

World Manufacturing Production in August 2022

In August 2022, global manufacturing production further increased by 3.3 per cent in year-over-year comparison. A modest acceleration in comparison with the previous month's results is visible across all regions. Manufacturing production in Europe in particular began to grow again after the decline suffered in the previous period. Latin America and the Caribbean was the only region to cross the line of 4 per cent expansion, while other regions hovered around a production increase of 3 per cent. China's production kept recovering, though the recovery remains fragile with disruptions from power shortages and lockdowns. Even though the latest data on global manufacturing production show a relative resilience, the sector is facing headwinds from the continuing conflict in Ukraine, a generalized inflation across the world and the mounting energy costs.



Figure 1: Annual growth rates of regional manufacturing output

Year-over-year growth rates of regional manufacturing production in recent months are shown in Figure 1. In August 2022, Asia and Oceania registered output growth of 3.5 per cent. The manufacturing development of the biggest economies in this group was mixed. On an annual basis, China grew by 3.4 per cent, Japan reported a 4.3 per cent increase, output growth of the Republic of Korea stagnated and India experienced a production decline of 0.6 per cent. Despite soaring energy prices and a shortage of intermediate products, manufacturing output in Europe grew by 2.8 per cent year-on-year. This represents a significant improvement with respect to the previous month. In Germany, Europe's largest economy, manufacturing output reached a growth of 3.6 per cent. On the other hand, the manufacturing production in the United Kingdom fell by 6.2 per cent, the sharpest fall in more than two years. Northern America's manufacturing grew steadily in August and registered a 3.3 per cent increase.

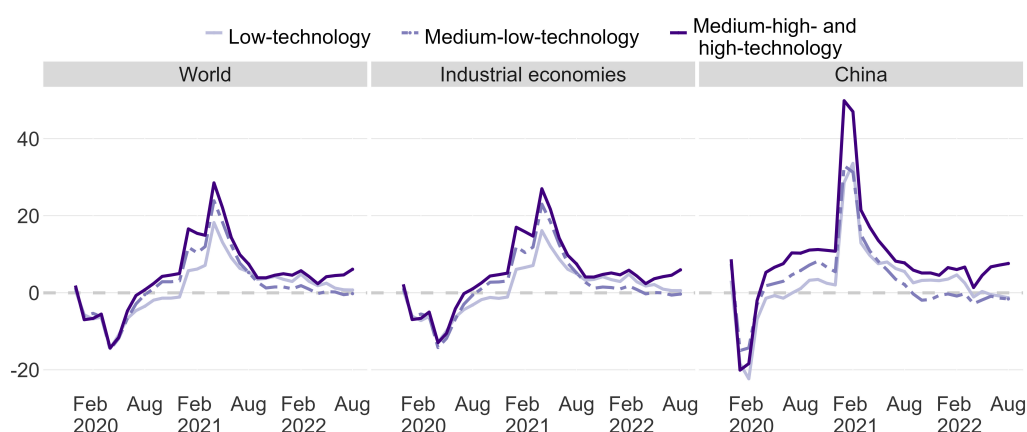


Figure 2: Annual global growth rates of manufacturing production grouped by technological intensity for selected country groups

Data on industries grouped by technological intensity (Figure 2) show that global production of medium-high and high-technology industries maintained a healthy growth of 6.1 per cent in August 2022, while medium-low technology manufacturing dropped slightly below zero. At the same time, the output of low-technology industries increased by 0.7 per cent at a global level. In China, low- and medium-low technology manufacturing recorded a decrease, which was compensated with a growth of 7.6 per cent in higher-technology sectors. Manufacturing of motor vehicles appeared at the top of industries with the highest performance on an annual basis at a global level, continuing its recovery and reaching a staggering 18 per cent increase in production. The main automotive producers made an extraordinary performance in August 2022, but also many other countries reported 2-digit growth rates in the manufacturing sector. Most other industries kept growing, except the manufacturing of basic metals, fabricated metal products, other mineral products and pharmaceuticals (Figure 3).

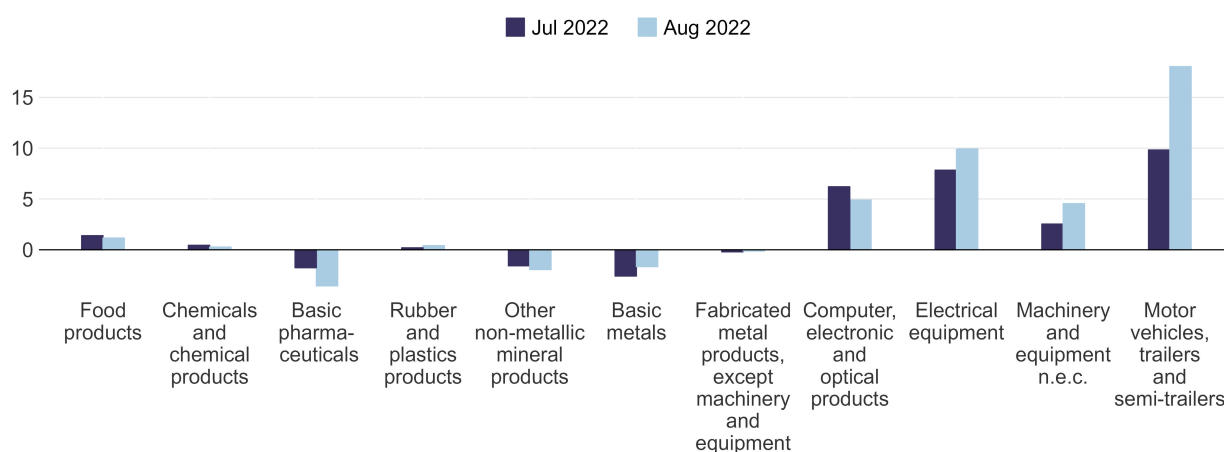


Figure 3: Annual growth rates of global manufacturing production by industry

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 this [methodological document](#) as well as in this [document on seasonal adjustment](#).