



The Economic Recovery in Industry



June 2012

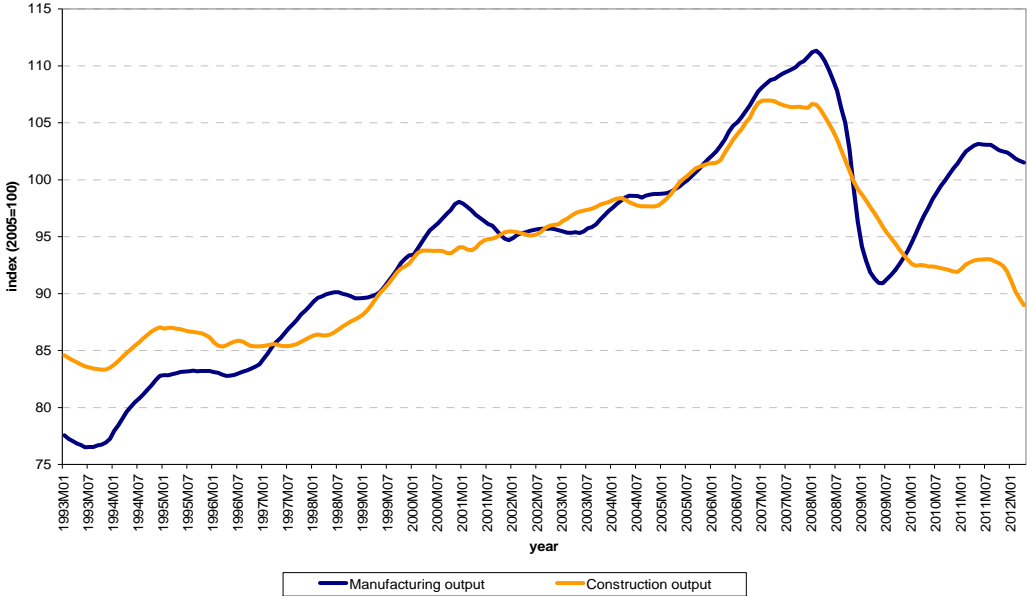
(updated on the basis of data published up to 19th June 2012)



Industrial production continues on its weakening trend that has interrupted the economic recovery of industry since the second half of 2011. Trend-adjusted manufacturing output in April was some 1.5% lower than a year ago. There was a further steep decline in industrial confidence in May. The ECFIN industrial confidence indicator is now well below its longer-term average. Similarly, the PMI confidence indicator points out to further contraction in the euro area. Great uncertainties about the economic outlook and difficulties in access to finance continue to weigh down business confidence. Nevertheless, cost pressures on manufacturers have lessened a bit following lower inflation of commodity goods prices and subdued wage demand. Construction output has fallen steeply in recent months, especially through a strong contraction in civil engineering (roads, bridges etc.).

Overall in the last three months to April of 2012, manufacturing production was some 1.5% lower than a year ago and also some 0.7% below the level registered in the preceding three months. The situation varies across sectors, but only few industries manage to continue their recovery. In the last three months to April 2012, the highest growth was registered in chemicals, machinery and equipment, and computer and electronics, whilst the biggest declines in production occurred in other non-metallic products, leather and printing sectors. Manufacturing output is now 11% higher than its trough in early 2009 and some 9% below its former peak in early 2008. Recent data and forecasts for services, including tourism, remain positive, but their future performance will be affected by general economic situation.

EU27 production indices 1993 – 2011 (trend adjusted)



Source: Eurostat

Expansion of international demand for EU products supports EU manufacturing production. Extra-EU exports have already exceeded their previous peak. In contrast, intra-EU trade, internal demand and private consumption continue to be subdued. The recovery in output growth in Europe has greatly lagged that in the rest of the world, particularly emerging Asia and Latin America.

Data on manufacturing employment in the first quarter of 2012 shows that the number of persons employed remained broadly stable. Manufacturing jobs have shrunk by some 11% compared to their cyclical peak in 2008. The unemployment rate stays at a record high level, but the situation varies greatly between countries. Weak employment expectations suggest little room for immediate improvement.



1. AGGREGATE DEVELOPMENTS

The latest data on EU **manufacturing production** do not change the picture from the previous months, indicating continued weakening of the trend. In the last three months to April 2012 seasonally adjusted output was 0.7% lower compared to the preceding three months, and 1.5% below the level a year earlier. On the volatile month-on-month basis, output in April declined even more by 1.2%, following a rise of 0.9% in March. In contrast, the aggregate for **industrial output**¹ registered a smaller decline of 0.4% in April because of a rebound of output in energy sector. Trend adjusted manufacturing output is now some 11.2% higher than its cyclical trough in April 2009 and 8.9% below its peak in February 2008.

The situation in **construction** is still negative. Trend-adjusted output continues to fall, reaching its new record low levels that are now over 16% below its pre-crisis level from January 2008. Seasonally adjusted construction output in the last three months to April 2012 was 6.4% lower than a year ago, largely reflecting the weak performance of buildings construction sector. Nonetheless, the situation in civil engineering also deteriorated substantially and its production declined by some 11.3% on a yearly basis.

The most recent **confidence surveys**² indicate a sharp deterioration in economic sentiments in May 2012 following a brief stabilisation in April. The overall Economic Sentiment Indicator (ESI) declined in the EU by 2.7 and in the euro area by 2.3 points and remains below its long-term average in both regions. The deterioration was driven by decreasing confidence in all business sectors and especially in industry and retail trade. The sentiments decreased in all large Member States, with the UK, Italy and the Netherlands reporting sharpest decreases. The ESI is currently above its long-term average only in Germany.

Industrial confidence in May worsened substantially in the EU (-3.5) and a bit less markedly in the euro area (-2.3). Managers were

in particular pessimistic about current levels of order books and production expectations. Also their assessment of stocks of finished products deteriorated (see chart 2).³

The latest **Markit Eurozone PMI Composite Output Index** for May 2012 registered a steep contraction and signaled the fastest rate of decline since June 2009. The overall decrease of the PMI output index reflected deep falls in service sector activity as well as in manufacturing output. The national data show a widespread weakness and severe pace of decline of output in the euro area. Also Germany is now in contraction following a marginal fall registered in May. The declines in incoming new business and new orders have accelerated and continue to have a negative impact on the labour market.⁴

Cost pressures eased further in May and the average input prices rose at the weakest pace for six months. Slower inflation reflected lower commodity prices and subdued wage demands. On the other hand, strong competition and weak demand continued also to restrict increases in output prices.⁵

Survey data for EU industrial utilization indicate a small decline in **capacity utilisation** following an improvement at the beginning of 2012. In the second quarter of 2012 capacity utilisation fell by 0.3 percentage points, offsetting the increase of the same magnitude from the first quarter of 2012. Capacity utilization now stands at 79.8%, which is 2.1 percentage points below the long-term average before the crisis (1985-2008).

In March **industrial new orders** rose by 1.4% compared to the preceding month following a decrease of 0.6% in February. Nonetheless, in the first quarter of 2012 orders were 2.6% lower compared to a year ago. Growth in domestic orders has been moderated and lags substantially the recovery in non-domestic orders.

The expansion of **world trade** has been relatively strong in recent months (see chart 4) following some moderation throughout most of

¹ Industrial production includes the output both of manufacturing and energy industries.

² DG ECFIN, *Business and Consumer Survey Results*, April 2012. The ESI is a composite indicator, measuring confidence in five economic sectors (industry, services, construction, consumer and retail trade).

³ DG ECFIN, *Business and Consumer Survey Results*, May 2012

⁴ *Markit Eurozone Composite PMI, News Release 24/05/2012*

⁵ *Markit Eurozone Manufacturing PMI, News Release 01/06//2012*

2011. In contrast, intra-EU trade continues to be subdued reflecting the weak and uneven pattern of economic activity in Europe. In the last three months up to March 2011, intra-EU exports in volume terms rose by only 15%, whilst extra-EU exports increased by some 36% compared to their trough in the first half of 2008. The world trade outside Europe is also expanding, driven mainly by the emerging economies. In the first quarter 2012 world trade imports volumes outside the euro area were some 9% above the pre-crisis level and 33% above the cyclical trough registered in the first quarter of 2009.

2. RECENT DEVELOPMENTS IN MANUFACTURING SECTORS

An analysis of developments in manufacturing sectors in recent months (see chart 5b) shows a mixed picture across the industries. In April 2012, overall **industrial production** in the EU27 was 1.7% lower than a year earlier. The marginal expansion was registered only in the production of capital goods (0.4% y-o-y). In other sectors the output declined visibly: in intermediate goods by -3.5%, in durable consumer goods by -4.5%, and in non-durable consumer goods by 3.4%.

Looking at specific sectors, the highest increases in output on a three month basis up to April 2012 were registered in chemicals, machinery and equipment, paper and computer and electronics industries. Production fell back mainly in consumer goods, while the sectors with the biggest declines registered include other non-metallic products, leather, printing, wearing apparel and furniture sectors.

Data on **new orders** show that in the first quarter of 2012 a majority of sectors registered weakening of the new orders. An increase in orders compared to a year earlier was observed only in chemicals (1.4%). The biggest declines were registered in computer and electronics (-7.7%), machinery and equipment (-7%) and wearing apparel sectors (-6.6%).

In March 2012, **extra-EU manufacturing exports** were 7.9% higher in value terms than a year earlier indicating a much more robust recovery in exports compared to the general performance of the sectors. Compared to a year earlier exports level increased in the vast

majority of sectors with the highest rises in coke and refined petroleum products, tobacco, other transport equipment and motor vehicles. In contrast declines were registered in printing, computer and electronic, and paper products sectors (see table 8).

3. RECENT DEVELOPMENTS IN TOURISM SECTOR

Following a record year in 2011 the latest data on the **tourism** sector indicate that travel in Europe is proving to be resilient, despite the concerns about the global economy. Through early April European airlines served 5% more passengers than in 2010 and continue to expand access by adding capacity. Hotels also indicate strong performance with a 5.5% y-o-y gain in occupancy and a revenue rate increase of 1% in the first two months of 2012.⁶ **International tourism arrivals** grew by 4.4% in 2011 with a total of 980 million arrivals, 41 million more than in 2010. The positive trend continued in the first two months of 2012 when the arrivals grew by 5.7% on the annual basis. Also in Europe the growth was relatively strong (5%) driven by increase of arrivals in the Central and Eastern Europe (8%).⁷ However, reason for caution remains given the restrains in the global economy. Consequently, tourism economics now forecasts visits to all of Europe are expected to decline just over 1% in 2012 and return to moderate growth of 0.8% in 2013.⁸

4. EMPLOYMENT DEVELOPMENTS

The latest data indicate a stabilisation of **employment**. In the first quarter of 2012 employment in the EU remained unchanged compared with the previous quarter, when a fall of 0.1% was registered. Employment stood at 223 million, representing a decrease of 0.1% compared to a year earlier.⁹

Looking at the situation in the main sectors, employment in manufacturing remained also

⁶ European Travel Commission, *European Tourism 2012 – Trends & Prospects*, Q1/2012, April 2012

⁷ World Tourism Organization UNWTO, *World Tourism Barometer*, May 2012.

⁸ European Travel Commission, *European Tourism 2011...op. cit.*

⁹ Eurostat, *Employment down by 0.2% in euro area and stable in EU27*, News release 15/06/2012.

stable compared with the previous quarter, while in construction it continued to fall at a rather fast pace. Among service sectors the highest increases were registered in information and communication, other services and real estate activities, while employment in the public sector declined slightly.

Unemployment rate in the EU27 in April 2012 rose again reaching a new record level of 10.3%. On a year-on-year basis unemployment increased by 1.932 million and now stands at around 24.7 million. Compared to March 2008, when unemployment in the EU was at a low at 16 million persons, the number of unemployed has risen by 8.7 million. The euro zone unemployment rate remained stable and now stands at a revised level of 11%, which is the highest level since the introduction of the single currency in 1999.¹⁰ Youth unemployment remains at an unprecedented high level at more than 5.5 million or 22.64 in the EU27, while the overall unemployment duration has risen, resulting in increasingly persistent unemployment.

Employment in manufacturing in the first quarter of 2012 stabilised following some small contractions in the second half of 2011. It was still some 11% below the peak in the first quarter of 2008, but 0.5% higher compared to a year ago. The largest falls of over 20% were recorded in wearing apparel, textiles, furniture and other non-metallic mineral products industries. In the sectors benefiting from export opportunities those contractions were significantly lower.

Preliminary Eurostat data on **overall hours worked in manufacturing** show that in the first quarter of 2012 they were 9.8% down since the cyclical peak in the first quarter 2008 (see chart 6). Labour input as measured in hours improved slightly in the first quarter of 2012 following a decline in the last quarter of 2011. Overall labour inputs are again below the adjustment of output, with considerable differences seen between sectors.

In the first quarter of 2011, **construction employment** was still shrinking with a reduction of 3.7% of the number of persons employed compared to the fourth quarter of 2010.

¹⁰ Eurostat, *Euro area unemployment rate at 11%*, News release 01/06/2012.

5. COUNTRY-SPECIFIC DEVELOPMENTS

Among the countries for which data are available for April 2012, **manufacturing production** on annual comparison rose in ten, and fell in thirteen countries. Looking at the less volatile three months average, in the first quarter 2012 compared to a year ago (see table 1) the highest increases were registered in Slovakia (+13%), Latvia (+12%), Poland and Lithuania (+5%) and the biggest decreases in Spain (-8%), Italy (-7.5%) and Greece (-7%).

Recent months have moderated the recovery and only in Slovakia and Poland **manufacturing output** is substantially above pre-crisis levels. In some other countries output is close to its pre-crisis level, but in majority of the Member States the recovery is still subdued (see chart 8b).

Construction output in the Member States for which data were available rose in April 2012 on annual basis in five, and fell in nine. In the last three months to April 2012, compared to the same period last year, construction output rose fastest in Romania (+9.5%), Poland (+8%) and Sweden (+6%), and fell most markedly in Italy (-15.5%), Slovenia and Portugal (-15%).

Among the countries for which data are available for the first quarter of 2012, **employment** expanded in eight Member States, declined in twelve and remained stable in three Member State compared to the previous quarter. Among larger Member States, Poland and Germany experienced the strongest revivals. In contrast, employment in Spain and Portugal continued to decline falling by over 1% compared to the previous quarter.¹¹

The EU27 aggregate **unemployment rate** continues to mask an increasing divergence in the changes of unemployment rates among the Member States. In April 2012 compared with a year ago, the unemployment rate fell in eleven Member States, increased in fifteen and remained stable in Ireland.¹² The largest falls

¹¹ Eurostat, *Employment down by 0.2% in euro area and by 0.1% in EU27*, News release, 15/03/2012

¹² Eurostat, *Euro area unemployment rate at 11%*, News release 01/06/2012.

were observed in Estonia (13.6% to 10.8% between the first quarters of 2011 and 2012), Lithuania (16.0% to 13.8%) and Latvia (16.8% to 15.2% between the first quarters of 2011 and 2012). The highest increases were registered in Greece (15.2% to 21.7% between February 2011 and February 2012), Spain (20.7% to 24.3%) and Cyprus (7.1% to 10.1%).¹³

6. ACCESS TO FINANCE

The latest European Central Bank (ECB) data for April indicate that the annual growth rate of **loans to non-financial corporations** (NFCs) increased slightly to 0.5% from 0.3% in March, reflecting a sizeable monthly inflow. The inflow observed in April was entirely concentrated in short-term loan, while there was a net redemption of longer-term loans. The negative trend for loan flows can be observed since the second half of 2011 and overall lending to the non-financial private sector remains weak by historical standards. Besides, significant cross-country heterogeneity continues to be visible in the levels and dynamics of the annual growth rates.¹⁴

Net **lending conditions** have been constantly deteriorating since the second half of 2007. The recovery in 2009 was accompanied by some lessening of the negative trend, but from the second half of 2011 banks have been tightening even more their requirements for loans. The European Central Bank's Bank Lending Survey for the first quarter of 2012 indicates some improvement in the supply of bank loans compared to the previous quarter. Nonetheless a net 9% of the surveyed euro area banks tightened their credit standards to non-financial corporations. This comes on the heels of substantial tightening during the last quarter of 2011 (a net 35% of surveyed euro area banks). Given the soft patch the European economy is going through, it remains to be seen whether this improving trend is sustainable.¹⁵

The tightening of credit standards was still reported to be applied more often to long-term loans (15% in the last quarter of 2011, compared with 42% in the preceding quarter) than to short-

term loans (3% in the last quarter of 2011, compared with 24% in the preceding quarter).¹⁶

While access to finance has become more difficult, the net demand for loans to NFCs also dropped significantly (-30% in the first quarter of 2012, compared with -5% in the fourth quarter of 2011). The fall in net demand for loans in the first quarter of 2012 was driven in particular by a further sharp drop in the financing needs of firms for fixed investment (-36% in the first quarter of 2012, compared with -20% in the fourth quarter of 2011). It was complemented by a decline in financing for mergers and acquisitions, a slightly negative contribution from financing needs linked to inventories and working capital, and a moderate decline related to higher availability of internal funds. By contrast, for the second quarter of 2012, banks expect a rise in demand for corporate loans.¹⁷

As banks' funding positions are becoming increasingly more difficult; so is SMEs' access to finance. Financing conditions in Europe over the past months have clearly deteriorated (with the notable exception of Germany).

The latest survey of the Commission on SMEs' access to finance indicates that between October 2011 and March 2012 25% of the SMEs **applied for a bank loan** (up from 22% in H1 2011), while 47% (down from 51% in H1 2011) did not apply because of sufficient internal funds, broadly in line with the reported deteriorated profit situation of SMEs. The percentage of firms not applying for a loan for fear of rejection stayed broadly stable (at 7%, compared with 6% in the previous survey round).¹⁸

When asked about the actual outcome of their bank loan applications, 13% of the SMEs reported that their application had been rejected (up from 10% in H1 2011). This is the highest percentage since the peak of 18% in the second half of 2009, thus reflecting SMEs' constraints in their access to bank loans in the period from October 2011 to March 2012. In particular micro firms reported a substantial rejection rate (20%, up from 15% in H1 2011).¹⁹

¹³ *ibid*

¹⁴ ECB, *Monthly Bulletin*, June 2012

¹⁵ ECB, *The Euro Area Bank Lending Survey*, April 2012.

¹⁶ *Ibid.*

¹⁷ *Ibid.*

¹⁸ ECB, *Survey on the access to finance of small and medium-sized enterprises in the euro area*, April 2012

¹⁹ *Ibid.*

As regards new **credit volumes** the picture remains rather negative. ECB figures for the year-to-year % change of new credit under € 1,000,000 indicate that since October 2008 this category has experienced a declining trend on a continuous basis. A similar picture emerges for new credit under €250,000.²⁰

Along with access to bank loans, SMEs also reported a further deterioration in the availability of bank overdrafts as well as of trade credit, indicating an overall considerable worsening in the access to finance for euro area SMEs in the period from October 2011 to March 2012. The availability of bank loans was assessed most negatively in the construction sector (32%), while it was perceived less negatively in the industry sector (13%). The deterioration in the availability of bank loans was much less pronounced for large firms (4% in net terms, down from 10%) and lower than in the previous survey period. Both SMEs and large firms expect a further deterioration in the availability of bank loans in the coming months.²¹

European early-stage investing has improved somewhat from € 1bn in 2010 to € 1.9 bn in 2011. This is still below the 2008 level. Due to historically poor returns and a volatile climate exacerbating the risks of investing in young businesses, the venture capital sector has seen dwindling activity since the beginning of the crisis.²²

As regards venture capital investments in 2011, both amounts and number of companies (2019 firms) invested in stayed more or less the same. Start-up (€ 1.8bn) and seed (€ 0.2bn) investments continue to remain a minuscule part of total private equity investments (€ 44.1bn). UK & Ireland, France & Benelux, and Germany & Austria & Switzerland continue to be most the main destinations of VC investments.²³ In the first quarter of 2012 deal volume registered its third successive decline and plummeted by close to 50% from 43 transactions to just 22, while aggregated value dropped by around 33% from €63m to a little less than €77m.²⁴

Venture capital investments in 2011 (€ 2.6bn) improved somewhat on 2010 (€ 2.3bn), nonetheless remain low. Trade sales and sales to other private equity firms dominate. The IPO route has dried up completely.²⁵ This does not bode well for a quick recovery of the VC market as investors are not able to take advantage of the traditionally most lucrative exit route.

²⁰ Ibid.

²¹ Ibid.

²² EVCA/Perep Analytics, *EVCA Yearbook 2012*.

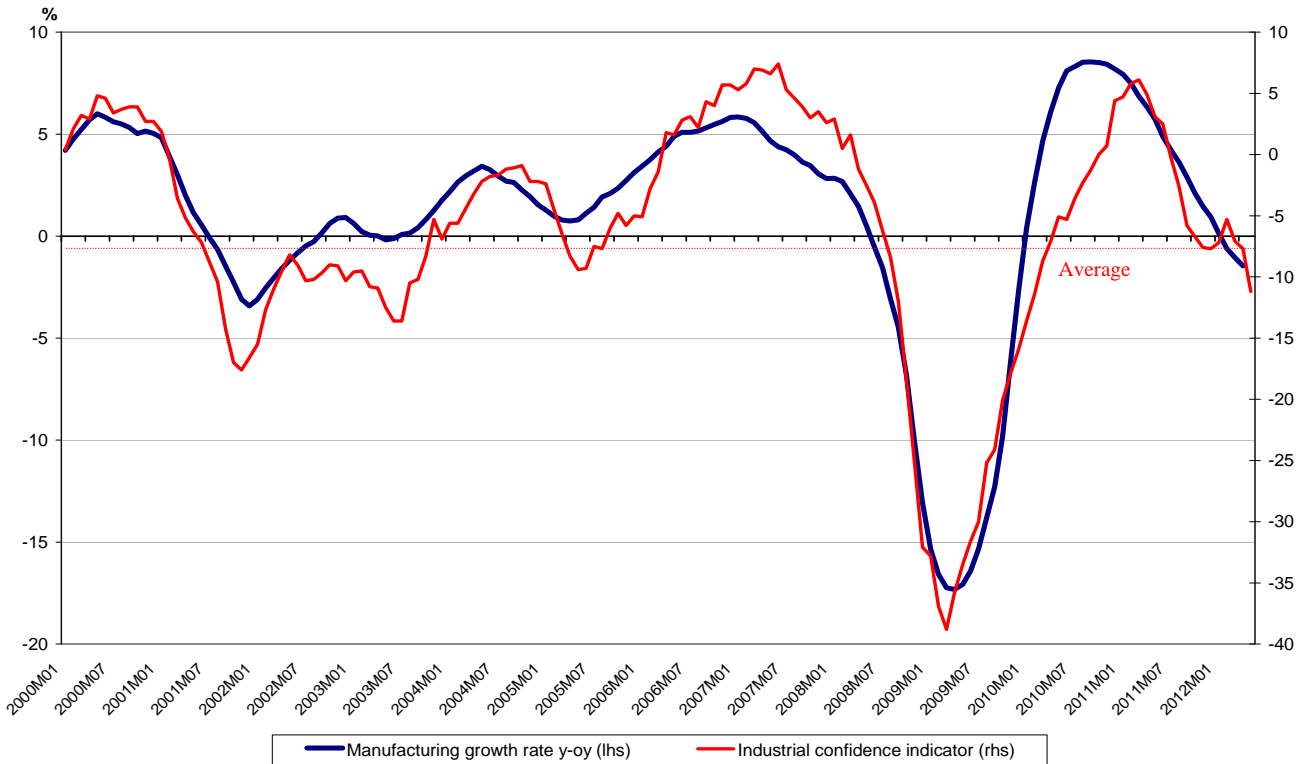
²³ Ibid

²⁴ Arle, unquote, *Private Equity Barometer*, Q1 2012

²⁵ EVCA/Perep Analytics, *EVCA Yearbook 2012*.

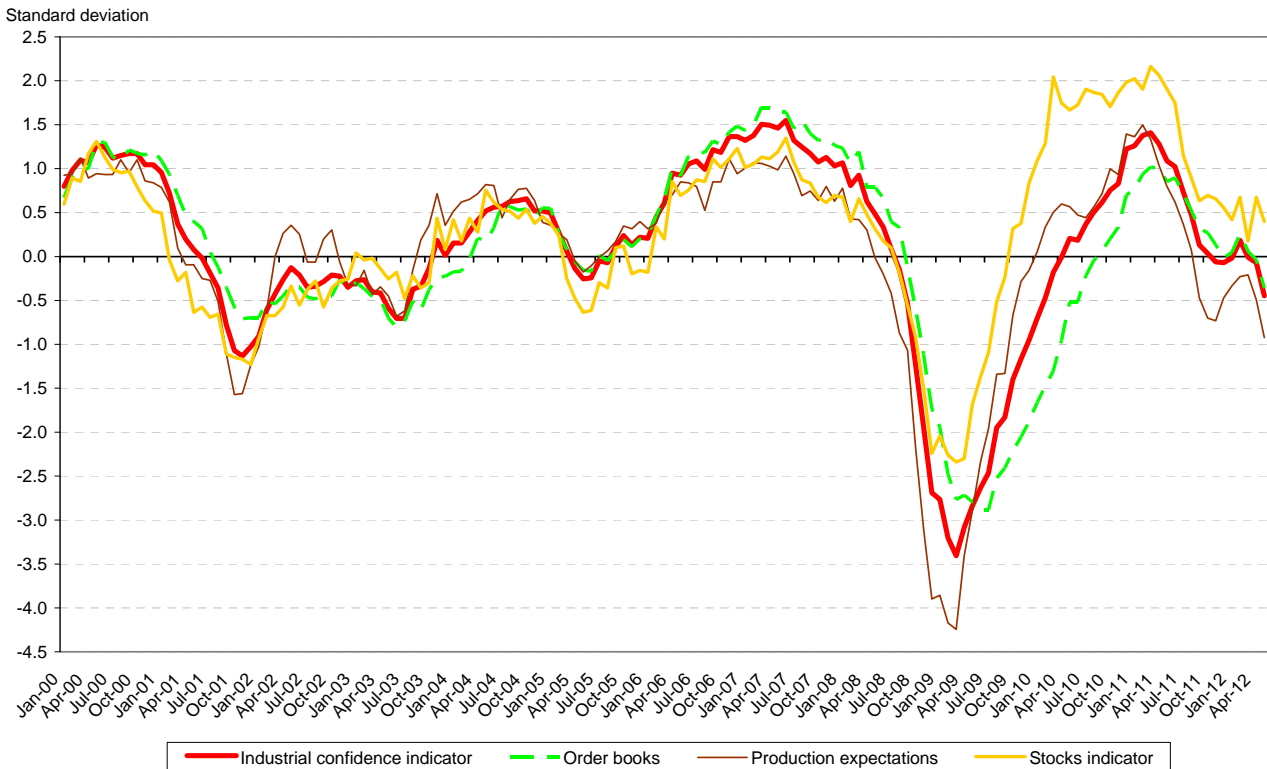
Annex

Chart 1: EU27 manufacturing production growth and industrial confidence indicator



Source: Eurostat and DG Economic and Financial Affairs

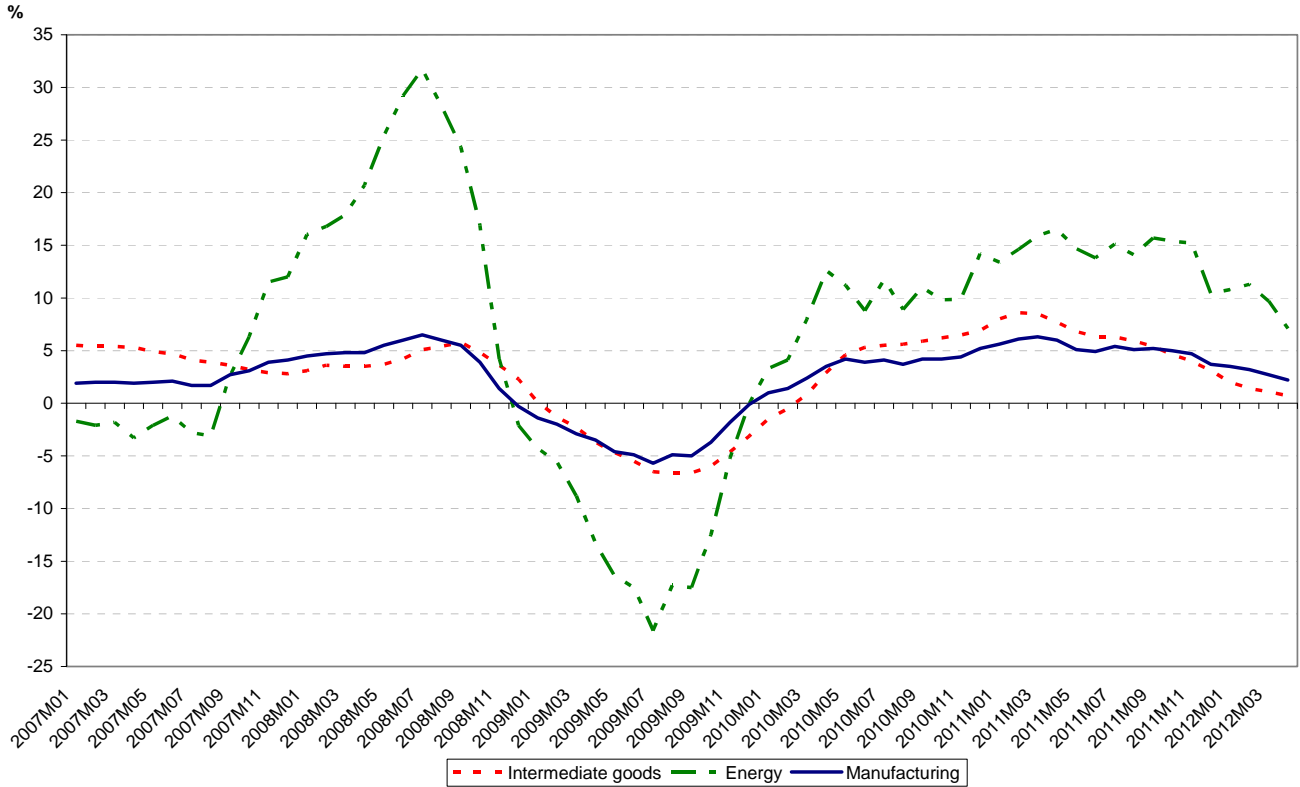
Chart 2: Industrial confidence indicator and its components – standardised values



The chart shows standardised indicators normalised with long-term standard deviation around their long term average. Stocks indicator has reversed values to those of DG ECFIN stocks of finished products indicator.

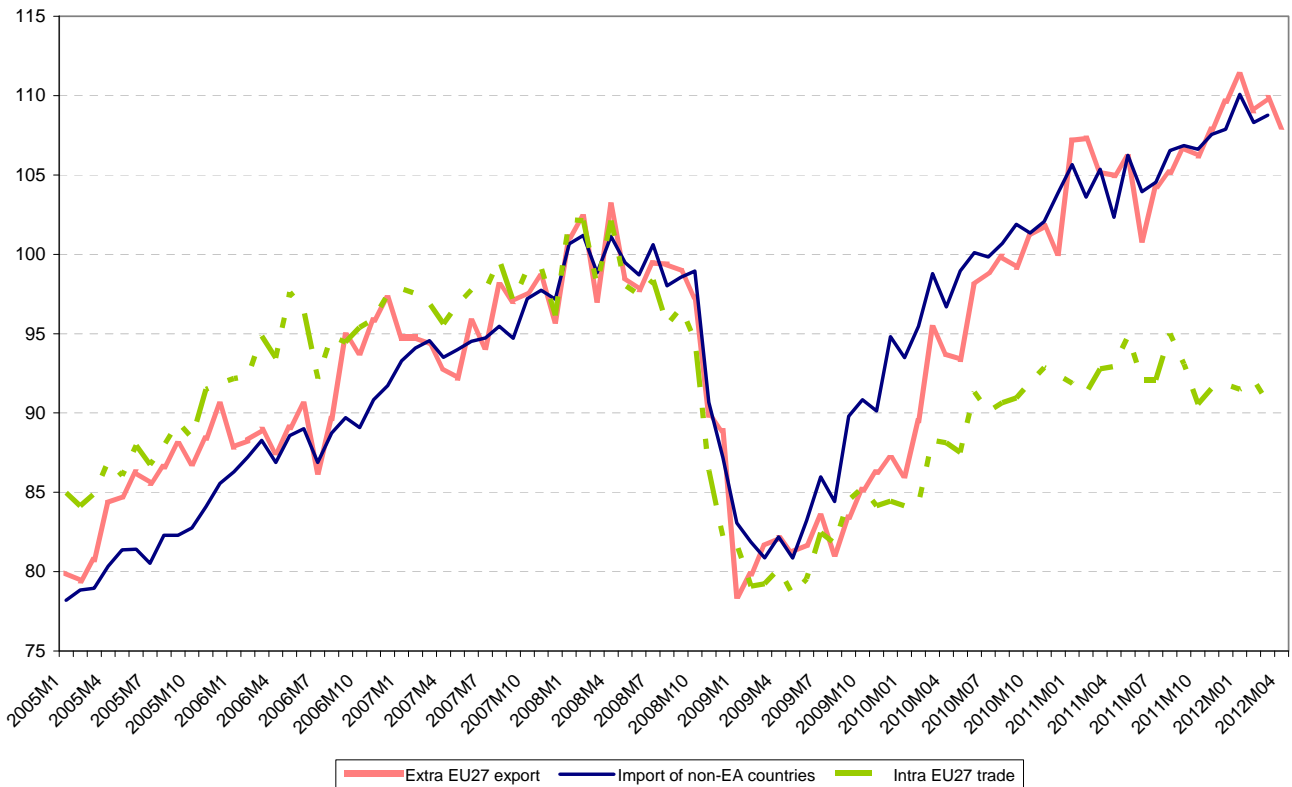
Source: DG ECFIN

Chart 3: Producers prices indices (change over previous year)



Source: Eurostat

Chart 4: World trade (imports of non-EU countries), extra-EU exports and intra-EU trade (index in volumes, seasonally adjusted, H1/2008=100)



Source: Eurostat and Netherlands CPB

Chart 5a: Sectoral output performance since onset of the crisis – April 2009

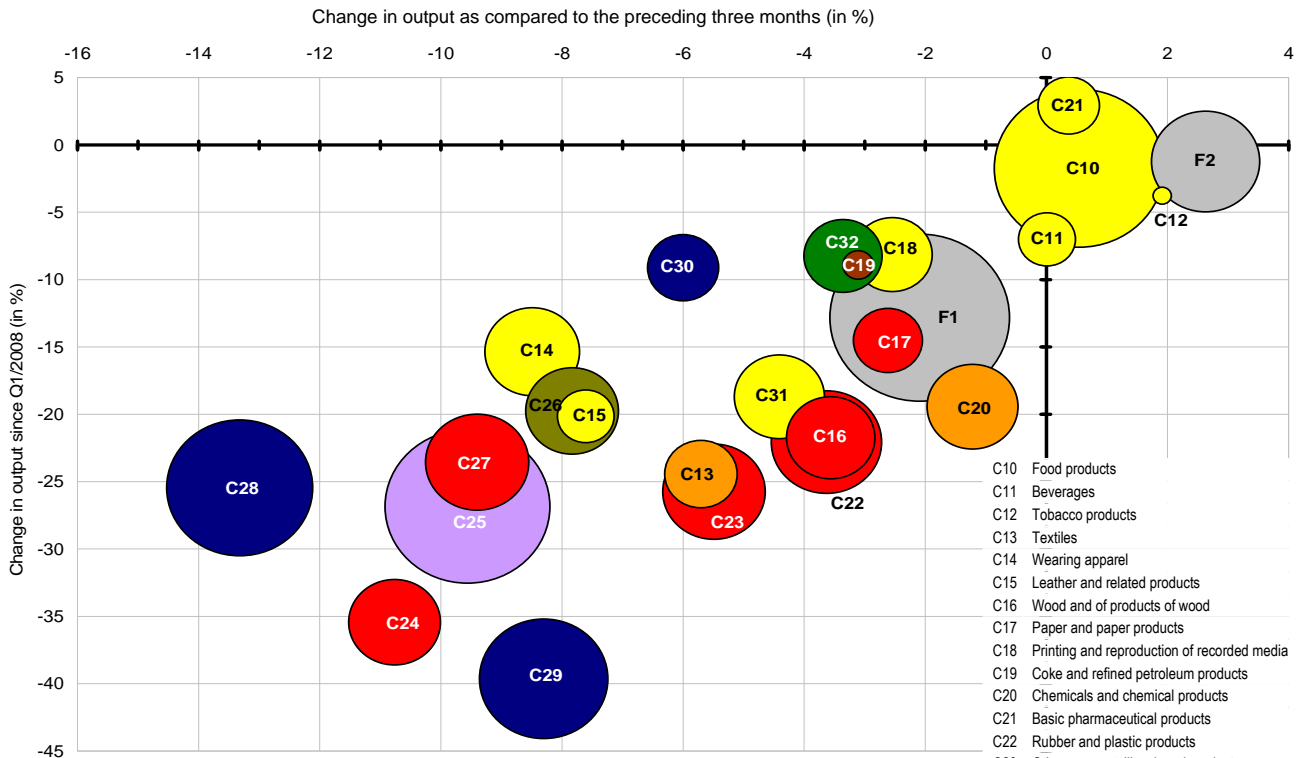
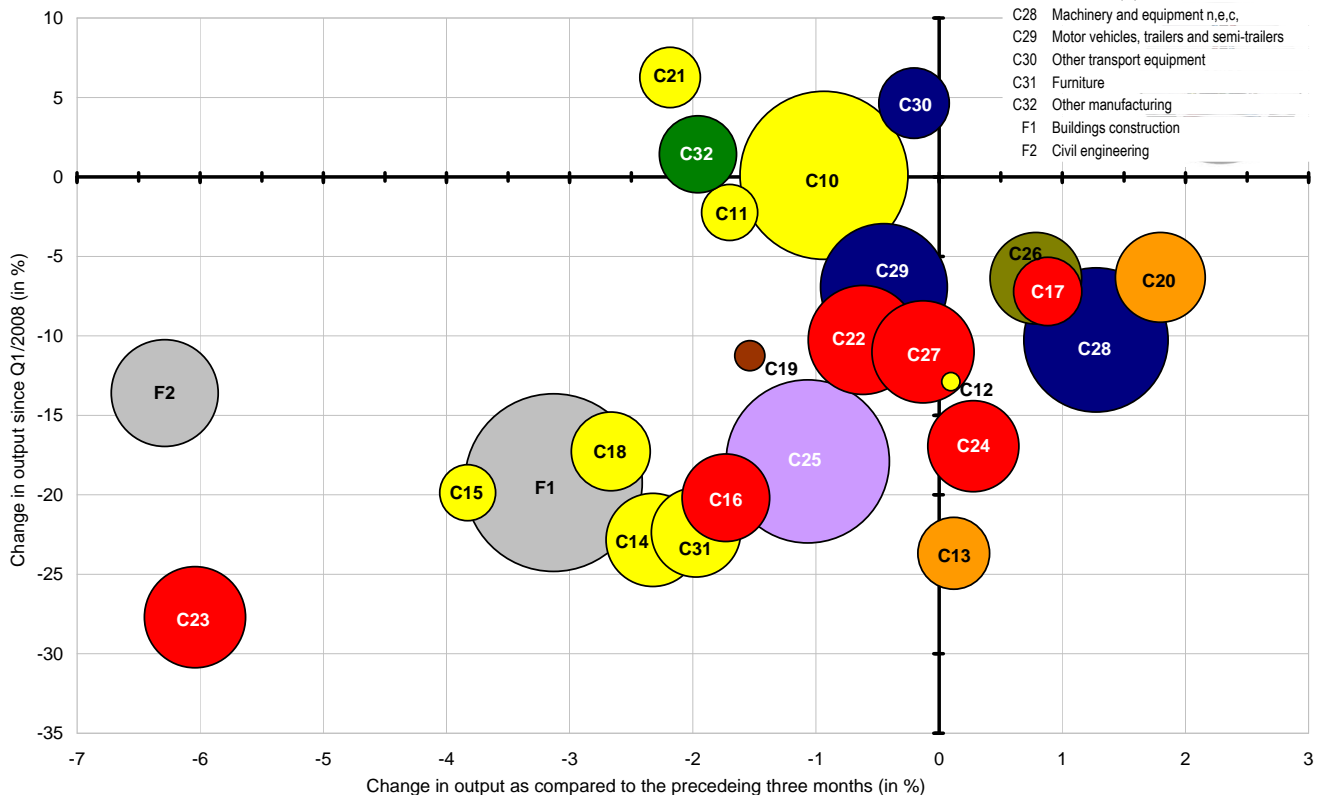


Chart 5b: Sectoral output performance since onset of the crisis – April 2012

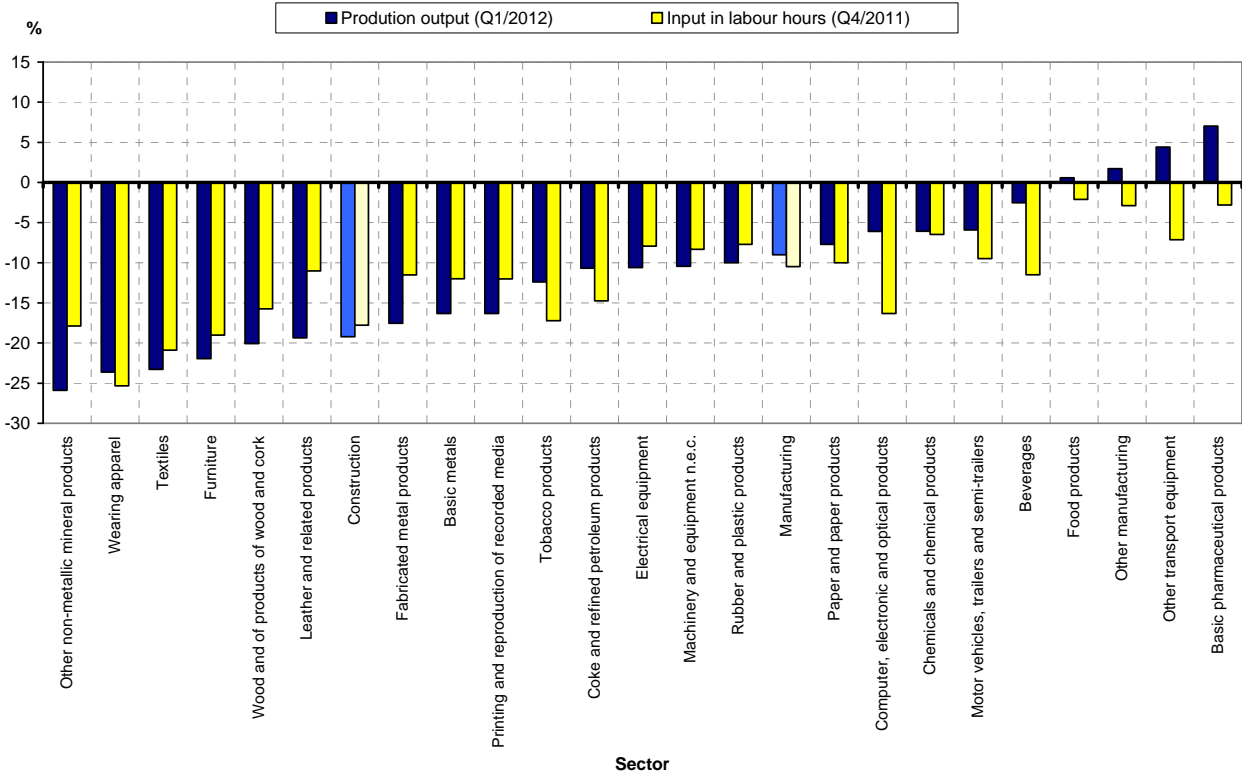


Sectors falling under more than one category of goods are in secondary colours. The size of the bubble reflects employment in the sector

● Intermediate goods ● Capital goods ● Consumer goods ● Construction

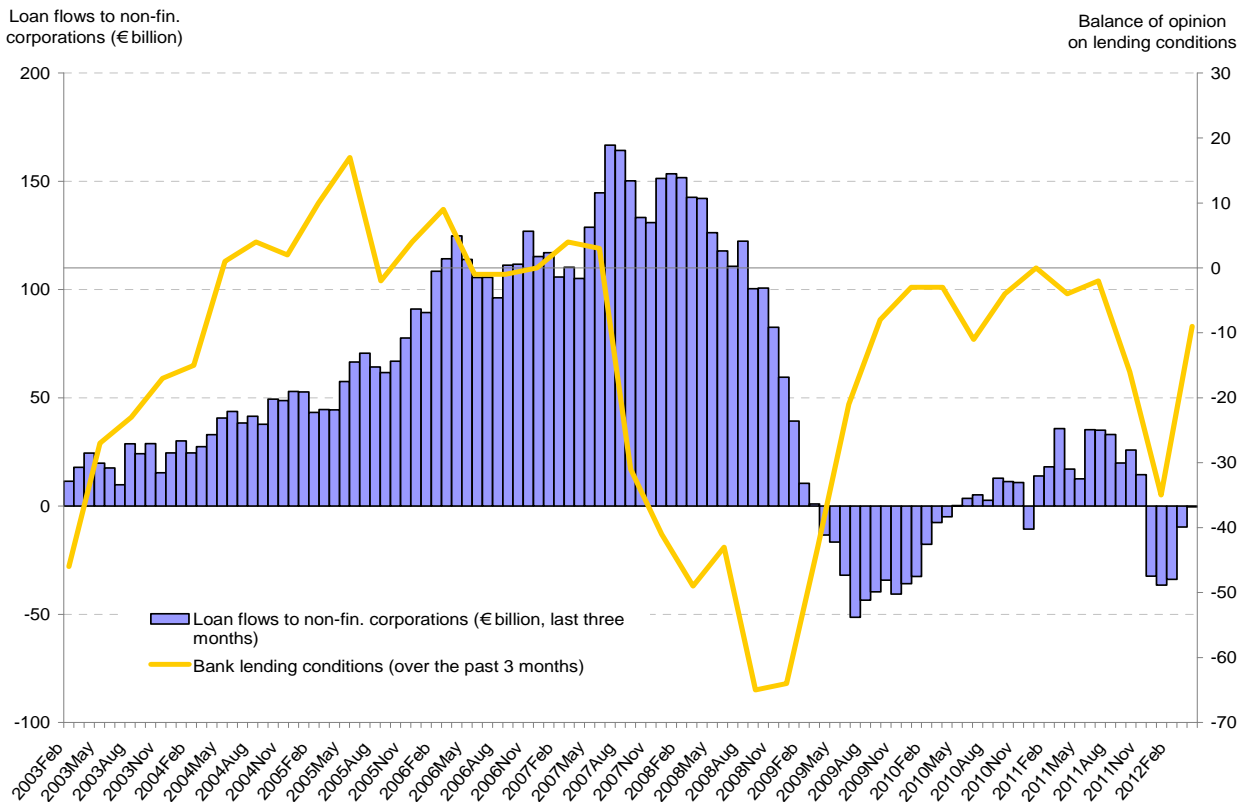
Source: Eurostat

Chart 6: Sectoral manufacturing output and employment developments



Percentage change, latest data compared to the cyclical peak (Q1/2008), seasonally adjusted
 Source: Eurostat

Chart 7: Loans to non-financial corporations in the euro area (€billion, last three months)



Source: ECB

Chart 8a: Change in manufacturing and construction production since the cyclical trough (Q1 2009) in Member States (seasonally adjusted, last three months to April 2012*)

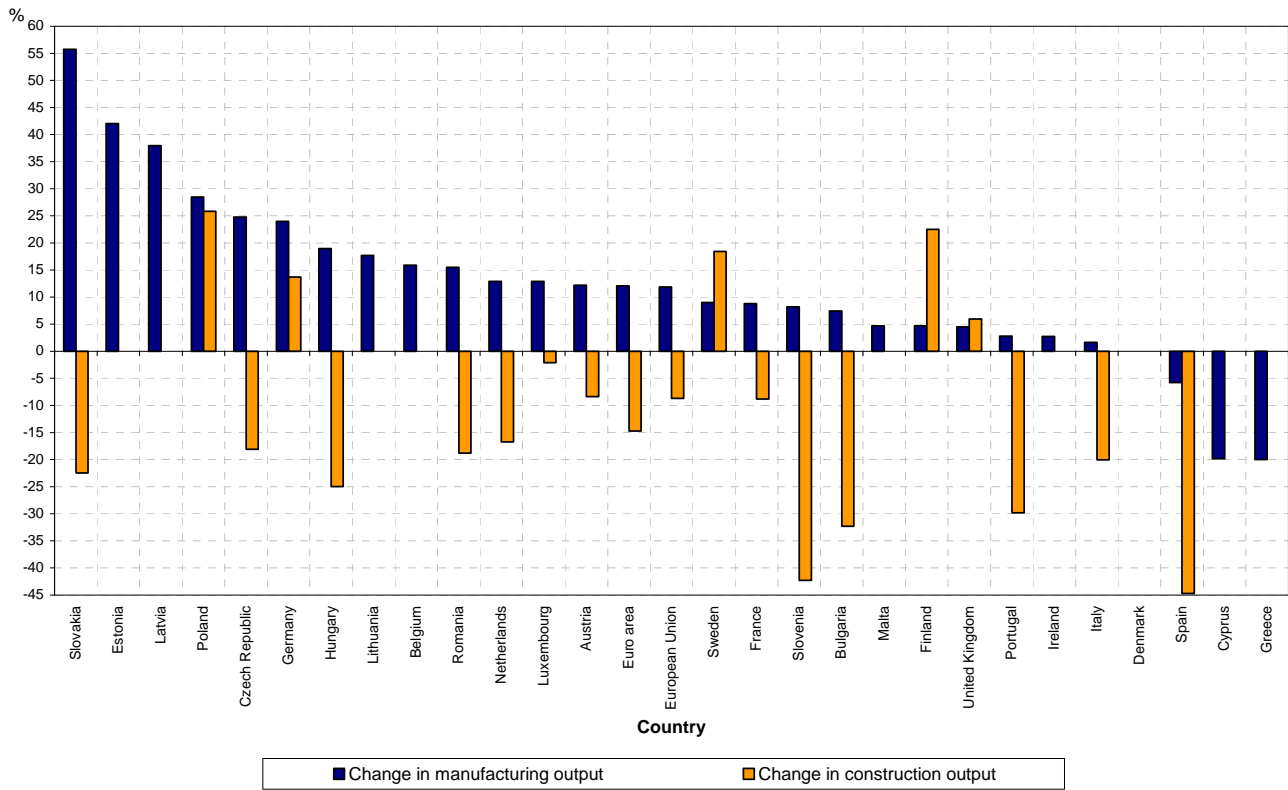
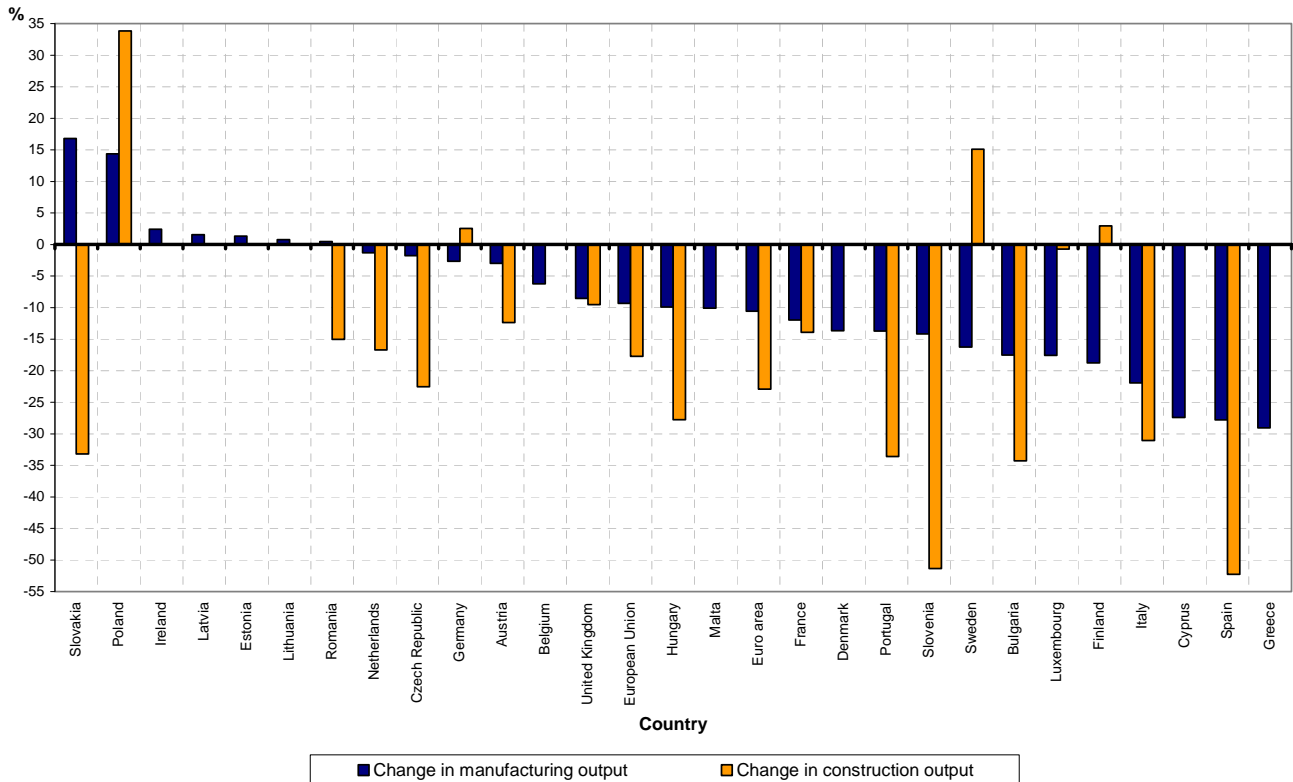


Chart 8b: Change in manufacturing and construction production since the cyclical peak (Q1 2008) in Member States (seasonally adjusted, last three months to April 2012*)



Source: Eurostat

* Subject to data availability

Table 1: Manufacturing production per country – % change in comparison with the same quarter/month of the previous year (working day adjusted)

Total industry	Q3/2011	Q4/2011	Q1/2012	Last 3M to Apr-12	Feb-12	Mar-12	Apr-12	Difference last 3M to Apr-12 over peak Q1/2008**
EU27	4.4	1.4	-0.9	-1.6	-2.0	-0.6	-2.2	-9.3
EA17	4.9	1.0	-1.3	-2.1	-2.4	-0.8	-3.0	-10.6
Austria	6.2	2.0	-0.3	:	-1.3	0.2	:	-3.0*
Belgium	5.0	1.7	-3.2	:	-4.0	-3.8	:	-6.2*
Bulgaria	4.0	-0.6	-3.2	-0.9	-6.9	0.1	4.2	-17.5
Cyprus	-9.0	-11.8	-10.8	:	-8.4	-13.4	:	-27.4*
Czech Republic	4.1	4.2	1.9	1.7	0.6	3.0	1.5	-1.8
Germany	9.3	3.9	2.0	0.8	1.4	2.0	-1.0	-2.7
Denmark	2.1	5.2	1.7	1.1	5.4	-0.2	-1.9	-13.7
Estonia	19.1	3.5	-0.1	-2.3	2.1	-4.7	-4.4	1.3
Spain	-0.6	-4.7	-6.4	-8.2	-6.8	-8.1	-9.7	-27.8
Finland	1.6	0.6	-1.8	-1.3	-1.6	-1.4	-0.9	-18.8
France	3.8	1.8	-2.2	-1.4	-3.9	-0.4	0.2	-12.0
Greece	-5.1	-14.5	-8.6	-6.9	-10.5	-8.0	-2.1	-29.1
Hungary	1.9	5.1	-1.2	-1.8	-4.2	1.5	-2.7	-9.9
Ireland	1.6	1.4	0.7	0.5	-3.5	5.3	-0.4	2.4
Italy	0.2	-3.0	-6.0	-7.5	-7.4	-5.5	-9.7	-21.9
Lithuania	9.4	2.3	2.3	4.5	-2.5	7.9	8.2	0.8
Luxembourg	0.0	-5.4	-6.2	:	-9.8	1.6	:	-17.6*
Latvia	9.3	9.2	14.7	11.7	11.2	15.4	8.5	1.5
Malta	-2.5	0.0	-7.6	-6.0	-12.5	-5.2	-0.3	-10.1
Netherlands	2.6	1.5	-0.7	-0.3	-2.4	1.5	0.1	-1.3
Poland	6.3	9.8	6.5	4.7	6.0	2.6	5.4	14.3
Portugal	-0.7	-4.3	-1.6	-3.4	-2.5	-2.0	-5.7	-13.7
Romania	6.1	2.2	-1.1	-0.7	-4.7	-0.4	2.9	0.5
Sweden	3.9	0.0	-4.8	-7.3	-7.9	-7.9	-6.1	-16.3
Slovenia	0.3	-1.5	-0.4	0.5	-1.8	-0.3	3.6	-13.3
Slovakia	7.5	4.1	10.8	13.1	11.2	14.7	13.5	16.8
United Kingdom	1.4	-0.2	-0.9	-0.9	-2.2	0.1	-0.5	-8.5

: Data not available // * Last 3M to March 2012 // ** seasonally adjusted

Source: Eurostat

Table 2: EU27 output growth rate - % change in comparison to the corresponding period of the previous year and the trough (working day/seasonally adjusted data)²⁶

Nace code	Sector name	Average growth 2010	Average growth 2011	Last 3M to Apr-12	Apr-12	Difference trough over peak Q1/2008	Quarter of the trough	Difference last 3M to Apr-12 over peak Q1/2008
C	TOTAL MANUFACTURING	7.4	4.8	-1.6	-2.2	-19.3	Q2/2009	-9.3
F	CONSTRUCTION	-3.8	1.4	-6.4	-5.1	-17.1	Q1/2012	-17.7
C10	Food products	1.9	1.4	-1.1	-2.8	-2.9	Q4/2009	0.1
C25	Fabricated metal products	7.0	6.8	-2.1	-2.8	-27.8	Q2/2009	-17.9
C28	Machinery and equipment n.e.c.	10.8	12.0	3.1	1.0	-30.6	Q3/2009	-10.3
C29	Motor vehicles, trailers and semi-trailers	22.1	13.4	0.2	-0.8	-40.9	Q1/2009	-6.9
C22	Rubber and plastic products	7.7	4.3	-2.4	-2.9	-22.0	Q1/2009	-10.3
C27	Electrical equipment	11.6	5.1	-1.3	-1.2	-25.3	Q2/2009	-11.0
C23	Other non-metallic mineral products	1.9	4.0	-10.3	-9.6	-27.9	Q1/2010	-27.7
C14	Wearing apparel	0.7	-6.0	-5.9	-0.4	-23.0	Q1/2012	-22.8
C26	Computer, electronic and optical products	8.3	7.4	0.1	0.4	-19.9	Q2/2009	-6.4
C24	Basic metals	19.1	4.7	-5.0	-6.2	-36.2	Q2/2009	-17.0
C20	Chemicals and chemical products	10.2	1.4	-1.8	-1.7	-21.0	Q1/2009	-6.3
C31	Furniture	-0.6	2.6	-5.3	-7.7	-21.7	Q1/2012	-22.4
C16	Wood and of products of wood	3.4	0.0	-4.5	-3.8	-21.7	Q2/2009	-20.2
C18	Printing and reproduction of recorded media	-0.4	-1.8	-7.6	-9.9	-16.5	Q1/2012	-17.3
C32	Other manufacturing	7.7	3.2	-0.9	-2.3	-8.3	Q2/2009	1.4
C13	Textiles	8.1	-2.7	-7.9	-9.8	-25.4	Q2/2009	-23.7
C30	Other transport equipment	1.5	4.8	3.5	4.0	-6.6	Q4/2009	4.6
C17	Paper and paper products	6.2	-0.8	-1.5	-0.9	-13.2	Q1/2009	-7.2
C21	Basic pharmaceutical products	5.7	1.0	-4.0	-1.4	3.8	Q1/2009	6.3
C11	Beverages	-0.3	6.0	-3.1	-5.6	-7.6	Q2/2010	-2.2
C15	Leather and related products	3.2	4.4	-9.9	-11.1	-21.4	Q2/2009	-19.9
C19	Coke and refined petroleum products	-0.9	0.6	-1.4	-2.0	-12.4	Q1/2010	-11.3
C12	Tobacco products	-5.6	-2.4	-0.2	-2.9	-15.2	Q4/2010	-12.9

Source: Eurostat

²⁶ All the tables with sectoral data have been ranked according to their employment importance

Table 3: EU27 manufacturing and construction – monthly evolution (seasonally adjusted data)

Nace code	Sector name	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12
C	TOTAL MANUFACTURING	-1.6	-0.2	-0.2	-0.3	0.0	-0.8	0.9	-1.2
F	CONSTRUCTION	-1.0	-0.2	2.0	-3.3	-2.5	-5.5	10.8	-6.6
C10	Food products	-1.5	-1.4	1.3	0.4	-0.7	-0.5	1.0	-2.2
C25	Fabricated metal products	-2.9	-0.8	0.1	-0.5	0.3	-0.9	0.2	-1.0
C28	Machinery and equipment n.e.c.	-1.8	-0.6	1.3	-1.6	-0.4	1.5	2.5	-3.2
C29	Motor vehicles, trailers and semi-trailers	-4.5	1.3	-1.4	-1.2	1.9	0.0	-0.6	-2.5
C22	Rubber and plastic products	-1.3	0.0	0.6	-0.9	0.8	-1.3	1.2	-1.2
C27	Electrical equipment	-1.6	-0.9	0.8	-1.0	0.4	0.1	0.4	-1.2
C23	Other non-metallic mineral products	-2.5	-0.7	0.2	-1.3	1.3	-10.3	7.8	-2.6
C14	Wearing apparel	-1.8	1.8	0.0	0.6	0.2	-5.1	1.9	3.8
C26	Computer, electronic and optical products	-2.7	-1.6	0.1	-0.3	2.1	-0.7	0.1	0.1
C24	Basic metals	-2.0	-0.6	-1.2	-2.7	2.1	0.0	0.4	-1.1
C20	Chemicals and chemical products	-1.6	-1.0	-0.9	0.7	2.0	-0.3	1.0	-0.4
C31	Furniture	-3.4	-2.3	1.0	0.4	-0.9	-0.3	-1.2	-1.2
C16	Wood and of products of wood	-1.4	-0.3	0.7	0.6	0.5	-2.8	1.1	-0.3
C18	Printing and reproduction of recorded media	-1.7	0.0	-1.2	-1.3	-1.4	-0.3	-0.4	-2.1
C32	Other manufacturing	-1.6	-1.5	1.7	1.8	-2.9	-0.6	0.5	-1.0
C13	Textiles	-0.7	-2.8	-0.4	-0.3	-0.4	2.0	-1.0	-2.4
C30	Other transport equipment	3.5	-1.1	3.8	-0.1	-1.7	-0.7	2.2	0.7
C17	Paper and paper products	-0.8	-2.0	0.4	-0.2	0.0	0.6	0.5	0.2
C21	Basic pharmaceutical products	-2.2	3.5	-5.5	-0.6	2.9	-5.5	4.0	-2.5
C11	Beverages	2.4	1.3	-0.5	-1.5	-2.9	0.0	2.2	-1.9
C15	Leather and related products	-1.3	-1.3	0.0	-0.9	-1.3	-3.0	-0.5	1.7
C19	Coke and refined petroleum products	-2.0	0.1	0.5	1.5	-2.4	0.6	-2.3	1.6
C12	Tobacco products	0.5	-1.0	0.8	-0.4	-0.7	0.9	1.6	-4.0

Source: Eurostat

Table 4. Construction output – quarterly / monthly variation - % change in comparison with the same quarter / the same month of the previous year (working day/ seasonally adjusted)

Total	Q3/2011	Q4/2011	Q1/2012	Last 3M to Apr 2012	Feb-12	Mar-12	Apr-12	Difference last 3M to Apr 2012 over peak Q1/2008
EU27	2.0	3.6	-4.9	-6.4	-10.7	-3.5	-5.1	-17.7
EA17	2.2	3.4	-6.6	-7.5	-15.0	-2.6	-5.0	-22.9
Austria	-0.6	1.3	-0.5	:	-6.8	-1.9	:	-12.4*
Belgium	2.3	14.2	7.7	:	2.0	15.6	:	7.8*
Bulgaria	-11.5	-8.8	-2.6	-1.7	-11.1	2.0	3.9	-34.3
Czech Republic	-9.2	0.9	-10.0	-8.2	-17.0	-5.0	-2.7	-22.5
Finland	9.5	6.5	6.3	:	7.4	0.7	:	2.9*
France	2.7	5.4	-5.0	-3.8	-14.7	0.2	3.2	-13.9
Germany	6.6	19.4	-3.9	-6.2	-21.3	3.1	-0.5	2.5
Hungary	-13.7	-1.6	-10.5	-13.8	-15.0	-12.6	:	-27.8*
Italy	-4.4	-3.5	-14.0	-15.5	-22.9	-8.6	-15.1	-31.1
Luxembourg	-3.2	5.9	-11.7	:	-28.0	-1.3	:	-0.7*
Netherlands	3.5	1.6	-8.6	-11.2	-16.5	-8.1	-9.1	-16.7
Poland	14.9	13.2	16.4	8.2	12.5	2.5	9.7	33.8
Portugal	-11.0	-12.4	-13.8	-15.0	-15.3	-15.5	-14.3	-33.6
Romania	8.5	9.1	2.8	9.5	4.1	1.5	22.8	-15.1
Slovakia	-2.6	1.3	-9.3	-11.7	-9.0	-11.1	-15.1	-33.2
Slovenia	-25.2	-19.9	-18.8	-15.3	-26.6	-5.2	-14.1	-51.4
Spain	5.5	-4.2	-7.3	-9.7	-5.6	-8.9	-14.6	-52.3
Sweden	6.1	7.3	6.6	5.6	4.5	8.0	4.3	15.1
United Kingdom	0.1	2.1	-3.9	-6.6	-3.7	-7.6	-8.6	-9.6
Buildings EU27	1.8	2.9	-4.5	-5.7	-9.6	-2.9	-4.6	-19.2
Civil engineering EU27	2.4	5.5	-8.3	-11.3	-17.5	-7.8	-8.6	-13.6

: Data not available

* Last 3M to February 2012 (to December 2011 for Belgium)

Source: Eurostat

Table 5: EU27 employment growth rate by manufacturing sector - percentage change on same quarter last year/peak (gross / seasonally adjusted* data)

Nace code	Sector name	Persons employed in 2008 (000s)	Average growth 2010	Average growth 2011	Average growth Q4/2011	Average growth Q1/2012	Q1/2012 over peak Q1/2008*
C	TOTAL MANUFACTURING	32961	-3.6	0.6	0.5	0.4	-10.8
F	CONSTRUCTION	15047	-5.8	-3.0	-3.1	-3.7	-19.8
C10	Food products	4245	-0.4	0.5	0.3	0.2	-2.4
C25	Fabricated metal products	4000	-5.3	1.5	1.8	1.9	-10.9
C28	Machinery and equipment n,e,c,	3140	-4.9	2.7	2.7	3.1	-6.3
C29	Motor vehicles, trailers and semi-trailers	2420	-2.8	2.9	4.2	2.9	-8.4
C22	Rubber and plastic products	1800	-2.4	1.2	0.9	1.2	-8.4
C27	Electrical equipment	1573	-2.2	3.2	2.6	1.0	-7.0
C23	Other non-metallic mineral products	1550	-6.3	-1.8	-1.8	-1.7	-20.3
C14	Wearing apparel	1320	-8.4	-1.7	-2.3	-1.8	-25.2
C26	Computer, electronic and optical products	1270	-3.3	1.1	0.0	-1.4	-13.6
C24	Basic metals	1249	-5.5	1.3	0.9	0.1	-12.8
C20	Chemicals and chemical products	1220	-2.2	-0.1	-0.3	-0.3	-8.0
C31	Furniture	1200	-8.2	-1.7	-2.2	-3.4	-22.2
C16	Wood and of products of wood	1157	-3.0	-0.2	-0.9	-1.1	-17.7
C18	Printing and reproduction of recorded media	940	-4.7	-3.4	-4.6	-4.4	-17.6
C32	Other manufacturing	900	-1.6	-1.1	-1.8	-1.0	-6.0
C13	Textiles	780	-5.7	-2.9	-3.1	-1.3	-23.7
C30	Other transport equipment	750	-5.0	-0.8	1.8	2.0	-7.3
C17	Paper and paper products	706	-2.3	-0.7	-2.5	-3.1	-10.5
C21	Basic pharmaceutical products	557	-0.2	-0.8	0.5	1.3	-5.7
C11	Beverages	480	-2.2	-1.5	-1.3	-1.0	-13.0
C15	Leather and related products	474	-3.1	4.0	3.8	3.1	-14.0
C19	Coke and refined petroleum products	140	-2.8	-2.2	-0.8	-2.0	-8.6
C12	Tobacco products	52	-6.4	-2.9	3.0	1.6	-17.6

Source: Eurostat

Table 6: EU27 industry new orders - % change in comparison to the corresponding period or peak/trough – gross /seasonally adjusted data

Nace code	Sector name	Average growth 2001-2007	Average growth 2010	Average growth 2011	Last 3M* over Q4/2007	Last 3M* over Q1/2009	Last 3M y-o-y
C	MANUFACTURING FOR NEW ORDERS	4.5	17.3	7.6	-11.5	28.5	-2.6
C25	Fabricated metal products	5.3	12.9	10.8	-7.1	25.4	-0.4
C28	Machinery and equipment n.e.c.	6.5	28.2	12.9	-12.6	36.0	-7.0
C29	Motor vehicles, trailers and semi-trailers	5.4	19.4	9.1	-15.1	45.7	-0.9
C27	Electrical equipment	3.7	17.1	5.3	-6.0	23.0	-2.9
C14	Wearing apparel	-0.1	-2.4	2.6	-22.3	-9.5	-6.6
C26	Computer, electronic and optical products	-0.4	7.5	-3.8	-25.8	1.5	-7.7
C20	Chemicals and chemical products	3.8	17.2	9.7	6.9	38.5	1.4
C24	Basic metals	7.3	41.0	12.5	-9.0	73.6	-6.0
C13	Textiles	-2.5	9.9	3.8	-16.3	11.1	-5.7
C30	Other transport equipment	8.8	-0.9	3.5	-46.3	-26.5	-0.7
C17	Paper and paper products	1.5	10.7	2.4	-3.5	13.6	-3.0
C21	Basic pharmaceutical products	5.8	5.5	-1.8	3.7	0.6	-2.2

* Average for last three months to March 2012 compared to the quarter when a peak/trough was reached by total manufacturing new orders

Source: Eurostat

Table 7: EU27 industry new orders – monthly evolution – seasonally adjusted data

Nace code	Sector name	Sep-11	Oct-11	Nov-11	Dec-11	Jan-11	Feb-11	Mar-11
C	MANUFACTURING FOR NEW ORDERS	-3.5	0.1	-0.6	2.6	-1.8	-0.6	1.4
C25	Fabricated metal products	0.5	-3.6	3.4	4.7	-4.0	1.2	-3.9
C28	Machinery and equipment n,e,c,	-1.2	-3.5	-0.8	8.5	-7.3	-1.8	3.5
C29	Motor vehicles, trailers and semi-trailers	1.1	-1.5	0.3	0.9	0.4	-1.8	0.9
C27	Electrical equipment	-4.8	-1.0	0.8	2.4	2.3	-3.0	-1.4
C14	Wearing apparel	-2.6	-0.2	5.2	-2.0	-4.7	-1.3	2.1
C26	Computer, electronic and optical products	-1.5	0.8	0.2	-1.4	0.5	2.0	-2.1
C20	Chemicals and chemical products	-1.8	-0.6	-0.5	0.5	1.5	2.3	0.3
C24	Basic metals	-4.4	-1.0	-1.9	16.4	-9.1	1.4	-2.9
C13	Textiles	-1.9	-1.7	0.5	2.6	-3.0	-0.6	1.0
C30	Other transport equipment	-46.4	20.1	-12.2	0.0	4.3	-14.8	20.9
C17	Paper and paper products	-1.9	-1.0	-0.1	1.3	-1.5	0.6	0.3
C21	Basic pharmaceutical products	-1.0	-1.0	2.4	2.3	-5.8	-0.8	3.0

Source: Eurostat

Table 8: Extra EU Exports (in value) - % change in comparison to the corresponding period of the previous year

CPA 2008 code	Sector name	Annual average growth rate 2004-2008	Total growth 2008-2011	Feb-12	Mar-12
	MANUFACTURING	8.7	18.0	11.4	7.9
10	Food products	6.6	33.4	15.7	9.0
25	Fabricated metal products, except machinery and equipment	12.7	5.3	8.9	9.3
28	Machinery and equipment n.e.c.	12.3	11.1	9.0	7.0
29	Motor vehicles, trailers and semi-trailers	7.2	27.6	15.8	14.1
22	Rubber and plastics products	8.5	22.3	8.9	5.4
27	Electrical equipment	11.8	11.0	5.9	9.8
23	Other non-metallic mineral products	4.9	1.4	5.4	5.7
14	Wearing apparel	5.8	7.7	13.9	9.5
26	Computer, electronic and optical products	3.2	6.3	4.7	-3.5
24	Basic metals	17.6	19.9	19.5	0.5
20	Chemicals and chemical products	6.4	22.8	5.1	6.3
31	Furniture	5.7	-0.0	12.9	6.2
16	Wood and of products of wood and cork	5.4	5.5	7.7	2.9
18	Printing and recording services	11.2	-2.2	6.5	-9.8
32	Other manufactured goods	6.0	23.7	6.0	4.6
13	Textiles	-0.3	3.8	2.8	1.0
30	Other transport equipment	7.7	16.2	17.4	16.1
17	Paper and paper products	4.8	12.9	1.7	-1.0
21	Basic pharmaceutical products and pharmaceutical preparations	7.8	37.3	3.5	6.4
11	Beverages	5.4	26.2	9.4	9.2
15	Leather and related products	4.8	23.4	19.1	14.0
19	Coke and refined petroleum products	30.4	26.6	41.3	24.3
12	Tobacco products	6.1	43.7	24.8	18.3

Source: DG Trade

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