7 May 2020

Industrial production decreased by 10.8% in March

Industry – March 2020

In March, working day adjusted industrial production decreased in real terms (at constant prices) by 10.8%, year-on-year (y-o-y). Seasonally adjusted industrial production decreased by 8.7%, month-on-month (m-o-m). The value of new orders decreased by 15.7%, y-o-y.

**Industrial production1)** decreased in March 2020 in real terms (at constant prices) by 8.7%, m-o-m. In the year-on-year comparison, it decreased by 10.8%. The following economic activities contributed the most to the y-o-y change in industrial production: manufacture of motor vehicles, trailers and semi-trailers (contribution −5.0 p. p., drop by 25.8%), manufacture of machinery and equipment (contribution −1.6 p. p., drop by 17.9%), and manufacture of fabricated metal products (contribution −0.9 p. p., drop by 8.3%). Industrial production increased in manufacture of food products (contribution +0.3 p. p., growth by 6.9%), manufacture of paper and paper products (contribution +0.2 p. p., growth by 12.9%), and manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (contribution +0.1 p. p., growth by 8.8%).

**Sales from industrial activity at current prices2)** decreased by 9.5%, y-o-y, in March 2020. Direct export sales of industrial enterprises decreased at current prices by 11.9%. Domestic sales, which include also indirect export via non-industrial enterprises decreased at current prices by 6.1%.

The value of **new orders2)** in surveyed industrial CZ-NACE activities decreased by 15.7%, y-o-y, in March 2020. Non-domestic new orders decreased by 13.1%, while domestic new orders decreased by 21.0%. The y-o-y decrease of new orders in total was contributed to by the following CZ-NACE divisions: manufacture of motor vehicles, trailers and semi-trailers (contribution −10.9 p. p., drop by 28.3%), manufacture of computer, electronic and optical products (contribution −1.6 p. p., drop by 16.6%), and manufacture of machinery and equipment (contribution −1.6 p. p., drop by 14.6%). New orders increased only in manufacture of basic pharmaceutical products and pharmaceutical preparations (contribution +0.2 p. p., growth by 17.0%) and manufacture of paper and paper products (contribution +0.2 p. p., growth by 8.5%).

The **average registered number of employees3)** in industry decreased in March 2020 by 2.6%, y-o-y. Their **average gross monthly nominal wage** increased in March 2020 by 3.2%, y-o-y.

According to the Eurostat news release, working day adjusted **industrial production in the EU27 in February 2020** decreasedby 1.3%, y-o-y. According to a preliminary release calendar, Eurostat will release data for February 2020 on 13 May 2020.

**Industry in the first quarter of 2020**

Seasonally adjusted **industrial production1)** in the Q1 2020 decreased by 3.0% compared to the Q4 2019. In the year-on-year comparison, it decreased by 4.6%.

**Sales from industrial activity** **at current prices2)** were lower by 3.0%, y-o-y, in the Q1 2020. Direct export sales of industrial enterprises decreased at current prices by 5.0%. Domestic sales, which include also indirect export via non-industrial enterprises, decreased at current prices by 0.4%.

The value of **new orders2)** in selected industrial CZ-NACE activities decreased by 5.8%, y-o-y, in the Q1 2020. Non-domestic new orders decreased by 6.2%, while domestic new orders decreased by 5.0%.

The **average registered number of employees3)** in industry decreased by 2.4%, y-o-y, in the Q1 2020. Their **average gross monthly nominal wage** increased by 5.3%, y-o-y, in the Q1 2020.

*Notes:*

Results for March 2020 have been compiled in a standard way based on processing of a monthly report (“Prům 1–12” questionnaire) and using administrative data sources. We express our thanks to all enterprises, which provided us with data also in the current difficult situation and thus enabled the CZSO to process results in full extent.

**1)** The year-on-year development of industrial production is adjusted for working days unless otherwise stated. Month-on-month or quarter-on-quarter rates are also seasonally adjusted. Contributions to an increase or to a decrease are calculated from data that are adjusted for working days.

**2)** The year-on-year development of sales at current prices and the value of new orders are not adjusted.

**3)** Indicators related to employment in industry apply to the entire population of enterprises the principal (prevailing) activity of which is industry. The indicator of the registered number of employees does not include persons working under various contracts for work, working owners of enterprises, and cooperating household members, who do not have contracts of employment. The piece of data on the registered number of employees in industry also excludes agency workers, who have contracts of employment within economic activities of services (CZ-NACE 78.2).

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*Method of data acquisition: direct survey of the CZSO (“*Prům 1–12”*)*

*End of data collection: 30 April 2020*

*Related outputs: time series* <https://www.czso.cz/csu/czso/pru_ts>

*Next News Release will be published on: 8 June 2020*

Annexes:

Table 1 Industrial production (year-on-year indices – IPI, calendar days adjusted)

Table 2 Sales and new orders in industry (year-on-year indices)

Chart 1 Industrial production (base indices)

Chart 2 Industrial production (year-on-year indices)

Chart 3 Industrial production index – international comparison (base indices, seasonally adjusted)