

Monthly Note on Economic Recovery in Manufacturing, Construction and Services¹ Industries

March 2010

SUMMARY

The EU economy is emerging from recession with GDP rising by 0.3% and 0.1% respectively in the third and fourth quarter of 2009. Following a steep decline of some 19%, manufacturing production stabilised in the second quarter of 2009 and has recovered rather slowly since. Despite a small rise in December 2009, construction output was still some 13% below its former peak.

The situation varies considerably between sectors and across Member States. A number of factors still suggest that a cautious approach is warranted to the prospects for economic recovery. These include a continuing decline of output in construction, the fact that capacity utilization is still very subdued, and the likelihood of a further deterioration in labour markets reflecting the typically delayed reaction of employment to output reductions.

Looking to the future, there is also still a continuous risk that restricted availability of finance on favourable terms to firms could slow down an economic recovery. As shown in the recent access to finance survey, SMEs continue to suffer from difficult access to short term finance, whilst export credits and trade finance have declined considerably.

However, a clear strengthening of world trade, increasing new orders and growing confidence over the past months point out to an improving outlook for the EU industry. This more positive picture is also reflected in some signs of output recovery in several manufacturing sectors. A further boost to output can also be expected as manufacturers begin to rebuild their inventories that are currently at a very low level. This is quite coherent with the GDP growth forecast of 0.7% for 2010 that was published by DG ECFIN in the 'Interim Forecast' on Friday, 26th February.

¹ Tourism and services heavily used by industry. Nace (Rev. 2) codes: H, J, M69-702, M71, M73, M74, N79 only

1. AGGREGATE DEVELOPMENTS

The recovery of **manufacturing production** seems to have paused² and in December 2009 its output was still over 18% below its former peak. In contrast, the fall in construction output continues, albeit at a lower pace.

In the first quarter of 2010, survey data³ showed EU manufacturing **capacity utilisation** at a level of 72.9%, indicating a second increase from the record low level of 70.2% in the third quarter of 2009, but this is still well below the long-term average (1990-2008) of 81.1%. Capacity utilisation is at very depressed levels across all industrial branches, but investment and intermediate goods have been much more negatively affected than consumer goods. However, in a majority of sectors some further improvements could be seen in the first quarter of 2010 compared to historical lows from the second or third quarter of 2009.

Recent **confidence surveys** show continued improvements in business and consumer confidence. The summary Economic Sentiment Indicator (ESI) has broadly remained unchanged in February 2010, increasing by 0.2% in the EU in comparison to the previous month. After ten months of uninterrupted improvement, the rebound appears to have paused – though the indicator is now not far off its long term average. The industry sentiment indicator has remained unchanged (see chart 2), mainly due to falling confidence in the UK. Manufacturers have reported some improvements both in order books and their production expectations. On the other hand, companies have assessed the increase of stocks with some caution and inventory levels are now still at very low levels in

historical terms (see chart 5). Consumer confidence deteriorated slightly which might reflect increasing unemployment fears, whereas confidence in services rose a bit. Also construction confidence recovered a little, but still remains the lowest among sectors.

Data on **order books**⁴ showed a sustained recovery since May last year and were 0.6% higher in December compared to November. Overall order books have recovered 11% since their trough in April 2009, but still remain 26% below their peak level in the last quarter of 2007. Orders for exports have risen somewhat faster than domestic orders (14% and 9% respectively since their trough in spring 2009). Basic metals, motor vehicles, machinery and equipment, and electronic products are still the most severely affected sectors, but signs of recovery have emerged in recent months. In particular, the basic metals and motor vehicles sectors have seen the most substantial improvement in new orders since the first quarter 2009 with an increase by around 25%. Nonetheless, their order books are still well below the levels from before the crisis.

EU exports have markedly improved and were 6.3% higher in December 2010 compared to six months earlier. However, exports to non-EU countries were still some 13% down in volume terms compared to their former peak in the first quarter of 2008. EU exports to the rest of the world initially fell broadly in line with world trade and world industrial production (see chart 3). However, extra-EU exports have been lagging behind the strong recovery in world trade that has occurred in recent months i.e. in December 2009 world trade imports in volume terms were up 5.2% from November and 16.5% above the trough reached in May 2009. The somewhat slower recovery of the EU exports is partly a result of the

² Recent data has been erratic with a number of outliers

³ DG ECFIN, *Business and Consumer Survey Results*, February 2010.

⁴ Eurostat, *Industrial new orders up by 0.8% in euro area*, News release 24/02/2010. .

composition of the world imports growth that is particularly concentrated in emerging economies in Asia and Latin America, but may also reflect the delayed effect of the appreciating euro. On the other hand, the recovery of **intra-EU trade** has been very weak, having risen only 0.8% over the period July-December 2009.

The latest available **employment** data (Q3/2009) show that EU27 labour markets continue to deteriorate in reaction to the economic downturn, although at a slowing pace. Overall employment fell by 0.5% or about 1 million persons in the third quarter of 2009 compared to the previous quarter and by 2.0% compared to a year earlier. As expected, the **unemployment** rate in EU27 continues to rise, although at a moderating pace. It rose by 163 000 persons last December, which was the smallest rise since mid-2008 reaching 9.6% (or 23 million unemployed).⁵ In the euro area, the seasonally-adjusted unemployment rate was 10.0% in December 2009, which is the highest rate since August 1998.⁶

Manufacturing jobs have been the most negatively affected with announced losses between September 2008 and December 2009 adding up to half of the total job losses⁷, as compared to a share of around 17% of manufacturing employment in total employment. **Jobs in manufacturing** were 9.4% lower in the third quarter of 2009 compared to the first quarter of 2008. Preliminary Eurostat data on overall hours worked show them 10% down in the corresponding period. These differences have been presented in chart 4 that reveals the use of short-term working in a number of industrial sectors, in particular in coke and refined products, basic metals, and motor vehicles, where average hours per worker have declined by more than 4% from the

first quarter of 2008 to the second quarter of 2009. In other sectors, such as textiles, wearing apparel and leather employment has taken the main brunt of adjustment.

2. COUNTRY SPECIFIC DEVELOPMENTS

Seasonally adjusted data show that in December industrial production in the EU27 declined by 1.9%, after having grown a month earlier by 0.9%. Underlying the December's decrease were mixed performances in all larger Member States. The new month-on-month data show that for the 19 Member States for which data are available, industrial production increased in six, fell in twelve and remained stable in one (France). The highest increases were registered in Lithuania (+2.3%), Portugal (+0.7%), the United Kingdom (+0.6%) and Spain (+0.5%), and the largest falls in Denmark (-5.2), Ireland and Latvia (both -4.2%), Poland (-2.8%) and Germany (-2.6%). It is noteworthy that recovery in industrial production faltered especially in Germany, which posted negative growth compared to a 0.7% increase in December. In EU27 production declined in intermediate goods (-2.6%) and capital goods (-2.4%), while output of durable and non-durable goods increased.

The December figures also show that industrial production compared with a year earlier continued to fall in all Member States for which data are available, except Romania (+6.9%), Poland (+4.8%), Slovenia (+2.7%) and the Netherlands (+1.1%). Activity on an annual comparison has fallen by the largest percentages in Denmark (-19.3%), Bulgaria (-12.1%), Estonia (-10.7%) and Lithuania (-8.3%).⁸

In addition, many EU countries, including EU-12, are still concerned by the decline of

⁵ The unemployment rate of 9.6% is the highest since the EU27 series began in January 2000.

⁶ DG EMPL, *EU employment situation and social outlook*, February 2010

⁷ *ibid.*

⁸ Eurostat, *Industrial production down by 1.7% in euro area*, News release 12/02/2010..

the economic activity in the construction industry. Among the countries for which data are available for the fourth quarter of 2009, construction output compared to the previous quarter rose only in Spain (+2.7 %) and Romania (+2.5%). The largest quarterly decreases were registered in Bulgaria (-11.2%), Latvia (-11.1%), Slovenia (-8.7%) and Slovakia (-8.0%).

There are also significant differences in the increase of unemployment rates among the Member States. Unemployment rates in the Baltic States, Spain⁹ and Ireland have risen by between eight and seventeen percentage points in comparison to the first quarter of 2008. In contrast, in Germany the unemployment rate declined slightly in this period, whereas in the Netherlands, Malta, Belgium and Poland the rise was around one percentage point. In December 2009, compared with a year earlier, unemployment went up by around 4.6 million in the EU27 to reach the rate of 9.6%.

These differences are related not only to the extent of the contraction of economy, but also to the form of adjustments in the labour markets. In most economies, except France, average hours worked per worker have declined significantly over the past year. This reflects both the impact of short-time working schemes and the extent to which the downturn has affected manufacturing and construction, the two sectors with the highest cyclical sensitivity of hours worked.¹⁰

3. RECENT DEVELOPMENTS IN SECTORS

The latest data for developments in manufacturing sectors in the last three months to December 2009 show that

⁹ In December 2009, the highest unemployment rates were recorded in Latvia (22.8%) and Spain (19.5%), and the lowest in the Netherlands (4.0%) and Austria (5.4%),

¹⁰ OECD, *Economic Outlook*, No. 86, November 2009

production in most of the sectors still remains subdued (see chart 6). Signs of the beginning of recovery are for the time being visible only in motor vehicles (c29), basic metals (c24), chemicals (c20), rubber and plastic products (c22) and electrical equipment (c27) industries. In most other sectors it seems that the production has stabilised at low levels or even continued to decline. Consequently, except pharmaceuticals (c21), food production and beverages (c10) all sectors still have output levels substantially (i.e. 10 percent or more) below those experienced before the onset of the crisis.

The most recent month-on-month data published by EUROSTAT¹¹ show a slight increase of construction output in December 2009. Nonetheless, the output in the EU27 fell by 0.5% in the fourth quarter of 2009 compared with the previous quarter, continuing the negative trend since the beginning of 2008. The activity in building construction declined by 0.5% and the production value of civil engineering remained stagnant in the fourth quarter of 2009 compared to the previous quarter. The latest preliminary month-on-month data indicates that output in civil engineering fell in December by 0.5% compared with the previous month (but increased by 5% compared with a year earlier), showing rather limited evidence of new public investment in infrastructure projects. What is more, employment decreased by 9.8% in the construction industry over the third quarter compared to the previous year.

In the **service sector** the decline was not as steep as in the case of the industry. The data for November 2009 show that professional, scientific and technical activities, as well as administrative and support service activities, were broadly maintaining their turnover. In contrast, the turnover of some subsectors, such as advertising and ICT services was

¹¹ Eurostat, *Construction output up by 0.5% in both the euro area and the EU27*, News release 17/02/2010.

still contracting (see chart 7 and 8 for details). Turning to the **tourism sector**, there was a fall of 5% in total nights spent in hotels in 2009, mainly the result of a 9% fall in stays by non-EU residents. However, the rate of decline compared with the same period of the previous year fell sharply through the course of 2009, suggesting that some small recovery had occurred during the course of the year.

4. ACCESS TO FINANCE

ECB data for January indicate that lending in the euro-zone continued to contract reflecting both lower demand and tighter credit standards (see chart 9). Bank lending to the private sector has been falling year-on-year since September 2009, and in January 2010 it was 2.7% lower than the year before. The slowdown has been most significant in short-term loans that started to decline already in November 2008, although in January 2010 a first small m-o-m increase was registered.

Overall, the January 2010 ECB bank lending survey points to a further decline in the net tightening of credit standards, although at a slower pace than in previous quarters. 83% of surveyed banks reported that credit standards applied to SME loans stayed the same. A turning-point in the tightening trend observed since the second half of 2007 is now closer, but has not yet been reached. Euro area banks expect some further tightening of credit standards on loans to companies in the first quarter of 2010.

At the same time net demand for loans from enterprises remained negative in the fourth quarter of 2009 (at -8%), albeit much less so than in the third quarter (-20%). Banks expect net loan demand from enterprises to fully recover and turn positive in the first quarter of 2010.¹²

¹² ECB, *The Euro Area Bank Lending Survey*, January 2010.

A new survey on the **access to finance of SMEs** in the euro area shows that a large majority (75%) of the SMEs reported that they had received either the full or part of the amount of the bank loans they had applied for, compared with 77% in the first half of 2009.

At the same time, 18% of the SMEs reported a rejection of their bank loan application, up from 12% in the first half of 2009. On balance, 16% of SMEs, especially micro and small firms, reported an increase in their need for bank loans (up from 11% in the first half of 2009).¹³ Hence it seems that demand for loans by SMEs is gradually picking up.

BusinessEurope stressed in its latest economic outlook that a weakened banking sector might prove unable to expand credit supplies to support new investments once the recovery picks up.¹⁴

In the second half of 2009 around 35% of SMEs reported an increase in the level of interest rates charged on bank loans (with little change from the first half of 2009), while 27% reported a decline (as against 29% in the first half of 2009).¹⁵

The overall structure of SMEs' financing remained broadly unchanged. Internal funds and external financing from banks (loans, overdrafts and credit lines) continued to be the most important sources of financing for SMEs. As in the first half of 2009, the use of bank loans and trade credit increased with the size of the firm.

Among the four largest euro area countries, the access to finance of SMEs in Spain remained worse than for those in Germany,

¹³ ECB, *Survey on the access to finance of SMEs in the euro area: second half of 2009*, February 2010. The Commission provided substantial input into the surveying process.

¹⁴ BusinessEurope, *Economic Outlook*, February 2010, .

¹⁵ ECB, *Survey on the access to finance of SMEs in the euro area: second half of 2009*, February 2010.

France and Italy. While SMEs in all euro area countries reported on balance a further deterioration in the availability of bank loans, Spanish SMEs continued to be the most negative. Likewise, the rejection rate for bank loan applications was highest (and increasing) for Spanish SMEs (25%, as against 20% in the first half of 2009) and lowest for French SMEs (7%, as compared with 12% in the first half of 2009).

While the majority of SMEs in all the main sectors of economic activity received the entire amount of the bank loan they had requested in the second half of 2009, SMEs in the services and construction sectors were the least successful when applying for a bank loan. SMEs also reported that the most pressing problem facing them in the second half of 2009 continued to be finding customers (28%, as against 27% in the first half of 2009), followed by access to finance (19%, as against 17%).

The **venture capital** industry did not have a strong 2009 with fundraising and investment down compared to 2008. Exits (trade sales) have increased.¹⁶ Venture backed initial public offerings (IPOs) were absent. EVCA¹⁷ has calculated that out of 25,000 portfolio companies about 750 (3%) could be “exitable” through an IPO within a year. This is expected to be spread out over several years to allow for absorption by investors.¹⁸ Nonetheless it seems that the recovery in IPO markets will be slow.¹⁹ A shake-out is expected within the venture industry in the near future with many medium-sized funds at risk due to poor exit

performance and the inability to raise institutional money.²⁰

¹⁶ DG ENTR seminar on venture capital exits and secondary venture markets in Europe, 21 January 2010. For details on investment figures “unquote Private Equity Barometer, Q4 2009 Preliminary Data”, February 2010.

¹⁷ The European Private Equity and Venture Capital Association.

¹⁸ DG ENTR seminar on venture capital exits and secondary venture markets in Europe. 21 January 2010.

¹⁹ Global Private Equity Barometer, Winter 2009-2010, Collier Capital.

²⁰ DG ENTR seminar on venture capital exits and secondary venture markets in Europe. 21 January 2010.

Annex

Chart 1: EU27 manufacturing production index (2005=100)

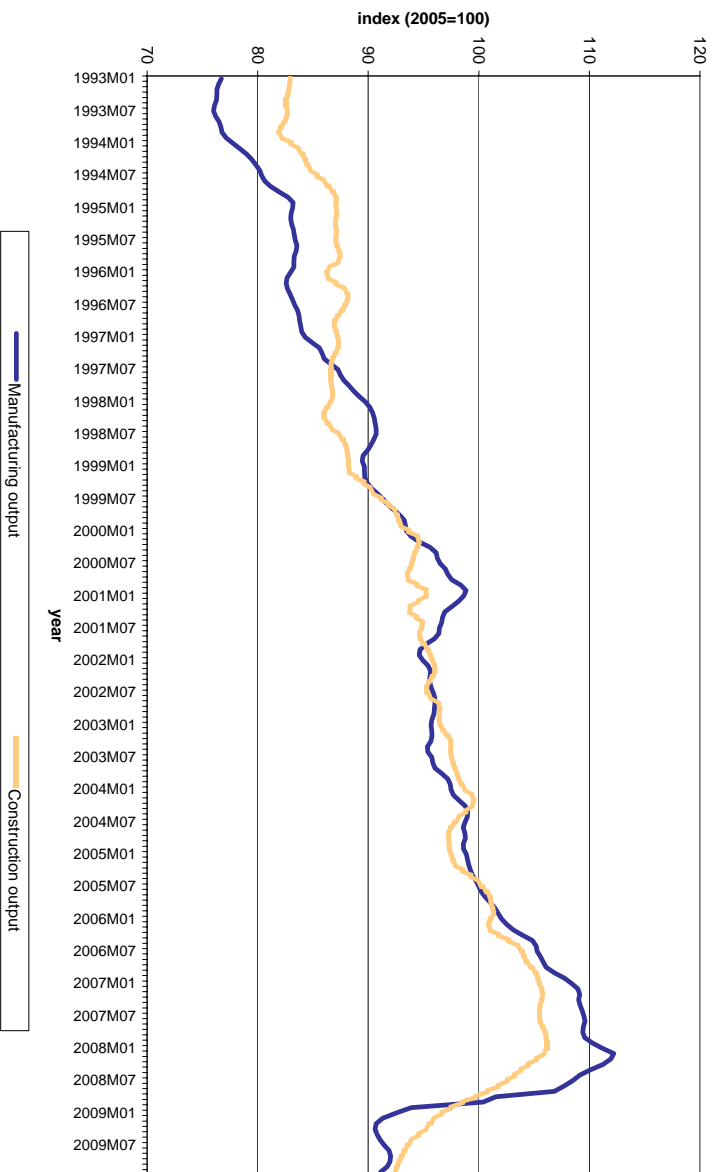
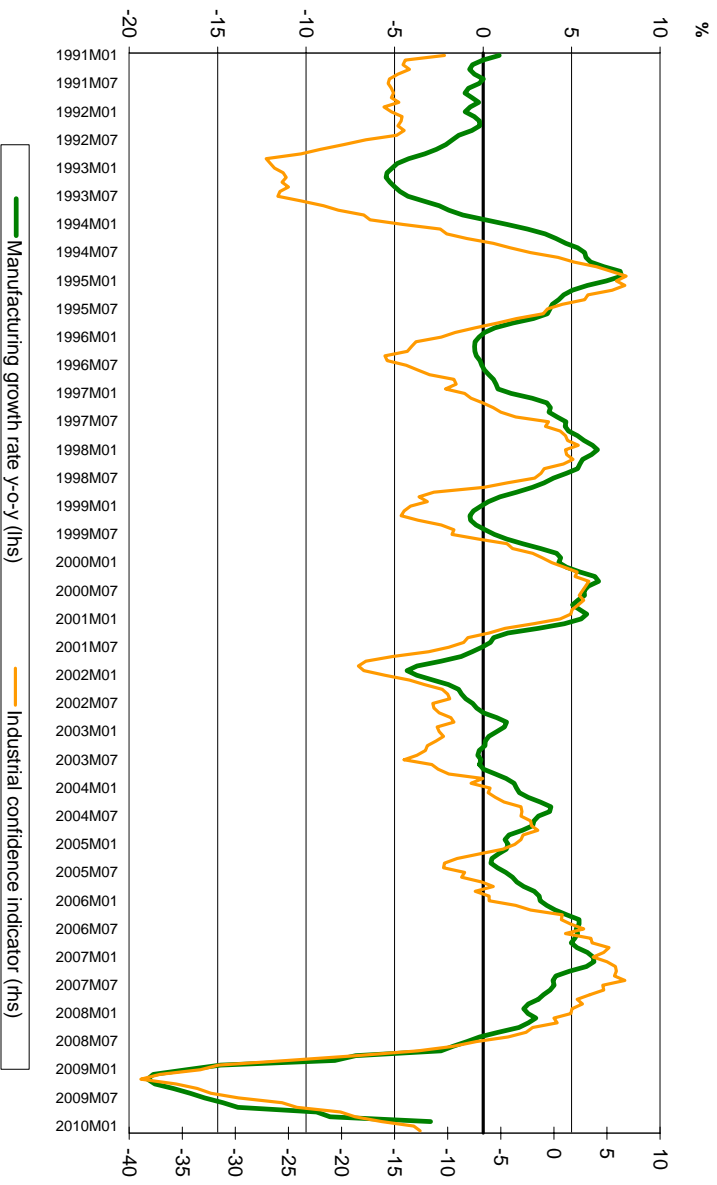
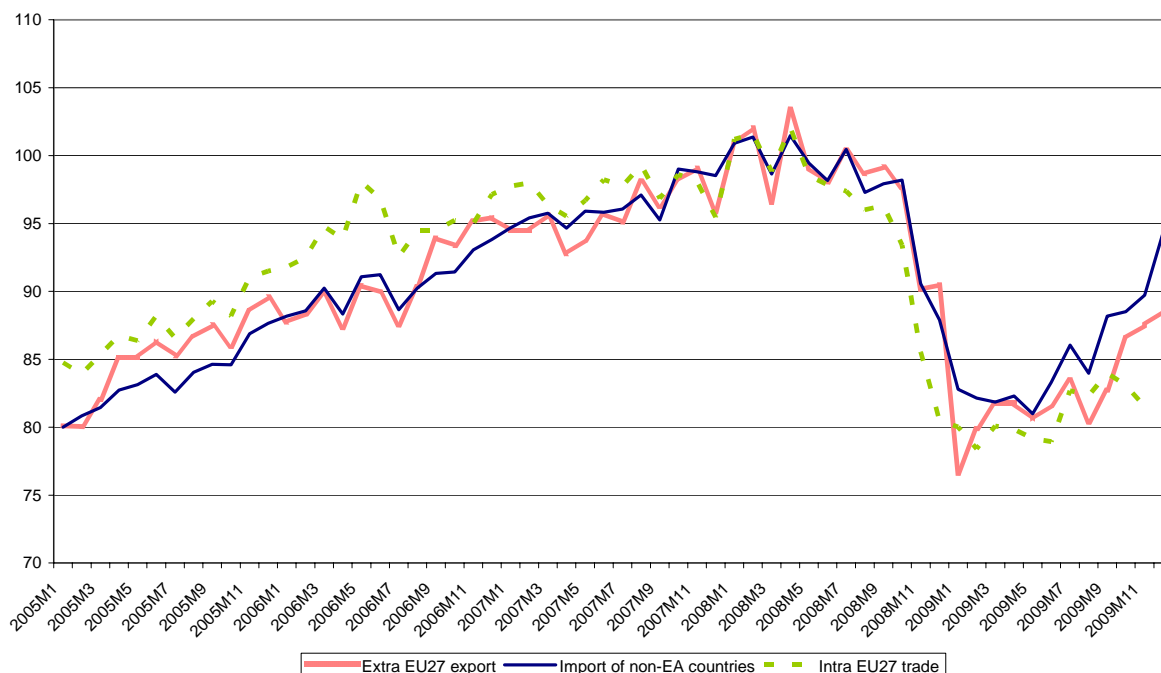


Chart 2: EU27 manufacturing production growth and industrial confidence



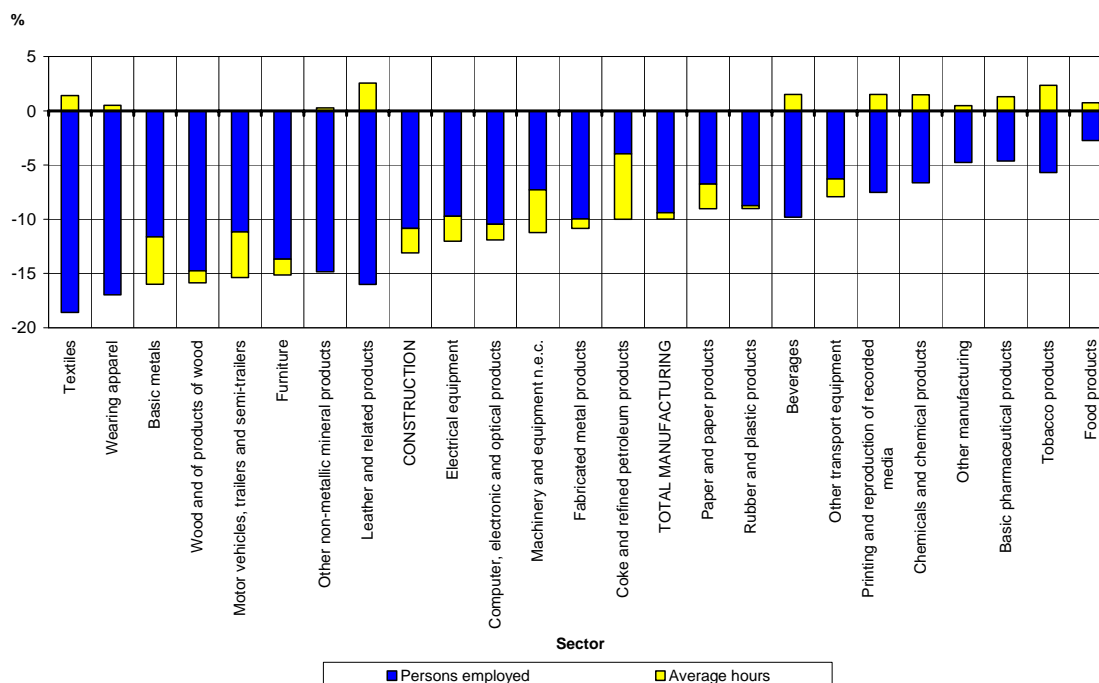
Source: Eurostat and DG Economic and Financial Affairs

Chart 3: 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 4: Breakdown of change in overall hours worked into employment and average hours - third quarter of 2009 (seasonally adjusted)

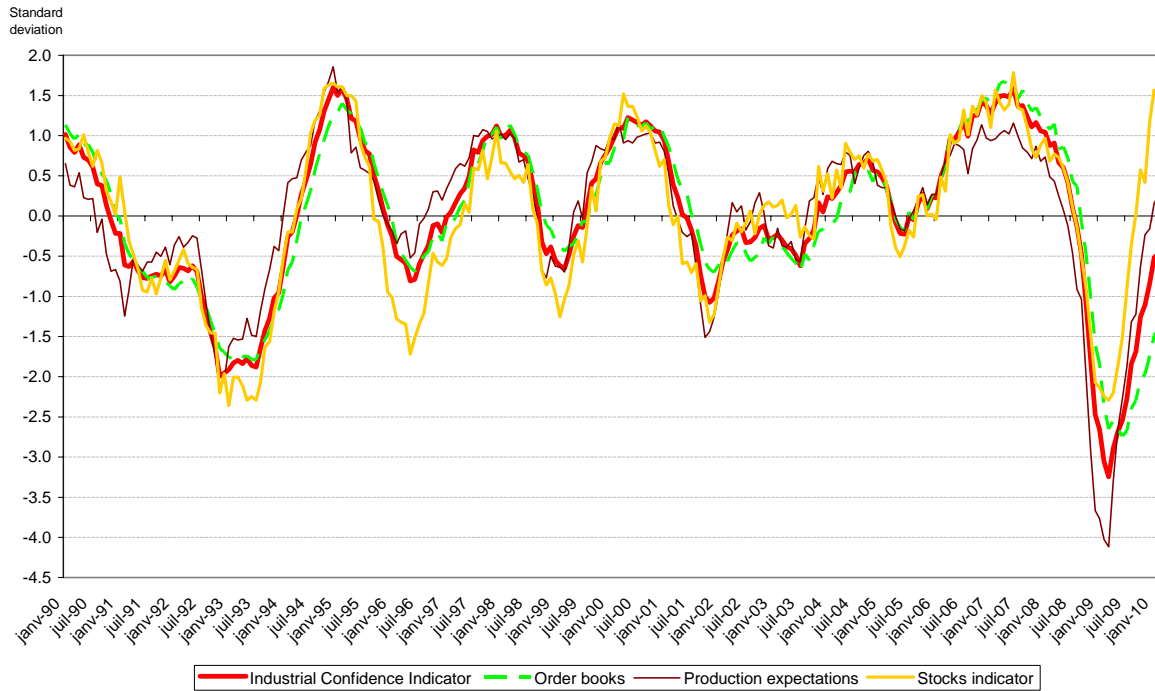


The length of each bar represents the change in overall hours worked, decomposed into the change in employment and the change in average hours per employee in comparison to the Q1 2008

Source: Preliminary data, Eurostat²¹

²¹ For more information: Sarmite Visocka "Economic downturn in the EU: the impact on employment in the business economy" Eurostat Statistics in Focus 60/2009 (August 2009)

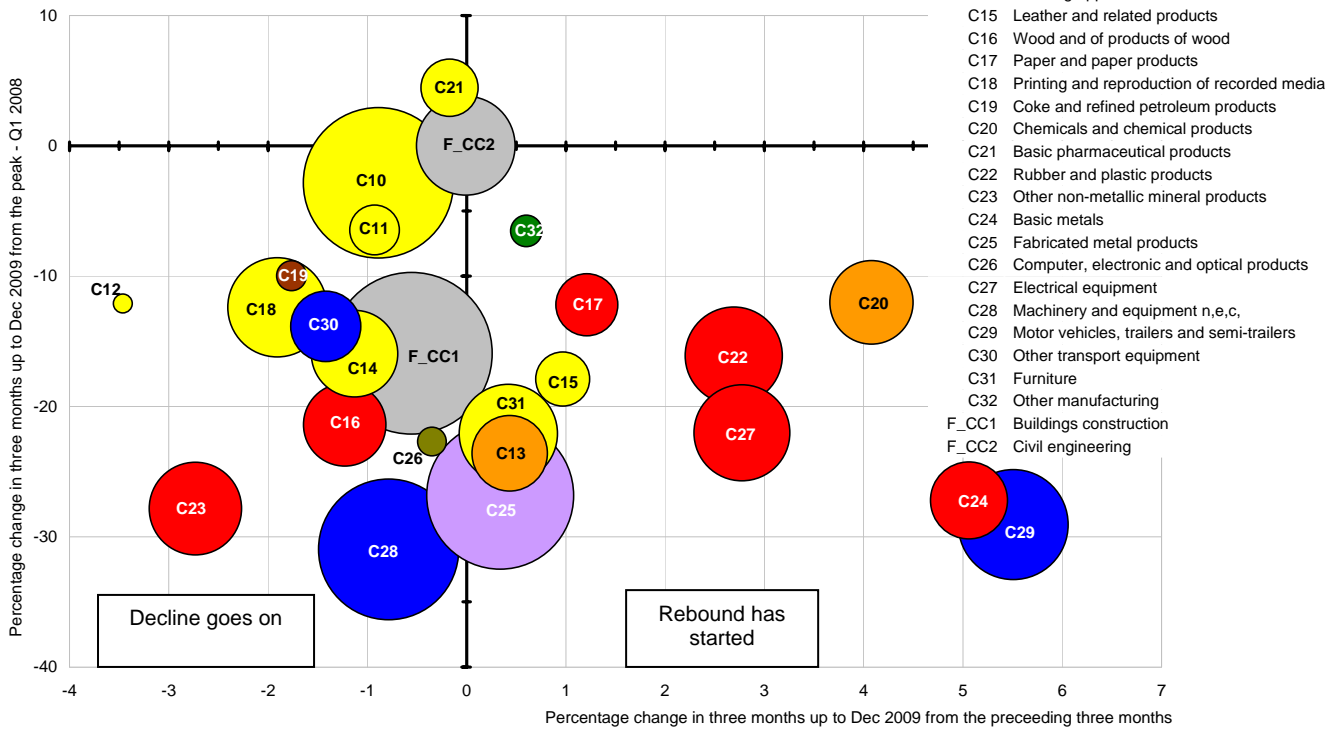
Chart 5. Industrial confidence indicator and its components – standardised values



The chart shows fluctuations of indicators around their long term average. Stocks indicator has reversed values to those of DG ECFIN stocks of finished products indicator.

Source: DG ECFIN

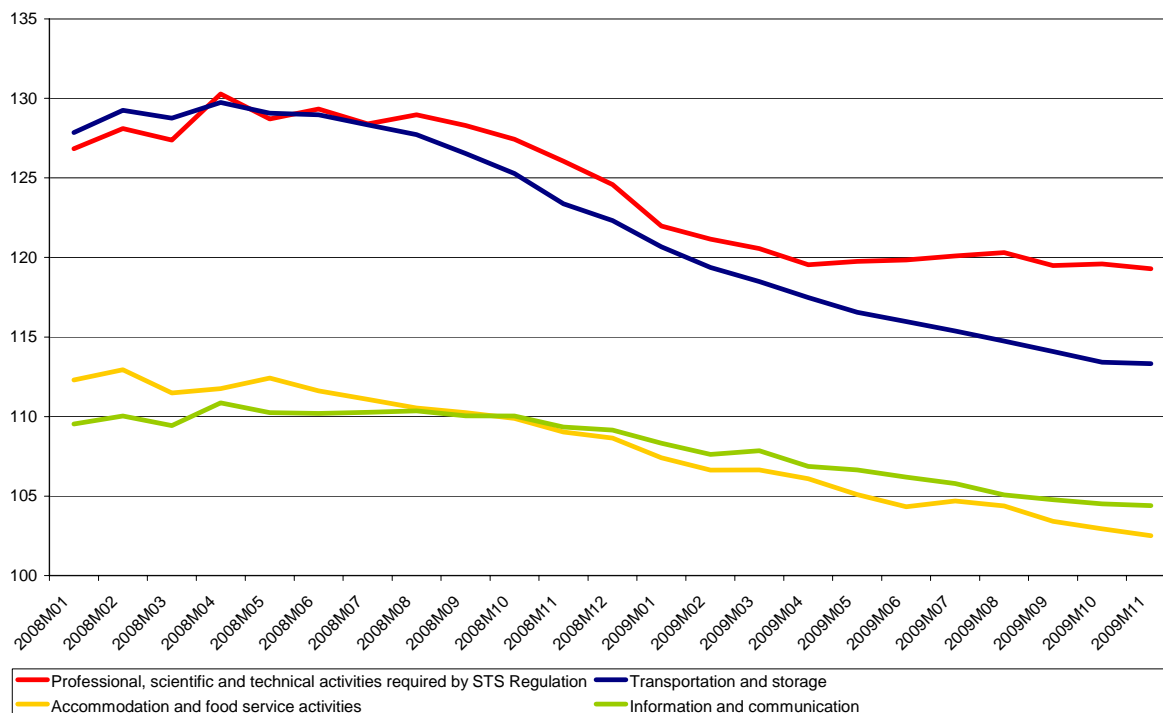
Chart 6: Sectoral output performance since onset of the crisis



* Size of the bubble reflects employment in the sector. Red colour represents intermediate, blue – capital and yellow – consumer goods. In case of sectors falling under more than one category colours are mixed.

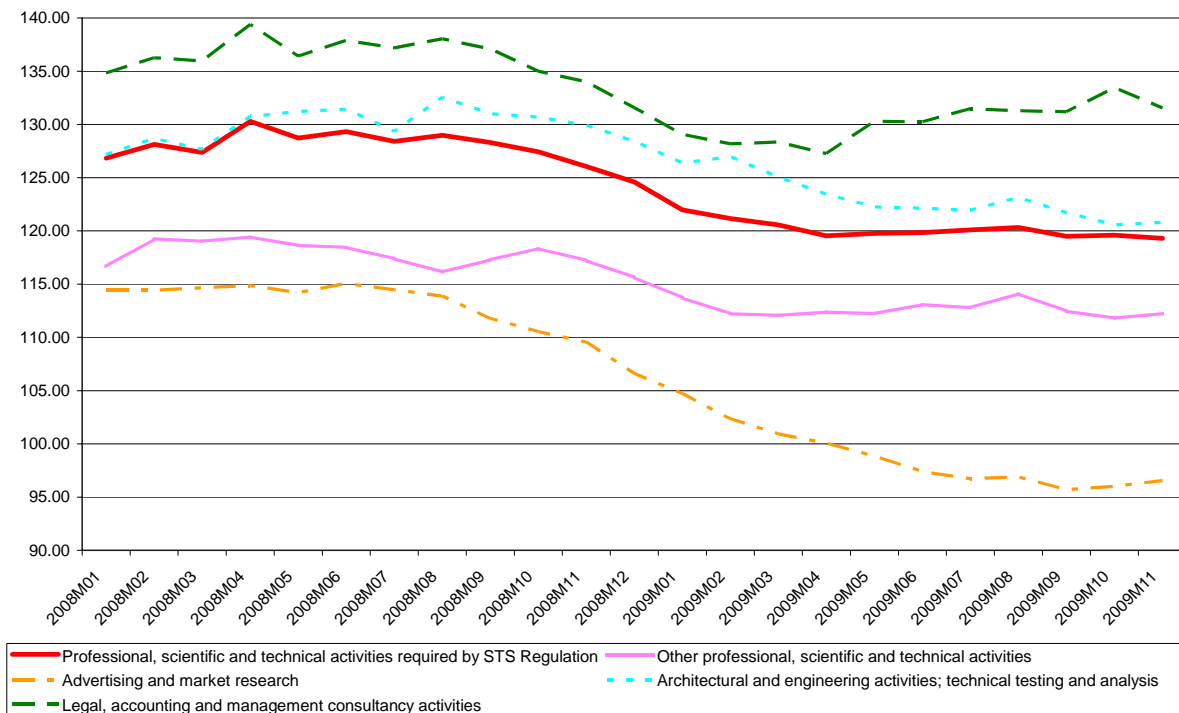
Source: Eurostat

Chart 7: Short-term dynamics of turnover in selected services sectors (2005=100, seasonally adjusted)



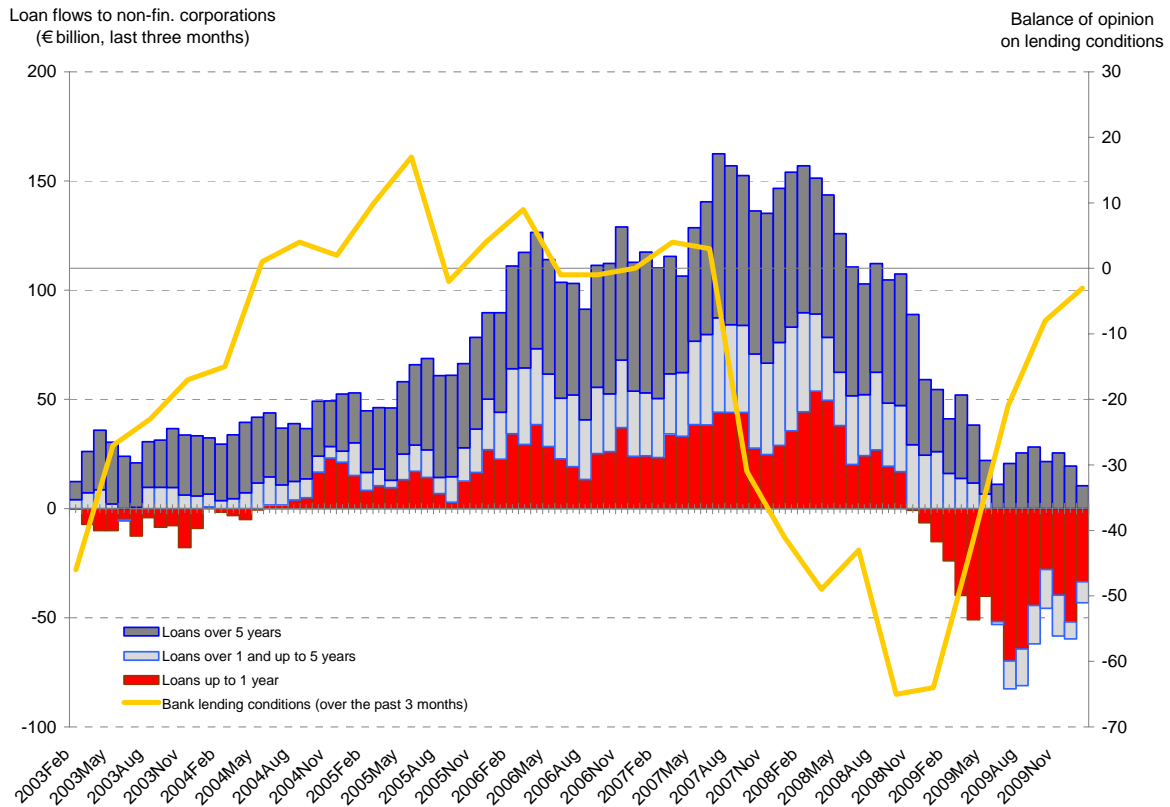
Source: Eurostat

Chart 8: Changes of turnover in business services sector (2005=100, seasonally adjusted)



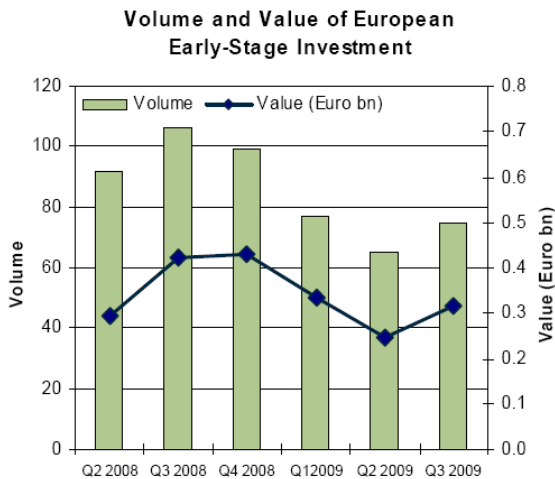
Source: Eurostat

Chart 9. Loans to non-financial corporations in the euro area (€billion, last three months)



Source: ECB

Chart 10. Early-stage venture capital statistics



	Number	Value (E m)
Q2 2008	92	294
Q3 2008	106	422
Q4 2008	99	430
Q1 2009	77	334
Q2 2009	65	247
Q3 2009	75	317
YTD 2008	288	1,171
YTD 2009	217	897

Source: unquote/Private Equity Insight (www.privateequityinsight.com)

Table 1: Manufacturing production per country – monthly variation - % change in comparison with the previous month – seasonally adjusted data

Total industry	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
EA 16	0.21	1.26	0.50	-0.85	1.68	-2.27
EU 27	0.24	0.97	0.25	-0.92	1.34	-2.33
Austria	1.84	-0.80	1.42	2.59	-1.36	:
Belgium	0.71	-0.23	0.08	-0.24	0.26	:
Bulgaria	-0.26	0.18	-4.59	2.53	0.00	-5.08
Cyprus	0.99	-5.90	3.58	0.33	-0.90	:
Czech Republic	-1.71	4.33	-0.51	0.44	-0.40	-0.75
Germany	-0.97	2.17	3.62	-1.85	0.94	-2.80
Denmark	-0.11	-2.15	-0.92	-1.28	1.30	-1.75
Estonia	3.77	2.13	-2.94	0.25	4.03	-2.42
Spain	0.25	1.32	-1.09	0.62	0.51	0.55
Finland	-1.45	2.26	0.11	-0.44	2.44	-0.86
France	1.27	2.05	-1.23	0.00	0.79	-0.79
Greece	0.19	1.14	-3.07	-1.71	2.87	-1.82
Hungary	-0.62	1.65	1.02	0.70	0.60	-4.07
Ireland	8.20	-17.46	12.49	-1.56	-9.79	-4.75
Italy	1.34	6.24	-5.42	1.19	0.35	-0.12
Lithuania	1.47	-4.44	-0.30	-3.45	2.10	1.44
Luxembourg	-4.74	2.20	8.57	-2.73	0.28	:
Latvia	-0.20	2.16	-1.76	-2.03	11.64	-5.71
Netherlands	1.05	0.83	0.51	-0.41	0.41	-2.15
Poland	-0.16	0.89	0.88	1.98	1.63	-2.14
Portugal	2.91	2.94	-2.54	-0.98	-0.44	-1.32
Romania	1.07	-0.16	2.77	2.46	0.08	-1.39
Sweden	2.49	-2.66	1.43	-1.52	0.24	-1.54
Slovenia	-0.64	5.34	1.22	-3.90	2.40	1.22
Slovakia	-2.25	10.56	6.09	0.00	0.15	-2.97
United Kingdom	0.75	-2.24	1.60	0.01	0.13	1.03

: Data not available

Source: Eurostat

Table 2: EU27 manufacturing and construction growth rate - % change in comparison to the corresponding period of the previous year and the trough (working day/seasonally adjusted data)²²

NACE code	Sector name	Average growth 2008	Average growth 2009	Average growth Q4/2009	Trough	Quarter of the trough	Change Q4/2009 over Q1/2008
C	TOTAL MANUFACTURING	-1.7	-14.7	-7.1	-19.0	Q2/2009	-18.3
F	CONSTRUCTION	-2.9	-8.2	-5.3	-12.8	Q4/2009	-12.8
C10	Food products	-0.6	-0.7	-0.8	-2.8	Q4/2009	-2.8
C25	Fabricated metal products	-2.1	-21.5	-12.8	-27.1	Q2/2009	-26.8
C28	Machinery and equipment n.e.c.	1.5	-25.6	-23.1	-31.0	Q4/2009	-31.0
C29	Motor vehicles, trailers and semi-trailers	-6.0	-22.3	2.8	-39.2	Q1/2009	-29.1
C18	Printing and reproduction of recorded media	-2.6	-7.7	-7.3	-12.4	Q4/2009	-12.4
C31	Furniture	-4.8	-16.6	-10.3	-22.4	Q3/2009	-22.1
C22	Rubber and plastic products	-4.7	-12.9	0.8	-21.4	Q1/2009	-16.1
C27	Electrical equipment	0.0	-19.9	-10.5	-24.9	Q2/2009	-22.0
C23	Other non-metallic mineral products	-6.6	-18.7	-12.0	-27.8	Q4/2009	-27.8
C14	Wearing apparel	-3.4	-11.3	-10.3	-16.0	Q4/2009	-16.0
C20	Chemicals and chemical products	-3.5	-10.5	4.5	-19.5	Q1/2009	-12.0
C16	Wood and of products of wood	-8.5	-14.2	-6.4	-21.4	Q4/2009	-21.4
C24	Basic metals	-2.9	-25.3	-5.1	-35.5	Q2/2009	-27.2
C13	Textiles	-9.9	-16.6	-5.7	-24.3	Q2/2009	-23.6
C30	Other transport equipment	4.3	-11.5	-12.3	-13.9	Q4/2009	-13.9
C17	Paper and paper products	-2.9	-9.6	-2.0	-14.9	Q1/2009	-12.2
C21	Basic pharmaceutical products	1.9	3.2	2.4	3.3	Q2/2009	4.5
C15	Leather and related products	-7.3	-12.6	-5.0	-19.3	Q2/2009	-17.9
C11	Beverages	-1.8	-2.7	0.0	-7.4	Q1/2009	-6.5
C32	Other manufacturing	-0.9	-4.6	-2.1	-7.4	Q2/2009	-6.5
C19	Coke and refined petroleum products	3.2	-7.8	-6.4	-10.0	Q4/2009	-10.0
C26	Computer, electronic and optical products	2.6	-18.1	-14.1	-22.7	Q4/2009	-22.7
C12	Tobacco products	-16.1	-2.1	-5.2	-12.1	Q4/2009	-12.1

Source: Eurostat

²² All the tables with sectoral data have been ranked according to their employment importance.

Table 3. Construction output – quarterly / monthly variation - % change in comparison with the previous quarter / month (seasonally adjusted data)

Total	Q1-09	Q2-09	Q3-09	Q4-09	Oct-09	Nov-09	Dec-09
EA16	-1.5	-1.4	-2.3	-0.8	0	-0.8	0.5
EU27	-2.3	-1.4	-1.5	-0.5	-0.2	-0.4	0.5
Belgium	3.3	-4.2	-0.1	:	3.2	-5.9	:
Bulgaria	-4	-6.3	-7.9	-11.2	-4.9	-2.2	-7.9
Czech Republic	-1.3	3.2	0.3	-0.2	-3.5	2.6	-1.4
Denmark	-3.4	-8.4	-5.2	:	-2	-0.4	:
Germany	0.6	3.3	-0.1	-1.9	-1.2	0.6	-2.6
Estonia**	-8.4	-10.8	-11.4	:	:	:	:
Ireland**	-10.9	-11.7	-9.9	:	:	:	:
Greece**	-7.6	3.2	-7.2	:	:	:	:
Spain	-0.1	-3.9	-5.2	2.7	0.8	-2.1	6.2
France	-2.3	-1.3	-1.8	-2.2	-1	-0.6	-1.9
Italy	-3.7	-0.8	-3.1	c	c	c	c
Cyprus**	c	c	c	:	:	:	:
Latvia**	-11.5	-10.7	-12.3	-11.1	:	:	:
Lithuania**	-39	-7.8	-8	-7.3	:	:	:
Luxembourg	6.2	-3.8	4.7	:	-1	-0.3	:
Hungary	-3.1	3.3	-6.3	:	-0.6	-9.5	:
Malta**	-2.2	-1.9	-2.6	:	:	:	:
Netherlands	-2.2	-2.6	-2.1	-3.1	-0.9	-0.9	-1.7
Austria	0.2	-0.5	0	:	-0.1	1.1	:
Poland	0.1	1.7	5.3	-0.9	0	1.6	-1.3
Portugal	-2.4	0	-1.9	-3.8	-4.4	4.7	-3.5
Romania	-4.7	-9.4	-7.9	2.5	-5.2	10	6.9
Slovenia	2.1	-9.2	-9.7	-8.7	2.8	-2.5	-8.1
Slovakia	-11.5	4	-3.1	-8	-7.3	11.8	-11.3
Finland	-3.8	-5.5	1.9	c	-2.3	1.3	c
Sweden	-1.9	-0.3	-0.9	-1.3	0.1	-1.2	-0.7
United Kingdom	-6.4	0.5	1.9	-1.4	-1.5	-0.5	-0.4
Building - EU27	-3.5	-2.2	-1.9	-0.5	-0.1	-0.4	0.6
Civil engineering - EU27	2.8	1.6	-0.3	0	-0.2	0.4	-0.5

: Data not available

c Confidential

** These Member States are not required to supply monthly data under Council Regulation 1165/98

Source: Eurostat

Table 4: EU27 manufacturing and construction – monthly evolution (seasonally adjusted data)

NACE code	Sector name	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
C	TOTAL MANUFACTURING	0.2	0.2	1.0	0.3	-0.9	1.3	-2.3
F	CONSTRUCTION	-0.6	-0.4	0.1	-0.4	-0.2	-0.4	0.5
C10	Food products	0.6	-0.1	-0.4	0.4	-1.6	0.6	0.8
C25	Fabricated metal products	-0.7	-0.2	1.8	-1.3	0.3	1.4	-1.8
C28	Machinery and equipment n.e.c.	-1.2	-2.8	1.8	1.6	-2.0	0.6	-2.0
C29	Motor vehicles, trailers and semi-trailers	1.7	0.5	1.0	4.0	0.6	2.2	1.4
C18	Printing and reproduction of recorded media	-1.1	-0.7	0.8	-1.3	-1.0	0.4	-1.7
C31	Furniture	-2.3	-0.1	2.1	-0.5	-0.2	1.7	-2.8
C22	Rubber and plastic products	0.9	1.3	1.6	0.1	0.4	1.7	1.5
C27	Electrical equipment	-0.1	0.0	0.8	1.1	0.1	1.1	1.4
C23	Other non-metallic mineral products	-0.2	0.2	-0.8	-0.3	-0.3	-0.4	-5.7
C14	Wearing apparel	-2.6	-2.8	2.7	-6.4	0.2	2.0	2.8
C20	Chemicals and chemical products	2.7	1.2	-1.1	1.4	0.8	4.3	-0.5
C16	Wood and of products of wood	0.8	0.1	1.9	-2.1	-0.8	1.1	-1.3
C24	Basic metals	1.6	3.7	0.0	3.7	1.6	1.6	-0.5
C13	Textiles	-1.7	1.7	-0.6	0.9	0.5	-0.1	-1.2
C30	Other transport equipment	1.4	-3.3	-0.3	0.5	0.4	0.1	-6.6
C17	Paper and paper products	0.4	0.0	0.9	1.3	-0.4	0.8	-0.2
C21	Basic pharmaceutical products	0.9	2.0	-3.6	3.3	-0.7	0.0	-1.0
C15	Leather and related products	-2.9	2.8	-1.5	-0.7	3.0	-1.6	-0.4
C11	Beverages	3.5	0.2	-1.5	2.1	-2.2	1.2	-1.4
C32	Other manufacturing	-2.2	0.5	2.0	-1.4	1.4	-0.3	-1.2
C19	Coke and refined petroleum products	-0.3	1.9	-4.0	3.4	-0.3	-3.0	-1.1
C26	Computer, electronic and optical products	-1.2	-1.8	1.0	-0.5	-0.4	0.7	-0.5
C12	Tobacco products	-2.0	-1.4	1.8	-1.3	-4.1	3.8	-4.4

Source: Eurostat

Table 5: EU27 employment growth rate by manufacturing sector - % change in comparison to the corresponding period of the previous year – gross data

NACE code	Sector name	Persons employed (000s)	Average growth 2001-2007	Average growth 2008	Average growth Q2/2009	Average growth Q3/2009	Sep-09
C	TOTAL MANUFACTURING	34412.8	-1.1	-0.1	-7.3	-9.0	-9.0
F	CONSTRUCTION	14093.2	1.8	-0.7	-7.9	-9.8	-9.6
C10	Food products	4184.9	-0.4	0.4	-1.5	-2.2	-2.2
C25	Fabricated metal products	4000.0	0.5	2.3	-8.3	-10.8	-10.9
C28	Machinery and equipment n.e.c.	3649.5	-0.3	2.6	-5.1	-8.2	-8.5
C29	Motor vehicles, trailers and semi-trailers	2234.8	-0.2	1.0	-9.3	-11.4	-11.3
C18	Printing and reproduction of recorded media	1820.0	-1.9	-1.7	-5.9	-6.5	-6.4
C31	Furniture	1800.0	-1.3	-1.8	-10.9	-11.1	-10.5
C22	Rubber and plastic products	1749.5	0.1	0.8	-7.0	-8.2	-8.2
C27	Electrical equipment	1710.0	-0.8	1.5	-8.3	-10.7	-10.8
C23	Other non-metallic mineral products	1586.5	-1.2	-2.1	-10.9	-13.5	-13.6
C14	Wearing apparel	1390.0	-5.2	-6.4	-13.6	-13.3	-13.0
C20	Chemicals and chemical products	1290.0	-1.7	-1.0	-4.9	-5.8	-5.6
C16	Wood and of products of wood	1268.7	-0.9	-1.9	-12.3	-13.1	-12.7
C24	Basic metals	1100.0	-2.0	-0.6	-8.3	-11.1	-11.3
C13	Textiles	1060.0	-5.3	-6.4	-13.8	-14.7	-14.3
C30	Other transport equipment	917.1	-0.2	2.4	-4.2	-7.2	-7.7
C17	Paper and paper products	715.0	-2.1	-1.5	-5.4	-5.2	-5.0
C21	Basic pharmaceutical products	610.0	0.5	-1.0	-4.4	-2.1	-1.6
C15	Leather and related products	548.8	-3.5	-5.9	-12.0	-12.1	-12.0
C11	Beverages	460.0	-1.3	-1.0	-7.8	-7.2	-6.7
C32	Other manufacturing	188.5	-0.5	0.3	-4.1	-5.2	-5.3
C19	Coke and refined petroleum products	168.4	-2.5	-0.4	-1.1	-4.2	-4.4
C26	Computer, electronic and optical products	154.6	-1.7	-1.4	-7.5	-9.2	-9.3
C12	Tobacco products	67.7	-4.1	-7.7	-2.9	-4.7	-5.3

Source: Eurostat

Table 6: EU27 industry new orders - % change in comparison to the corresponding period of the previous year – gross data

NACE code	Sector name	Average growth 2001-2007	Average growth 2008	2009	Q4/2009	Dec-09
C_ORD	MANUFACTURING FOR NEW ORDERS	4.6	-4.8	-23.4	-3.1	6.3
C25	Fabricated metal products	5.3	0.3	-25.5	-10.8	-4.7
C28	Machinery and equipment n,e,c,	6.2	-5.4	-32.0	-8.8	-1.2
C29	Motor vehicles, trailers and semi-trailers	5.4	-12.0	-23.0	7.7	21.2
C27	Electrical equipment	4.0	-1.5	-22.3	-7.1	-2.1
C14	Wearing apparel	0.2	-1.0	-17.0	-14.0	-12.3
C20	Chemicals and chemical products	3.8	2.6	-19.0	1.8	15.5
C24	Basic metals	7.7	-5.3	-37.8	-5.6	7.0
C13	Textiles	-2.7	-9.8	-17.1	-4.5	-2.7
C30	Other transport equipment	13.0	5.3	-17.2	1.4	29.3
C17	Paper and paper products	1.6	-1.8	-11.9	-2.0	1.6
C21	Basic pharmaceutical products	6.2	0.5	4.1	2.2	-0.9
C26	Computer, electronic and optical products	0.2	-8.6	-21.2	-9.4	3.6

Source: Eurostat

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

NACE code	Sector name	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
C_ORD	TOTAL MANUFACTURING	0.2	3.6	0.9	1.4	-1.5	2.4	0.6
C25	Fabricated metal products	-2.8	6.6	-2.3	5.4	-5.3	2.9	-2.9
C28	Machinery and equipment n.e.c.	-1.6	4.7	1.1	7.4	-2.0	7.6	-5.4
C29	Motor vehicles, trailers and semi-trailers	5.2	3.1	5.6	-1.2	-1.7	-0.7	9.0
C27	Electrical equipment	2.2	12.9	-7.2	5.2	1.7	-1.8	-1.5
C14	Wearing apparel	9.0	-1.5	-5.0	-2.2	-0.6	0.4	0.7
C20	Chemicals and chemical products	0.0	4.0	0.4	-0.8	2.6	3.8	2.7
C24	Basic metals	8.9	5.4	0.4	7.0	-2.3	0.6	1.5
C13	Textiles	5.8	6.0	-4.5	1.3	-0.3	-0.7	0.3
C30	Other transport equipment	3.3	3.1	-25.7	65.1	-46.1	10.3	39.8
C17	Paper and paper products	-0.8	1.7	-0.6	0.4	2.0	0.2	-1.9
C21	Basic pharmaceutical products	9.8	-5.6	-5.1	14.3	-7.1	1.5	-3.1
C26	Computer, electronic and optical products	4.5	-1.4	-3.0	3.9	-2.4	3.1	11.9

Source: Eurostat

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

NACE code	Sector name	Average growth 2002-8	Average growth 2009	Nov-09	Dec-09
DE 22	Publishing & printing	-1.5	-1.8	-10.4	-20.5
DM 35	Other transport equipment	1.0	-5.2	-12.2	-14.8
DB 18	Wearing apparel	3.9	-7.5	-13.7	-11.2
DL 32	Radio, TV and communication equipment	2.2	-5.2	-13.6	-9.9
DK 29	Machinery & equipment n.e.c.	8.4	18.5	-13.3	-9.4
DJ 28	Fabricated metal products	8.1	-18.2	-12.8	-8.4
DL 31	Electrical machinery and apparatus n.e.c.	9.6	-13.9	-5.2	-8.1
DN 36	Furniture; manufacturing n.e.c.	1.2	-18.1	-2.3	-8.1
DL 30	Office machinery & computers	-3.2	-12.9	-6.4	-6.3
DC 19	Leather	2.5	-15.8	-9.4	-5.4
DD 20	Wood & of products of wood	2.9	-16.5	-1.1	-2.4
DL 33	Scientific and other instruments	5.3	-6.8	-5.1	-2.1
DB 17	Textiles	3.8	-16.1	-2.0	-1.7
DI 26	Other non-metallic mineral products	2.9	-18.8	-4.2	-1.6
D	EU manufacturing	6.8	-16.3	-2.5	-0.5
DM 34	Motor vehicles	6.5	-31.8	8.6	3.2
DA 15	Food & beverages	4.5	-7.7	1.8	4.8
DJ 27	Basic metals	14.9	-25.1	-8.9	5.3
DH 25	Rubber & plastic products	7.0	-15.2	3.1	8.9
DE 21	Pulp, paper & paper products	4.6	-13.1	12.3	15.6
DG 24	Chemicals & chemical products	6.1	-1.3	9.4	16.1
DF 23	Coke & refined petroleum	25.9	-32.2	1.8	19.8

Source: DG Trade

The publication has been prepared by Unit B2, Development of Industrial Policy, Enterprise and Industry DG

 © European Union
 Reproduction is authorised provided the source is acknowledged