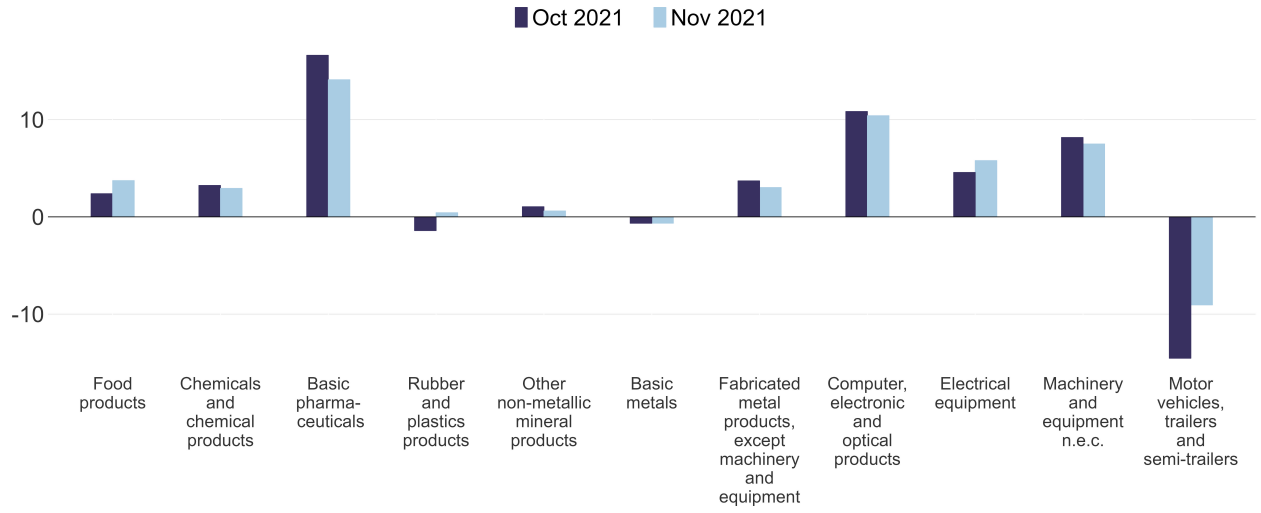

Figure 3: Annual growth rates of global manufacturing production by industry

Methodological note: Preliminary index numbers of industrial production (base 2015) are obtained from national statistical sources. UNIDO conducts seasonal adjustment where necessary and appropriate. The most recent monthly and quarterly data are available on the UNIDO Statistics data portal. The detailed data for country groups used in this overview can be downloaded here. Country coverage for this monthly report is limited due to data availability, with the aggregate of world manufacturing output including around 70 countries and a share of approximately 90 per cent of global manufacturing output. Information on the methodology of index numbers can be found in a methodological document as well as in a document on seasonal adjustment.