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European Commission

The Economic Recovery in Industry

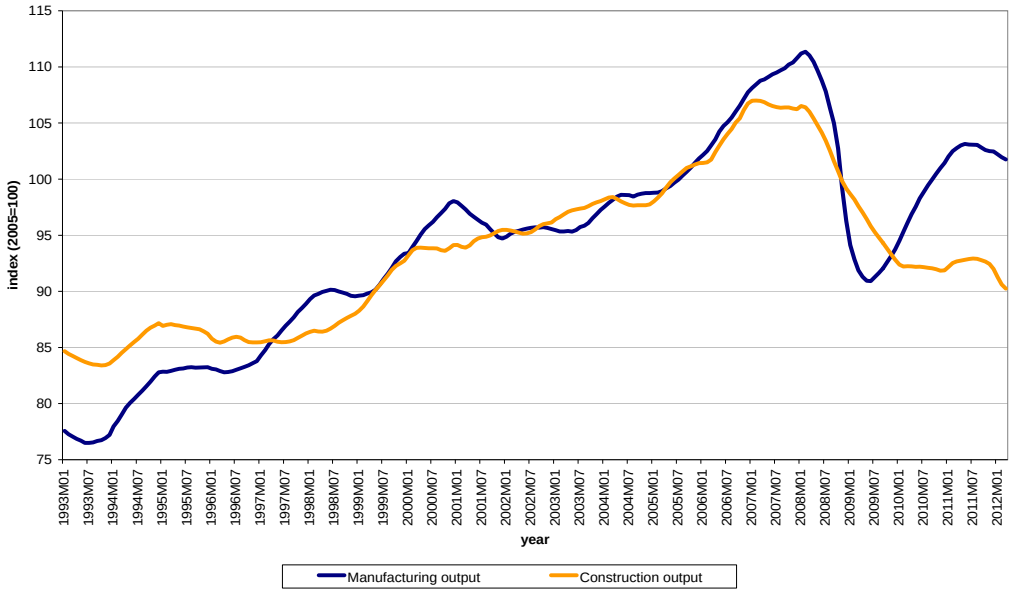
May 2012

(updated on the basis of data published up to 24th May 2012)

The serious interruption in the economic recovery of industry since the second half of 2011 continues to affect economic prospects. Trend-adjusted manufacturing output in the first quarter of 2012 was a percentage point lower than in the second quarter of last year, whilst headline industrial production has fallen back somewhat further owing to developments in the mining and energy sectors. The ECFIN industrial confidence indicator remains at its longer-term average, whilst the PMI confidence indicator indicates further contraction in the euro area. Uncertainties about the economic outlook, high international raw materials and energy prices and on-going difficulties in access to finance continue to weigh down business confidence. Construction output has also fallen in recent months, with a strong contraction in civil engineering (roads, bridges etc.).

Overall in the first quarter of 2012, manufacturing production was some 0.8% lower than a year ago and also some 0.6% below the level registered in the preceding three months. The situation varies across sectors with most capital goods sectors maintaining their expansion, whilst consumer goods sectors have contracted. In the first quarter of 2012, the highest growth was registered in chemicals, computer and electronics, and machinery and equipment sectors, whilst the biggest declines in production occurred in leather, other non-metallic products, and beverages. 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

International demand for EU products has increased rapidly and has supported EU manufacturing production (see article in the March issue). Extra-EU exports have already recovered 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 fourth quarter of 2011 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** indicate continued weakening of the trend since the middle of last year. In the first quarter of 2012 seasonally adjusted output was 0.6% lower compared to the preceding quarter, and 0.8% below the level a year earlier. However, on the volatile month-on-month basis, output in March actually rose by 0.7%, following a contraction of 0.8% in February. In contrast, the aggregate for **industrial output**[1] registered a decline of 0.4% in March driven by a steep fall in energy sector. Trend adjusted manufacturing output is now some 11.4% higher than its cyclical trough in April 2009 and 8.6% below its peak in February 2008.

The situation in **construction** is worse. Trend-adjusted output continues to fall, reaching its new record low levels that are now over 15% below its pre-crisis level from January 2008. Seasonally adjusted construction output in the first quarter of 2012 was 3.6% lower than a year ago, largely reflecting the weak performance of buildings construction sector. Nonetheless, the situation in civil engineering also deteriorated and its production declined by some 3.7% on a yearly basis.

The most recent **confidence surveys**[2] show that economic sentiments remained relatively stable in April 2012 following a decline in March. The overall Economic Sentiment Indicator (ESI) was unchanged in the EU, mainly as a result of the improvements in the UK, but decreased by 1.7 points in the euro area. In both regions the ESI remains below its long-term average. The deterioration was mainly driven by decreasing confidence in industry and construction. Among the largest Member States, Italy, Poland, Spain and Germany reported decreases, while the UK and the Netherlands experienced improvements in sentiments. The ESI is currently above its long-term average only in Germany.

Industrial confidence in April worsened slightly in the EU (-0.6), but quite substantially in the euro area (-1.9). Managers were more pessimistic about production expectations and order books, while their assessment of stocks of finished products improved (see chart 2).[3]

According to the first estimates the **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 in April although the average input prices rose for the fourth consecutive month. Slower inflation reflected weaker demand for raw materials and an easing of supply-side constraints. Similarly, strong competition and weak demand continued 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 accelerated in recent months (see chart 4) following some moderation throughout most of 2011. In contrast, intra-EU trade continues to be subdued reflecting the weak and uneven pattern of economic

[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*, April 2012

[4] *Markit Flash Eurozone PMI, News Release 24/05/2012*

[5] *Markit Eurozone Manufacturing PMI*, News Release 02/05//2012

activity in Europe. In the last three months up to February 2011, intra-EU exports in volume terms rose by only 16%, whilst extra-EU exports increased by some 38% 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 last three months to February 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 March 2012, overall **industrial production** in the EU27 was 1.9% lower than a year earlier. The expansion was registered only in the production of capital goods (2.3% y-o-y). Some worsening of the situation was registered in intermediate goods (-3%), durable consumer goods (-6.7%), and non-durable consumer goods (-2.4%).

Looking at specific sectors, the highest increases in output on a three month basis up to March 2012 were registered in chemicals, computer and electronics, and machinery and equipment. Production fell back mainly in consumer goods sectors with the biggest declines registered in leather, other non-metallic products, beverages and basic pharmaceuticals 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 February 2012, **extra-EU manufacturing exports** were 11.4% 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 all sectors with the highest rises in coke and refined petroleum products, tobacco, basic metals and leather 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. Despite persistent economic uncertainty, Europe was the best performing region, where tourist arrivals reached 503 million in 2011 (6% increase in comparison to 2010).[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 with just moderate growth of 0.8% expected for 2013.[8]

4. EMPLOYMENT AND PRODUCTIVITY DEVELOPMENTS

Employment data indicate a downturn in employment recovery. In the fourth quarter employment declined by 0.2% compared with the previous quarter, following a similar fall in the third quarter. Employment stood at 223 million, representing a decrease of 0.5% compared to a year earlier.[9]

In the fourth quarter of 2011 compared to the previous quarter, employment in construction was still shrinking, while employment in industry remained broadly stable. Among service sectors the highest increases were registered in real estate and professional services, while employment in the public sector remained stable.

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

[7] World Tourism Organization UNWTO, *World Tourism Barometer*, March 2012.

[8] European Travel Commission, *European Tourism 2011…op. cit.*

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

Data for March 2012 for the EU27 **unemployment rate** showed that it was stable at the record level of 10.2%, compared with February 2012. On a year-on-year basis unemployment increased by 2.123 million and now stands at more than 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 also climbed and now stands at 10.9%, 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 22.6% in the EU27, while the overall unemployment duration has risen, resulting in increasingly persistent unemployment.

Employment in manufacturing in the fourth quarter of 2011 was still 11% below the peak in the first quarter of 2008. The largest falls of over 20% were recorded in wearing apparel and textiles, followed by furniture and other non-metallic mineral products industries. In the sectors benefiting from export opportunities those contractions were significantly lower, but still around the average, which indicates strong reliance on the internal market. In the fourth quarter of 2011 a small contraction was registered offsetting partially improvements in the first half of 2011. Thus, in the last quarter jobs in manufacturing were 0.3% lower than in the previous quarter and some 0.5% higher compared to a year ago.

Preliminary Eurostat data on **overall hours worked in manufacturing** show that in the fourth quarter of 2011 they were 10.5% down since the cyclical peak in the first quarter 2008 (see chart 6). Labour input as measured in hours fell visibly in the last quarter of 2011 following some small improvements in the previous quarters. Overall labour inputs have fallen again below the adjustment of output, with considerable differences seen between sectors.

In the fourth quarter of 2011, **construction employment** was still shrinking with a reduction of 2.9% of the number of persons employed compared to the fourth quarter of 2010.

[10] Eurostat, *Euro area unemployment rate at 10.9%*, News release 02/05/2012.

5. COUNTRY-SPECIFIC DEVELOPMENTS

Among the countries for which data are available for March 2012, **manufacturing production** on annual comparison rose in seven, and fell in sixteen 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 Latvia (+15%), Slovakia (+9%), Poland (+6%), and Denmark (+5%) and the biggest decreases in Greece (-15%) and Cyprus (-12%).

Recent months have moderated the recovery and only in Poland and Slovakia **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 March 2012 in the Member States for which data were available rose on annual basis in five, and fell in nine. In the last three months to March 2012, compared to the same period last year, construction output rose fastest in Poland (+16%), Finland (+12%) and Sweden (+7%), and fell most markedly in Slovenia (-21%), Portugal (-15%) and Italy (-14%). However, a month-on-month comparison showed more encouraging data. Compared with February 2012, construction output in March rose 12.4% in the eurozone and 11.8% in the EU27 driven by, in particular, a rebound of the German construction output by 30.7%. Nonetheless, the monthly data is highly volatile and given steep contractions in February it should be interpreted with caution.

Among the countries for which data are available for the fourth quarter of 2011, **employment** expanded in eleven Member States, declined in ten and remained stable in two Member State compared to the previous quarter. Among larger Member States, Poland and Germany experienced the strongest revivals. In contrast, employment in Spain continued to decline falling by 1% compared to the previous quarter.[11]

The EU27 aggregate **unemployment rate** continues to mask an increasing divergence in

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

the changes of unemployment rates among the Member States. In March 2012 compared with a year ago, the unemployment rate fell in eight Member States and increased in nineteen.[12] The largest falls were observed in Lithuania (17.5% to 14.3% between the fourth quarters of 2010 and 2011), Latvia (17.1% to 14.6% between the fourth quarters of 2010 and 2011) and Estonia (13.9% to 11.7% between the fourth quarters of 2010 and 2011). The highest increases were registered in Greece (14.7% to 21.0% between January 2011 and January 2012), Spain (20.8% to 24.1%) and Cyprus (6.9% to 10.0%). Among the Member States, the lowest unemployment rate was recorded in Austria (4.0%) and the highest in Spain (24.1%).

6. ACCESS TO FINANCE

The latest European Central Bank (ECB) data for March indicate that the annual growth rate of **loans to non-financial corporations** (NFCs) declined further to 0.3% from 0.6% in February and 0.9% in January. The negative trend for loan flows can be observed since the second half of 2011, with the main outflow observed for short-term loans. Contractionary forces from the end of 2011 continued to be observed in the first months of 2012 accompanied by some substitution of loans with short to medium-term maturities for loans with longer maturities.[13]

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.[14]

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).[15]

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.[16]

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).[17]

When asked about the actual outcome of their bank loan applications, 13% of the SMEs reported that their application had been rejected

[12] Eurostat, *Euro area unemployment rate at 10.9%*, News release 02/05/2012.
13 ECB, *Monthly Bulletin*, May 2012

[14] The Euro Area Bank Lending Survey, April 2012, ECB.
[15] Ibid.
[16] Ibid.
[17] ECB, *Survey on the access to finance of small and medium-sized enterprises in the euro area*, April 2012

(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).[18]

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.[19]

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. [20]

The deteriorating economic outlook and the sovereign debt crisis have also taken their toll on the availability of **venture capital**. Many venture capital funds are nursing their portfolio of companies and are shunning new deals. Venture exits have decreased by 25%, amounting to €1 billion. Venture performance has remained weak, apart from those in the top quartile, emphasising the importance of careful selection by investors.[21]

Of the about €4 billion that EU venture capital firms managed to raise in 2011—half of the 2007 total—around 40% came from government agencies. That is a big increase from pre-crisis days, when government funds provided 10% of new capital; and a lot more than European private-equity firms, which drew 8% of their funding from public sources in 2011.[22]

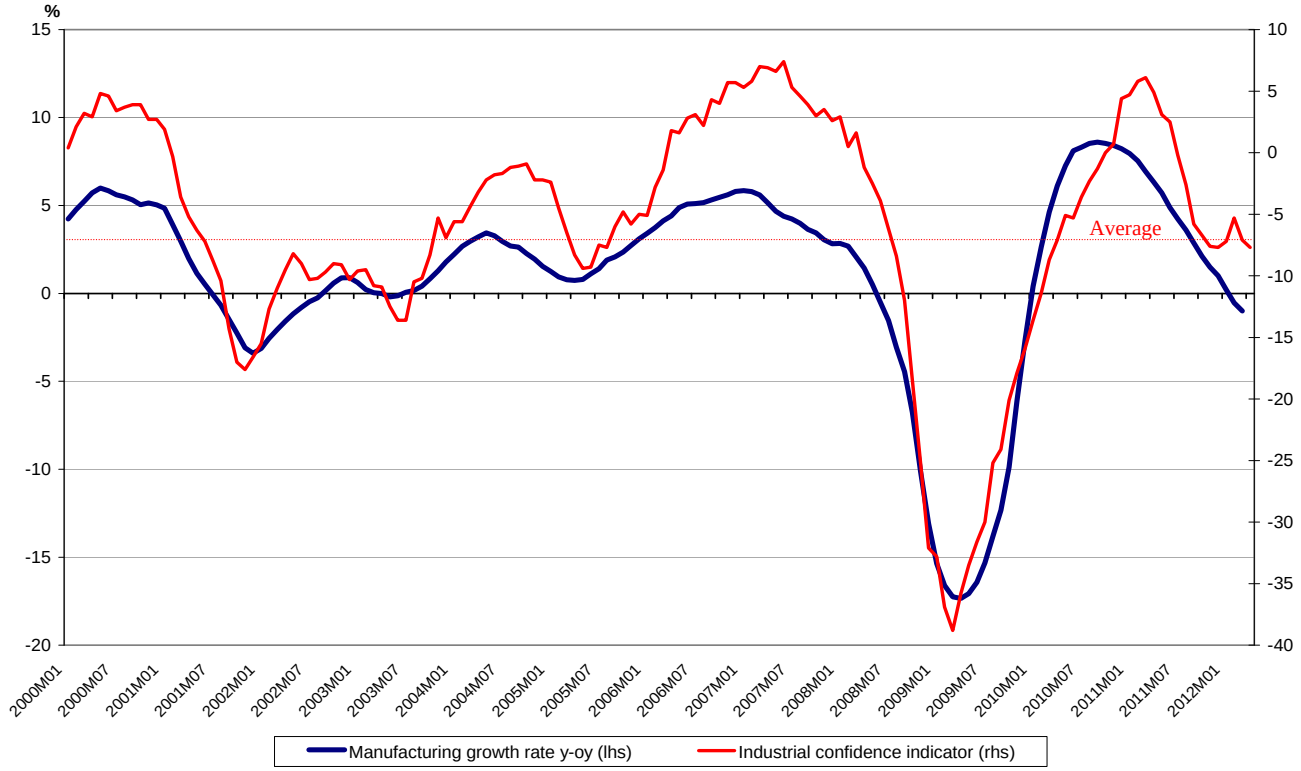
European early-stage investing is now unquestionably in a protracted slump. With limited LP interest in the segment due to historically poor returns and a volatile climate exacerbating the risks of investing in young businesses, the venture capital sector has seen activity dwindle further from the already low levels witnessed through 2011. 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 €263m to a little less than €177m.[23]

[18] Ibid.
[19] Ibid.
[20] Ibid.

[21] EIF, *European Small Business Outlook*, 2/2011.
[22] Economist, 19 April 2012. http://www.economist.com/node/21552936
[23] Arle, unquote, *Private Equity Barometer*, Q1 2012

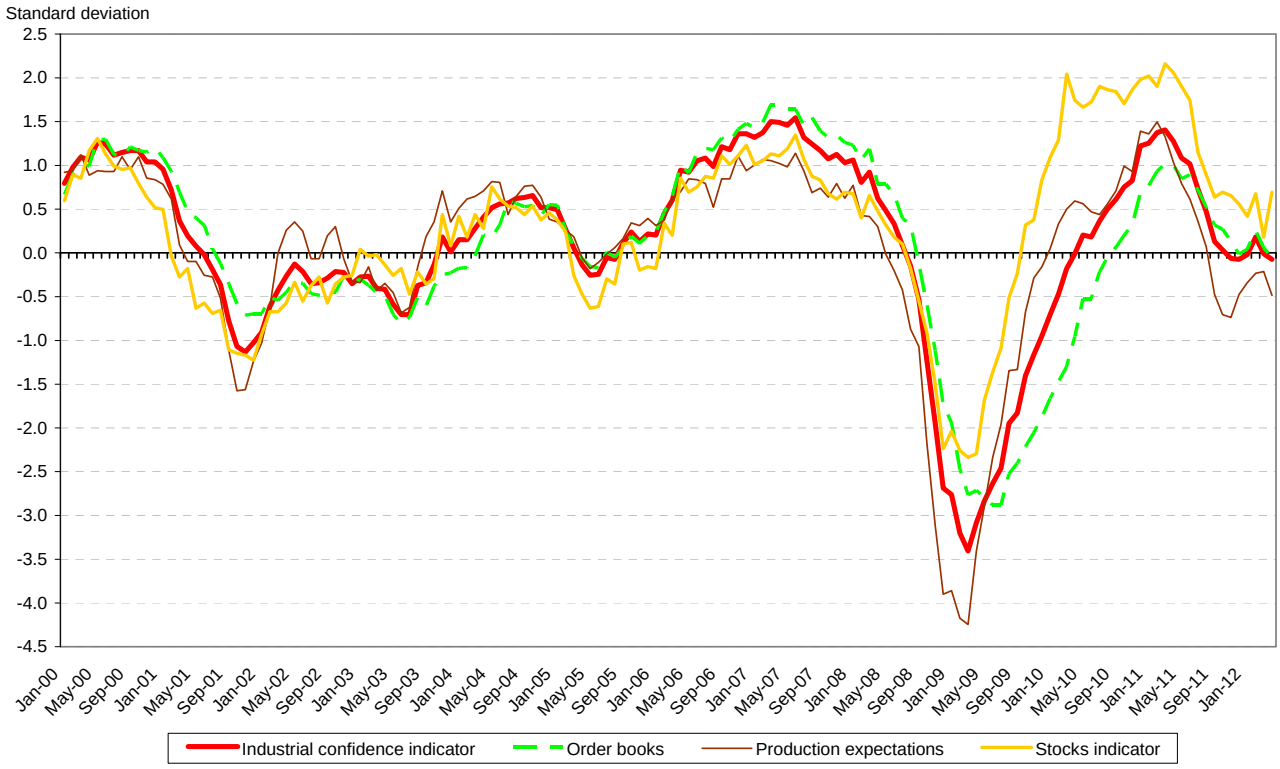
Annex

Chart 1: EU27 manufacturing production growth and industrial confidence indicator



Source: Eurostat and DG Economic and Financial Affairs

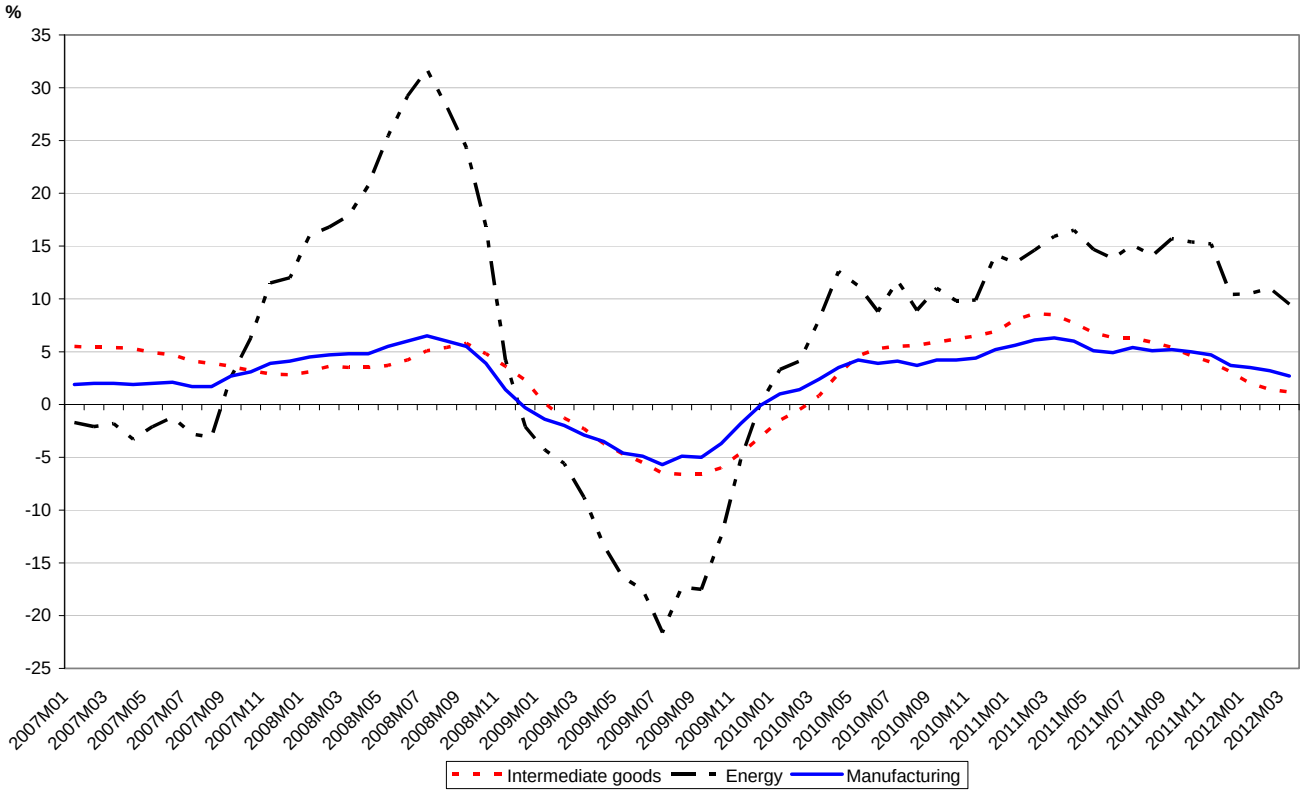
Chart 2: Industrial confidence indicator and its components – standardised values



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.

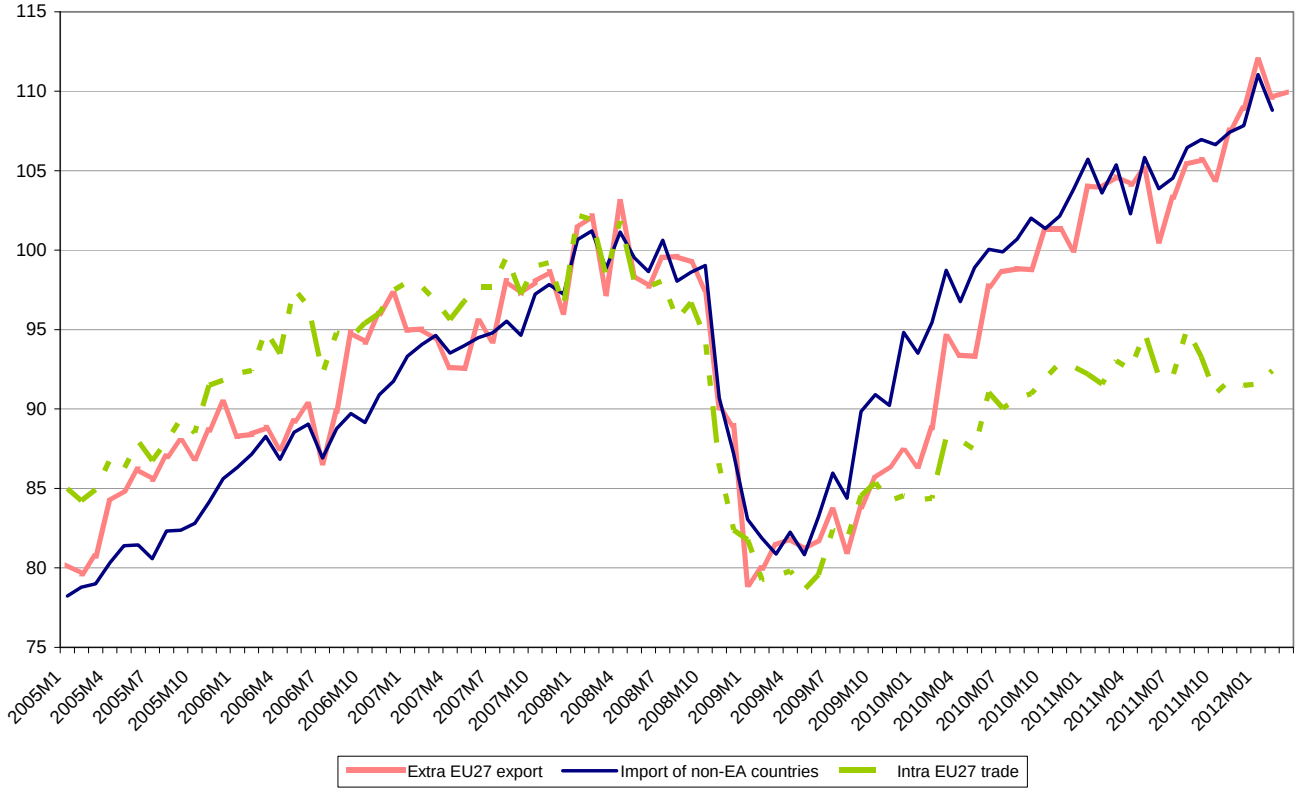
Source: DG ECFIN

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

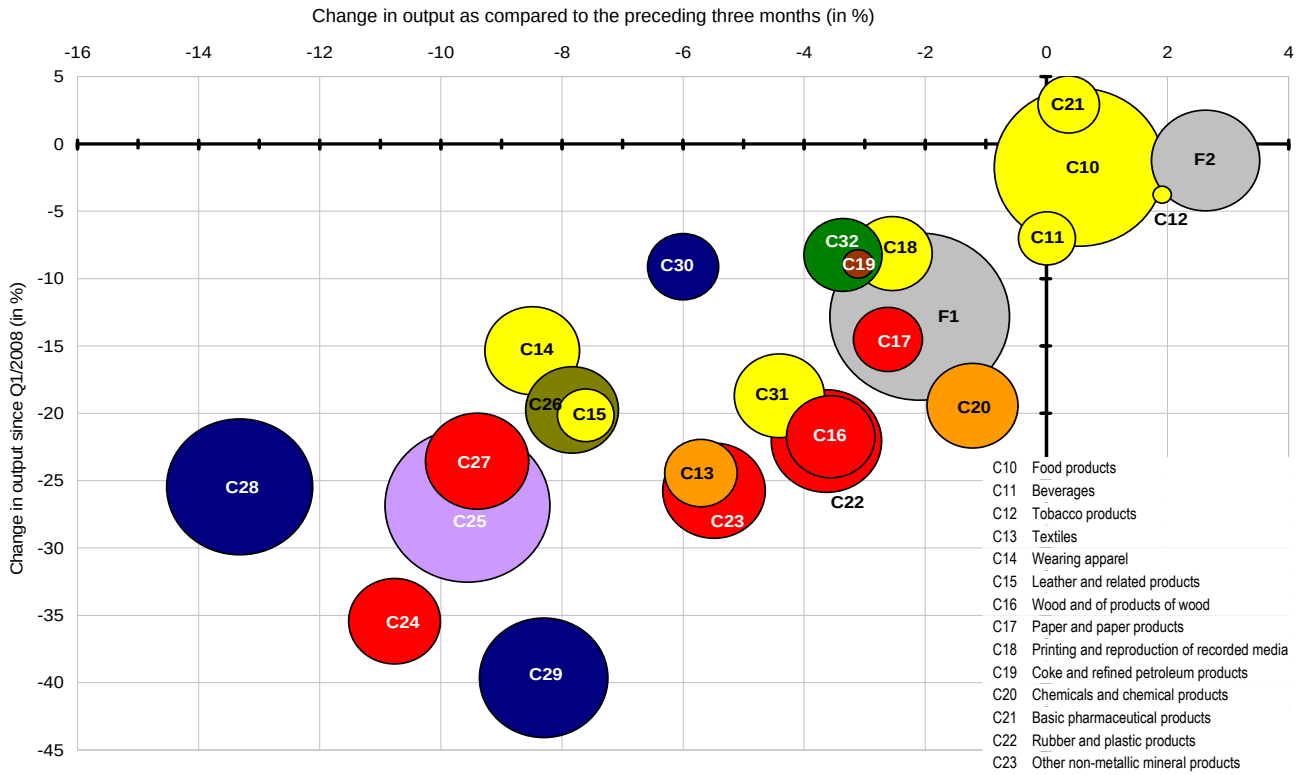
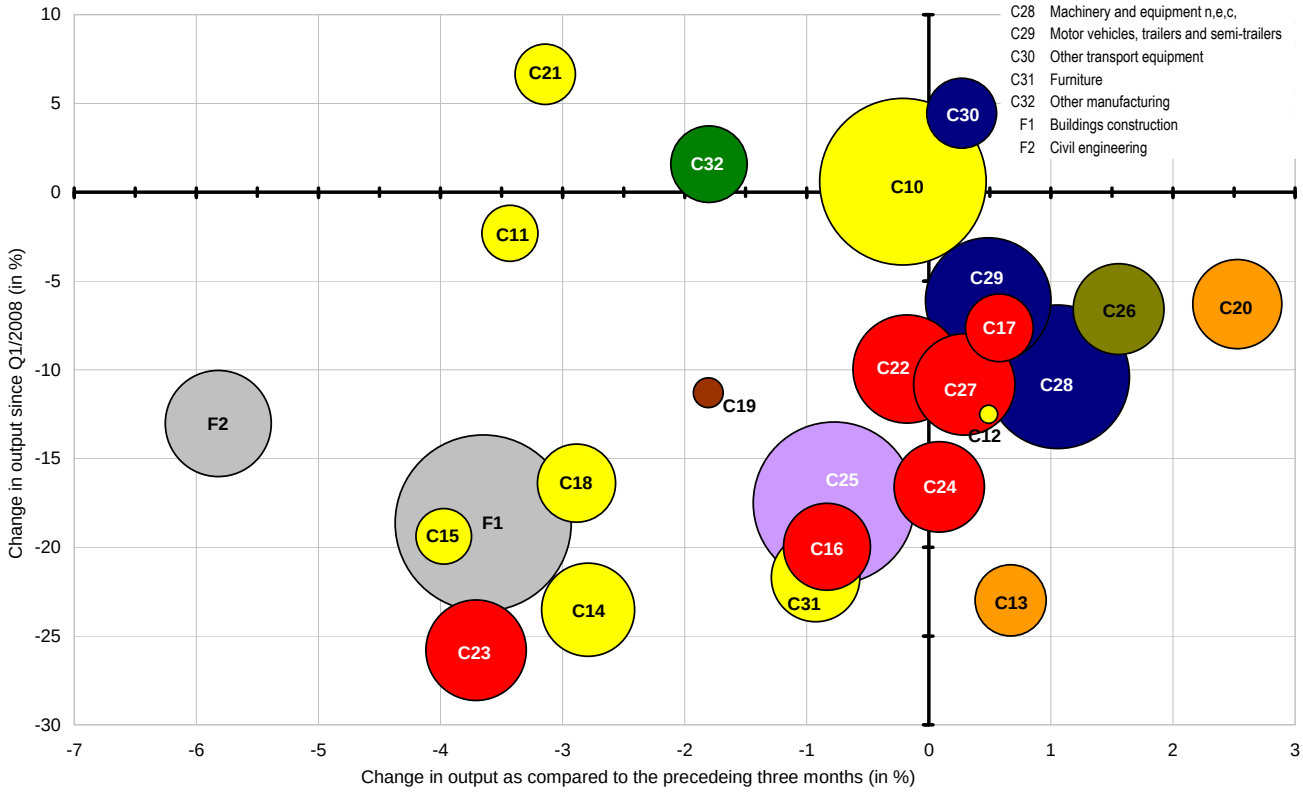


Chart 5b: Sectoral output performance since onset of the crisis – March 2012

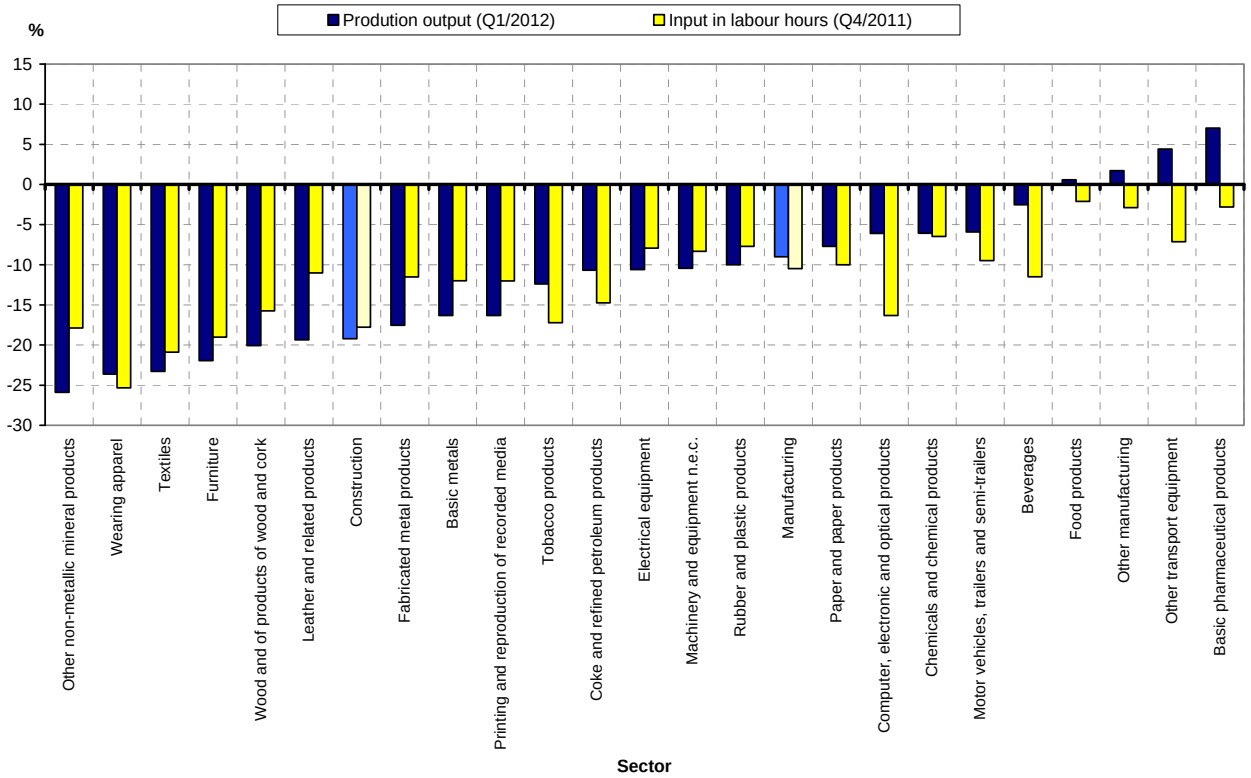


Sectors falling under more than one category of goods are in secondary colours. The size of the bubble reflects employment in the sector

Intermediate goods Capital goods Consumer goods Construction

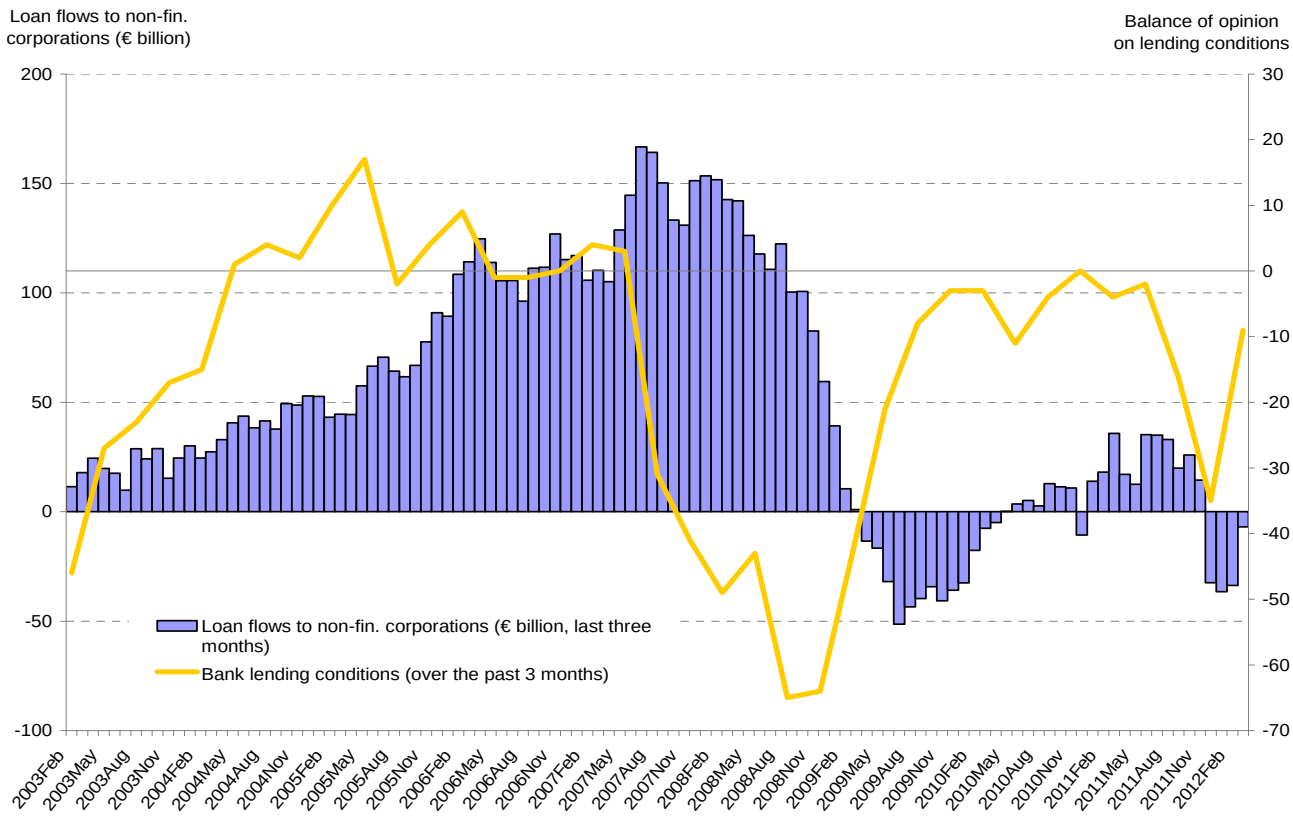
Source: Eurostat

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 March 2012*)

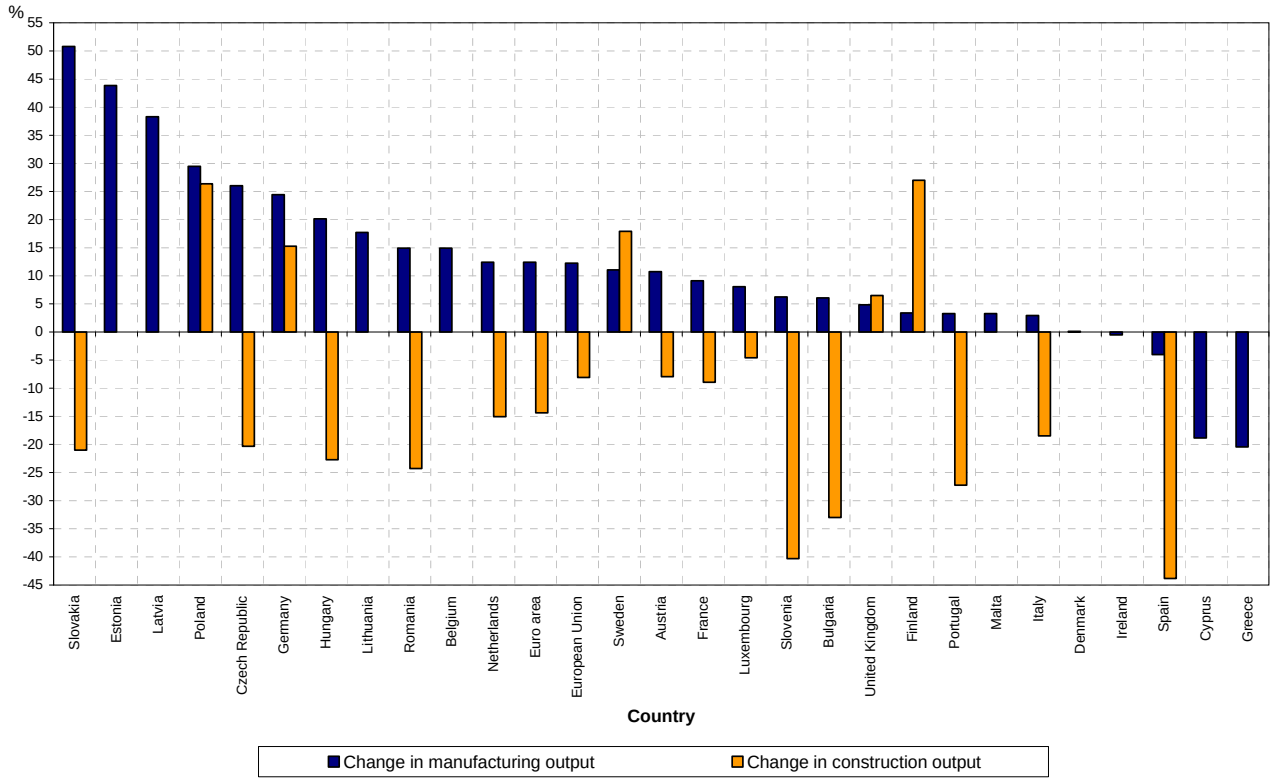
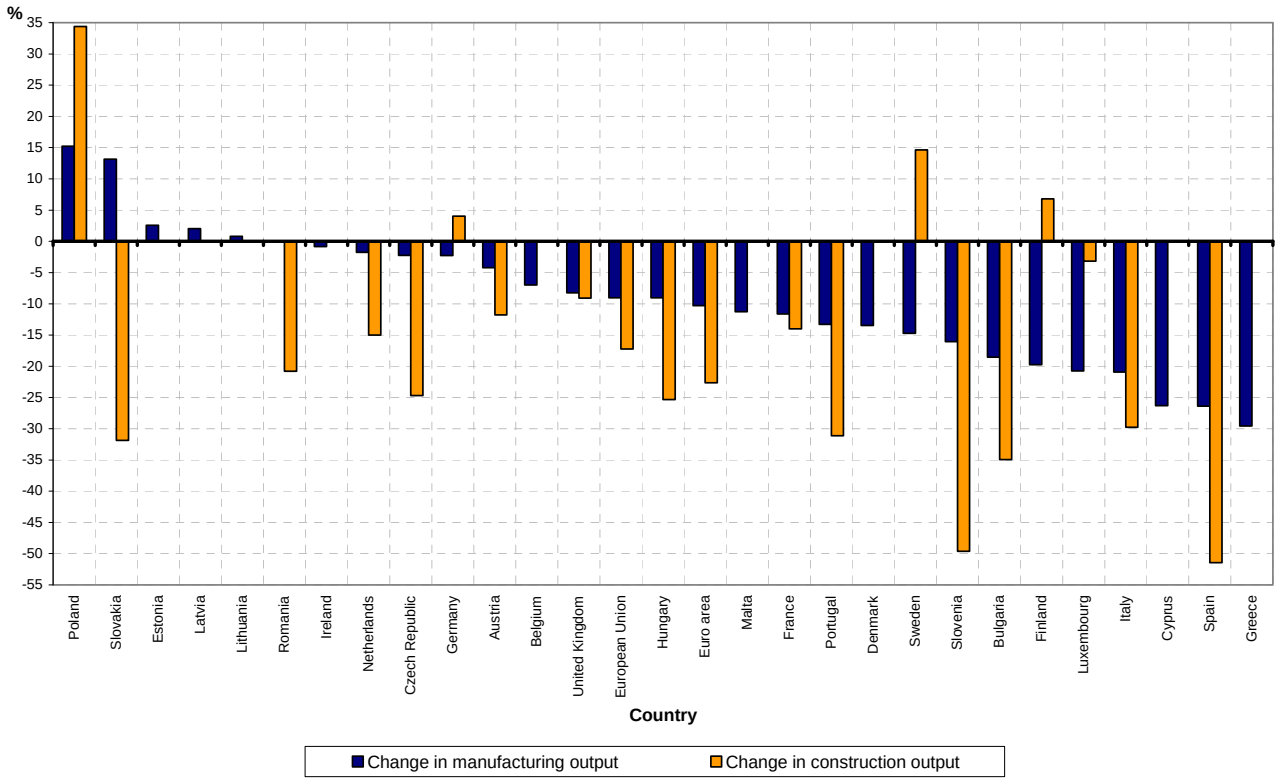


Chart 8b: Change in manufacturing and construction production since the cyclical peak (Q1 2008) in Member States (seasonally adjusted, last three months to March 2012*)



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	Q2/2011	Q3/2011	Q4/2011	Last 3M to Mar 2012	Jan-12	Feb-12	Mar-12	Difference Q1/2012 over peak Q1/2008**
EU27	5.3	5.3	1.4	-1.1	0.0	-2.0	-1.2	-9.0
EA17	5.3	4.9	1.0	-1.5	-0.7	-2.3	-1.5	-10.3
Austria	9.5	6.2	2.0	-0.8*	0.3	-2.0	:	-4.2
Belgium	5.2	5.0	1.7	-0.7*	-1.9	-4.0	:	-7.0
Bulgaria	4.9	4.0	-0.6	-3.3	-2.9	-6.9	-0.1	-18.6
Cyprus	-5.0	-9.0	-11.7	-11.3*	-10.7	-9.1	:	-26.5
Czech Republic	10.3	4.7	5.0	1.1	1.6	-0.3	2.0	-2.2
Germany	9.6	9.3	3.9	1.9	2.5	1.4	1.9	-2.3
Denmark	6.1	2.1	5.2	1.5	-0.2	5.3	-0.7	-13.5
Estonia	26.2	19.1	3.5	-0.1	2.5	2.1	-4.8	2.6
Spain	-0.8	-0.6	-4.7	-6.3	-4.2	-6.8	-8.0	-26.4
Finland	3.7	1.5	0.7	-2.3	-2.5	-0.9	-3.6	-19.7
France	3.6	3.8	1.9	-2.1	-2.1	-3.7	-0.4	-11.6
Greece	-11.4	-5.1	-14.5	-8.6	-7.2	-10.4	-8.3	-29.5
Hungary	4.5	1.9	5.1	-1.2	-1.0	-4.1	1.5	-9.0
Ireland	1.0	1.6	1.4	-2.1	0.4	-3.5	-3.3	-0.8
Italy	2.3	0.2	-3.0	-6.0	-5.0	-7.3	-5.7	-20.9
Lithuania	12.3	9.4	2.3	2.2	1.4	-2.5	7.8	0.8
Luxembourg	-4.2	0.0	-5.2	-9.4*	-10.0	-11.2	:	-20.8
Latvia	14.6	9.3	9.2	14.8	17.6	11.3	15.4	2.0
Malta	2.6	-2.6	0.1	-7.0	-3.8	-11.8	-5.4	-11.3
Netherlands	2.6	2.6	1.5	-1.1	-1.3	-2.7	0.7	-1.7
Poland	7.7	6.3	9.8	6.4	10.8	6.0	2.5	15.2
Portugal	0.3	-0.7	-4.3	-2.4	-1.0	-2.8	-3.3	-13.3
Romania	4.6	6.1	2.2	-1.2	1.9	-4.7	-0.7	0.0
Sweden	9.6	3.9	0.1	-4.6	1.6	-7.8	-7.6	-14.7
Slovenia	2.8	-0.8	-2.4	-0.4	1.1	-2.1	-0.2	-14.9
Slovakia	11.3	7.5	4.1	9.4	3.0	10.7	14.6	13.1
United Kingdom	2.8	1.4	-0.2	-0.9	-0.6	-2.2	0.1	-8.3

: Data not available // * Last 3M to February 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)[24]

Nace code	Sector name	Average growth 2010	Average growth 2011	Q1/2012	Mar-12	Difference trough over peak Q1/2008	Quarter of the trough	Difference Q1/2012 over peak Q1/2008
C	**TOTAL MANUFACTURING**	7.4	4.8	-1.1	-1.2	-19.3	Q2/2009	-9.0
F	**CONSTRUCTION**	-3.8	1.4	-5.5	-3.9	-17.3	Q1/2012	-17.3
C10	Food products	1.9	1.4	0.0	0.0	-2.8	Q4/2009	0.6
C25	Fabricated metal products	7.0	6.9	-0.8	-2.1	-27.8	Q2/2009	-17.5
C28	Machinery and equipment n,e,c,	10.8	12.0	4.0	4.1	-30.4	Q3/2009	-10.4
C29	Motor vehicles, trailers and semi-trailers	22.1	13.4	1.5	0.7	-40.9	Q1/2009	-6.1
C22	Rubber and plastic products	7.7	4.3	-1.9	-2.0	-22.1	Q1/2009	-10.0
C27	Electrical equipment	11.6	5.1	-1.6	-2.5	-25.3	Q2/2009	-10.8
C23	Other non-metallic mineral products	1.9	4.1	-8.0	-7.1	-27.9	Q1/2010	-25.8
C14	Wearing apparel	0.7	-5.9	-6.3	-7.5	-23.5	Q1/2012	-23.5
C26	Computer, electronic and optical products	8.3	7.4	0.2	-0.7	-19.9	Q2/2009	-6.6
C24	Basic metals	19.1	4.7	-3.7	-3.1	-36.1	Q2/2009	-16.6
C20	Chemicals and chemical products	10.2	1.4	-1.9	-1.5	-21.0	Q1/2009	-6.3
C31	Furniture	-0.6	2.6	-4.2	-5.0	-21.7	Q1/2012	-21.7
C16	Wood and of products of wood	3.3	-0.1	-3.7	-4.7	-21.6	Q2/2009	-20.0
C18	Printing and reproduction of recorded media	-0.4	-1.8	-6.2	-6.5	-16.4	Q1/2012	-16.4
C32	Other manufacturing	7.7	3.2	-0.6	-1.2	-8.2	Q2/2009	1.6
C13	Textiles	8.1	-2.6	-7.1	-5.9	-25.5	Q2/2009	-23.0
C30	Other transport equipment	1.5	4.8	4.0	5.4	-6.5	Q4/2009	4.4
C17	Paper and paper products	6.2	-0.8	-2.1	-1.6	-13.2	Q1/2009	-7.6
C21	Basic pharmaceutical products	5.7	1.1	-5.1	-6.6	3.8	Q1/2009	6.6
C11	Beverages	-0.3	6.0	-1.5	0.3	-7.6	Q2/2010	-2.3
C15	Leather and related products	3.2	4.4	-7.6	-9.7	-21.4	Q2/2009	-19.4
C19	Coke and refined petroleum products	-0.9	0.6	-1.3	-0.7	-12.4	Q1/2010	-11.3
C12	Tobacco products	-5.6	-2.4	1.3	3.4	-15.2	Q4/2010	-12.5

Source: Eurostat

[24] 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	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
C	**TOTAL MANUFACTURING**	0.7	-1.7	-0.1	-0.2	-0.4	0.1	-0.8	0.7
F	**CONSTRUCTION**	0.6	-1.0	-0.2	2.0	-3.5	-2.4	-5.7	11.8
C10	Food products	2.0	-1.5	-1.4	1.3	0.4	-0.8	-0.6	0.9
C25	Fabricated metal products	2.1	-3.0	-0.6	0.1	-0.6	0.3	-0.9	-0.2
C28	Machinery and equipment n.e.c.	0.5	-2.6	-0.7	1.7	-2.5	0.1	2.0	2.1
C29	Motor vehicles, trailers and semi-trailers	3.4	-6.2	1.6	-1.6	-1.8	2.8	-0.1	-1.3
C22	Rubber and plastic products	0.1	-1.4	-0.2	0.8	-1.3	1.1	-1.3	0.6
C27	Electrical equipment	1.1	-2.3	-1.2	1.1	-1.3	0.4	0.1	0.9
C23	Other non-metallic mineral products	2.4	-2.7	-0.7	0.7	-1.8	2.2	-10.7	7.6
C14	Wearing apparel	0.0	-1.9	1.9	-0.4	0.6	-0.1	-5.1	1.5
C26	Computer, electronic and optical products	-0.9	-2.1	-2.6	0.6	-0.8	2.3	0.0	-1.2
C24	Basic metals	-0.1	-2.1	-0.5	-1.1	-2.9	2.0	0.4	0.6
C20	Chemicals and chemical products	-0.1	-1.6	-1.1	-0.9	0.9	2.1	-0.4	0.9
C31	Furniture	-1.2	-3.4	-2.2	0.9	0.3	-0.6	-0.5	-1.6
C16	Wood and of products of wood	-1.5	-1.4	-0.3	0.7	0.5	0.4	-3.1	1.0
C18	Printing and reproduction of recorded media	-0.6	-1.7	0.1	-1.2	-1.4	-1.2	-0.3	-0.3
C32	Other manufacturing	2.1	-1.7	-1.4	1.7	2.0	-3.3	-0.5	0.3
C13	Textiles	-2.6	-0.7	-2.9	-0.2	-0.5	-0.2	2.1	-0.2
C30	Other transport equipment	-0.7	3.1	-1.3	4.3	-0.6	-1.4	-0.7	3.5
C17	Paper and paper products	1.1	-0.9	-2.0	0.4	-0.3	0.1	0.5	0.6
C21	Basic pharmaceutical products	2.3	-2.1	3.8	-6.0	0.1	1.9	-5.5	2.3
C11	Beverages	1.0	2.4	1.3	-0.4	-1.7	-2.9	0.1	2.0
C15	Leather and related products	0.0	-1.2	-1.2	-0.1	-1.1	-1.2	-3.0	0.0
C19	Coke and refined petroleum products	0.1	-2.0	0.2	0.5	1.5	-2.5	0.7	-2.8
C12	Tobacco products	-1.1	0.5	-0.8	0.6	-0.4	-0.8	1.1	1.8

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	Q2/2011	Q3/2011	Q4/2011	Last 3M to Mar 2012	Jan-12	Feb-12	Mar-12	Difference last 3M to Mar 2012 over peak Q1/2008
EU27	-1.5	2.0	3.5	-5.5	-1.1	-11.6	-3.9	-17.3
EA17	-4.0	2.3	3.3	-7.6	-2.8	-16.3	-3.8	-22.6
Austria	1.0	-0.6	1.2	1.0	7.2	-5.3	:	-11.8*
Belgium	3.5	2.6	8.6	:	:	:	:	-8.7*
Bulgaria	-16.2	-11.5	-8.8	-2.6	1.2	-11.1	2.1	-35.0
Czech Republic	-5.3	-9.2	0.9	-10.5	-6.6	-17.2	-7.6	-24.7
Finland	9.4	9.5	7.0	11.7*	11.4	9.2	:	6.8*
France	-0.6	2.8	5.4	-4.7	-0.6	-14.7	1.3	-14.0
Germany	7.0	6.7	19.4	-2.5	7.1	-21.0	6.3	4.0
Hungary	-9.4	-13.7	-1.5	-6.0*	-1.4	-15.9	:	-25.3*
Italy	-2.7	-4.4	-3.6	-14.2	-10.6	-22.9	-9.2	-29.8
Luxembourg	-1.4	-3.2	5.9	-2.3*	-5.7	-27.9	:	-3.2*
Netherlands	4.6	3.5	1.6	-8.7	-1.2	-16.5	-8.5	-15.0
Poland	19.9	14.9	13.2	16.3	34.1	12.5	2.4	34.4
Portugal	-8.4	-11.0	-12.4	-15.0	-12.1	-16.4	-16.4	-31.1
Romania	-4.2	8.5	9.1	-0.8	2.8	4.1	-9.4	-20.8
Slovakia	-3.3	-2.5	1.3	-9.2	-7.7	-8.8	-11.0	-31.9
Slovenia	-30.9	-25.2	-19.9	-20.6	-23.9	-27.1	-10.7	-49.6
Spain	-25.8	5.5	-4.2	-7.9	-7.3	-5.6	-10.9	-51.5
Sweden	9.3	6.1	7.2	6.5	7.2	4.5	7.9	14.6
United Kingdom	2.4	0.0	2.0	-3.8	-0.5	-3.8	-7.1	-9.1
Buildings EU27	-2.5	1.8	2.9	-4.8	-1.2	-10.2	-3.1	-18.6
Civil engineering EU27	2.4	2.5	5.5	-9.0	-0.5	-18.6	-8.0	-13.0

: 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 data)

Nace code	Sector name	Persons employed in 2008 (000s)	Average growth 2010	Average growth 2011	Average growth Q3/2011	Average growth Q4/2011	Q4/2011 over peak Q1/2008
C	**TOTAL MANUFACTURING**	32961	-3.6	0.6	0.9	0.5	-10.9
F	**CONSTRUCTION**	15047	-5.8	-2.9	-3.2	-2.9	-18.6
C10	Food products	4245	-0.4	0.4	0.6	0.2	-2.8
C25	Fabricated metal products	4000	-5.3	1.9	2.4	2.1	-10.9
C28	Machinery and equipment n,e,c,	3140	-4.9	2.3	2.8	2.4	-7.7
C29	Motor vehicles, trailers and semi-trailers	2420	-2.8	2.9	3.8	4.1	-8.1
C22	Rubber and plastic products	1800	-2.4	1.2	2.1	0.9	-8.6
C27	Electrical equipment	1573	-2.2	3.1	2.6	2.5	-6.9
C23	Other non-metallic mineral products	1550	-6.3	-1.5	-0.8	-1.6	-20.0
C14	Wearing apparel	1320	-8.4	-1.9	-1.3	-2.4	-25.2
C26	Computer, electronic and optical products	1270	-3.3	0.7	-0.1	0.2	-12.8
C24	Basic metals	1249	-5.5	1.3	1.7	1.1	-12.4
C20	Chemicals and chemical products	1220	-2.2	-0.3	0.0	-0.5	-8.6
C31	Furniture	1200	-8.2	-1.7	-1.2	-2.1	-21.5
C16	Wood and of products of wood	1157	-3.0	-0.2	0.0	-0.9	-17.4
C18	Printing and reproduction of recorded media	940	-4.7	-3.4	-3.9	-4.6	-17.5
C32	Other manufacturing	900	-1.6	-1.1	-1.2	-1.8	-6.2
C13	Textiles	780	-5.7	-2.9	-2.9	-2.8	-23.8
C30	Other transport equipment	750	-5.0	-0.7	-0.4	1.9	-6.8
C17	Paper and paper products	706	-2.3	-0.9	-0.9	-2.7	-10.6
C21	Basic pharmaceutical products	557	-0.2	-0.4	0.1	0.9	-5.5
C11	Beverages	480	-2.2	-1.6	-0.8	-1.5	-12.2
C15	Leather and related products	474	-3.1	3.9	5.3	3.7	-13.9
C19	Coke and refined petroleum products	140	-2.8	-2.5	-3.0	-0.9	-8.4
C12	Tobacco products	52	-6.4	-2.9	-0.5	3.0	-15.3

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	Jan-12	Feb-12
	MANUFACTURING	8.7	18.0	14.5	11.4
10	Food products	6.6	33.4	15.5	15.7
25	Fabricated metal products, except machinery and equipment	12.7	5.3	10.8	8.9
28	Machinery and equipment n.e.c.	12.3	11.1	12.8	9.0
29	Motor vehicles, trailers and semi-trailers	7.2	27.6	20.0	15.8
22	Rubber and plastics products	8.5	22.3	8.8	8.9
27	Electrical equipment	11.8	11.0	7.3	5.9
23	Other non-metallic mineral products	4.9	1.4	8.2	5.4
14	Wearing apparel	5.8	7.7	17.2	13.9
26	Computer, electronic and optical products	3.2	6.3	3.0	4.7
24	Basic metals	17.6	19.9	55.3	19.5
20	Chemicals and chemical products	6.4	22.8	11.8	5.1
31	Furniture	5.7	-0.0	11.0	12.9
16	Wood and of products of wood and cork	5.4	5.5	13.3	7.7
18	Printing and recording services	11.2	-2.2	-7.0	6.5
32	Other manufactured goods	6.0	23.7	5.6	6.0
13	Textiles	-0.3	3.8	3.6	2.8
30	Other transport equipment	7.7	16.2	-0.9	17.4
17	Paper and paper products	4.8	12.9	1.2	1.7
21	Basic pharmaceutical products and pharmaceutical preparations	7.8	37.3	20.4	3.5
11	Beverages	5.4	26.2	8.7	9.4
15	Leather and related products	4.8	23.4	15.6	19.1
19	Coke and refined petroleum products	30.4	26.6	26.2	41.3
12	Tobacco products	6.1	43.7	23.8	24.8

Source: DG Trade

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