

## September 2009

# Impact of the economic crisis on key sectors of the EU – the case of the manufacturing and construction industries September 2009 update

### 1. SUMMARY

The tentative indications are that EU manufacturing output is beginning to stabilise at a level some 20% below its peak in the first quarter of 2008. Whilst overall manufacturing production data showed a small increase in May followed by a small fall in June, output in many sectors has begun to stabilise or even recover somewhat. Recent confidence surveys show a more positive outlook, suggesting that excess inventories have been somewhat reduced and showing future production expectations are less negative. However these indicators still remain at levels comparable with the lowest point of confidence in the industrial recession of 2001/2. Data on new orders and export volumes also show stabilisation in recent months. In contrast, output in the construction industry has continued to fall and is now 14% below its peak in the first quarter of 2008.

There are some positive factors that are supporting output. There is clear evidence of the impact of policy measures: scrapping schemes are supporting domestic sales of motor cars and autos industry output expanded by almost 4% in May and June; likewise the civil engineering component of construction output<sup>1</sup> has increased strongly in recent months. Moreover, recent data on trade suggests some stabilisation of world trade volumes and even some increases in import volumes in the Asian developing countries (including China, India, and Korea). Analysis also suggests only limited effects as yet from protectionism and exchange rate distortions on overall EU exports. Thus, over the coming months manufacturing output could be expected to recover.

However, there are also some negative factors that will affect the outlook for industry. First, there is the likelihood of a further deterioration in labour markets, reflecting both previous reductions in output and the eventual unwinding of the extensive short-time working that is currently taking place in many industries (in Germany alone there are at present more than 1.4 million workers on short-time schemes). Secondly, there is a risk that restricted availability of finance to firms will limit the scope for economic recovery. In particular, loan volumes to non-financial companies in the euro area have been declining through the first seven months of this year. While some larger companies have been able to turn to debt markets to raise funds (albeit at a high cost), many SMEs and those larger companies have been unable to access debt markets. Short-term export credits and trade finance have also declined considerably as a result of declining credit insurance (and trade volumes). Banks have also reduced their cross-border exposures reversing financial integration. Further urgent efforts to recapitalise and/or clean-up bank balance sheets seem necessary in order to ensure the financing of a robust recovery and the continued integration of the EU single financial market. In addition, Member States should consider greater use of the scope under the temporary state aid rules to subsidise loan guarantees and interest rates to improve SME financing and the availability of export credits, speeding up public sector payments, and ensuring the timely disbursements of EIB SME loans.

---

<sup>1</sup> Making up some 40% of overall construction output.

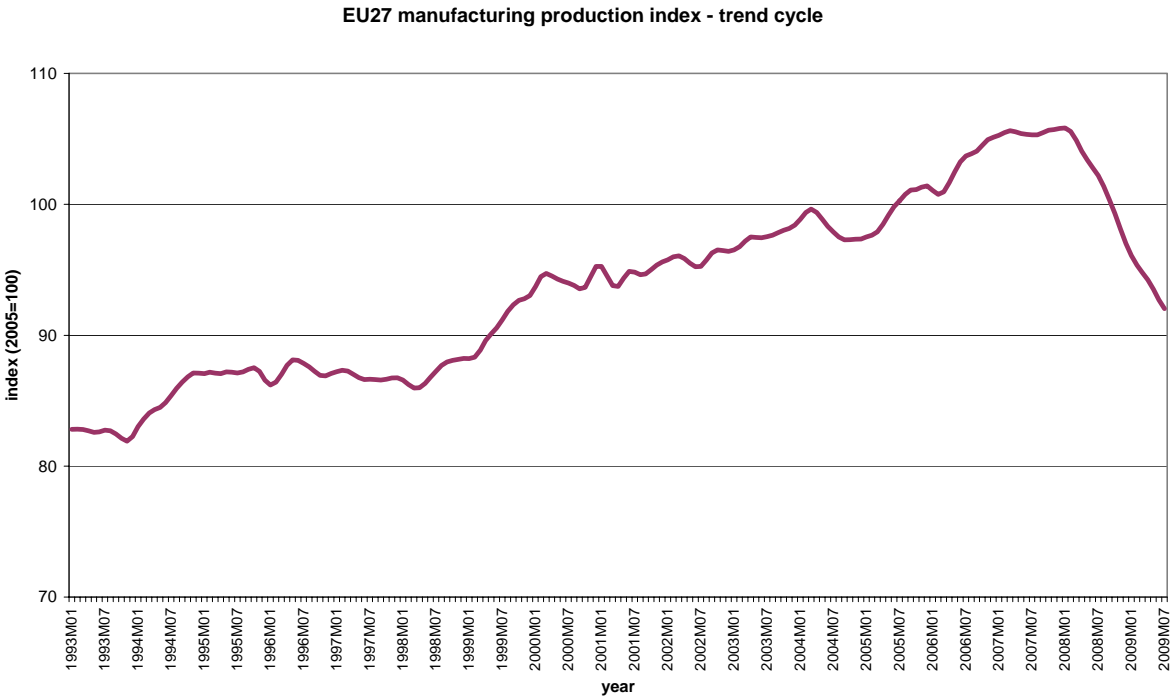
According to the latest European Commission interim forecast published on 14 September, signs for an economic recovery are apparent, but the sustainability of the recovery remains to be tested. GDP is set to turn positive in the second half of 2009. However, the forecast for 2009 as a whole remains unchanged as the previous estimates for 2008 and the first quarter of 2009 proved weaker than expected. GDP is expected to fall by 4% in both the EU and the euro area this year.

2. RECENT DEVELOPMENTS

2.1. Aggregate developments

The latest monthly data for July 2009 show EU industrial production 14.7% lower and manufacturing output 15.7% lower than a year ago<sup>2</sup>. Construction sector output was 11.1% lower over the same period. Data on services industries show turnover in professional services some 10% lower than a year ago, whereas turnover in information and communication services and operational services has been less affected. Overall real GDP was 4.8% lower in the second quarter of 2009 than a year earlier and 0.3% lower than in the previous quarter.

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



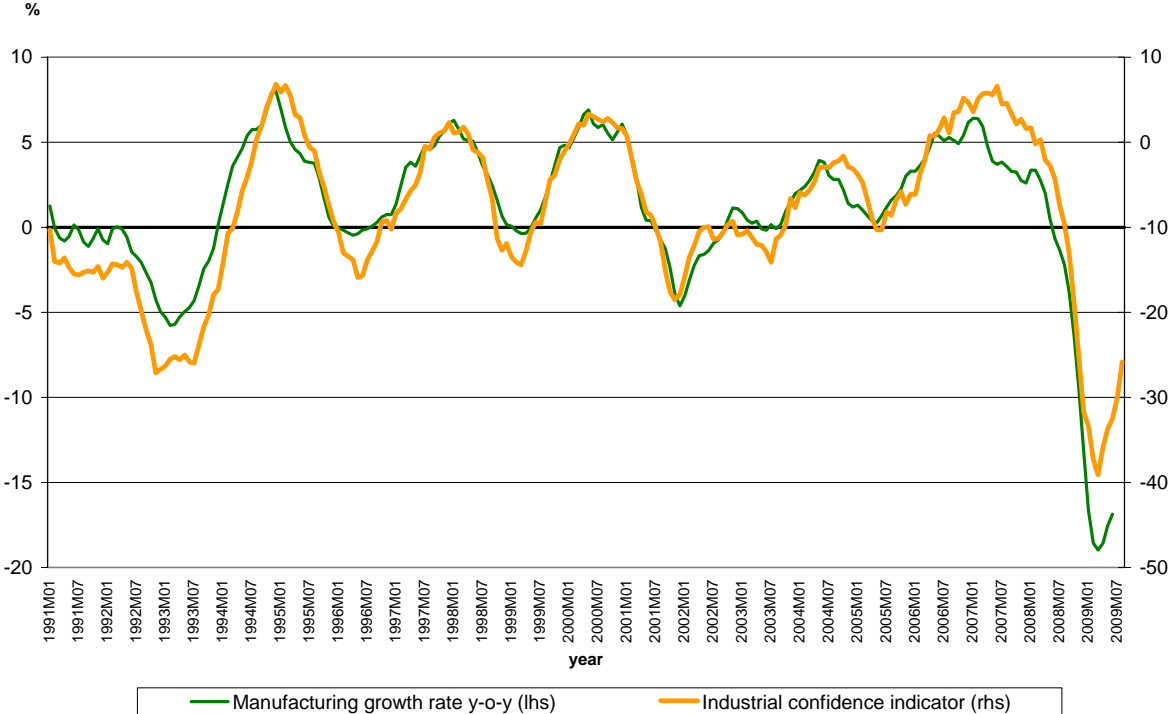
Source: Eurostat

Month-on-month comparisons indicate that manufacturing output is beginning to stabilise albeit at a level 20.3% below its peak in February 2008. In seasonally adjusted terms, after several months of moderating pace of decline since December, the month-on-month data showed a 0.1% increase in May and a small 0.3% fall in June. Production in most sectors has now begun to stabilise or even recovers somewhat (see table 3 in annex 2). In contrast, output in the construction industries after showing some signs of stabilising in March and April has now fallen for a third consecutive month and was 0.4% lower in July compared to June. This reflects declines in construction output across all the larger Member States (other than Poland).

<sup>2</sup> The headline Industrial production number includes both manufacturing and energy industries.

In absolute terms output performance has fallen back to levels last time seen in 1998 (see chart 1), thus triggering significant idle capacities and indicating that the output decline might have been more than a correction of an excess having built up as a consequence of the bubble economy of the earlier years of this decade.

**Chart 2: EU27 manufacturing production growth and industrial confidence**



Source: Eurostat

Recent **confidence surveys** show signs of a more positive outlook (see chart 2 and Annex 1). August data show that the inventory cycle is almost over and a solid recovery has occurred in production expectations. Consumer, retail, and other services confidence has also improved somewhat. However, all of these indicators are still at levels close to the lowest point of confidence in the industrial recession of 2001/2.

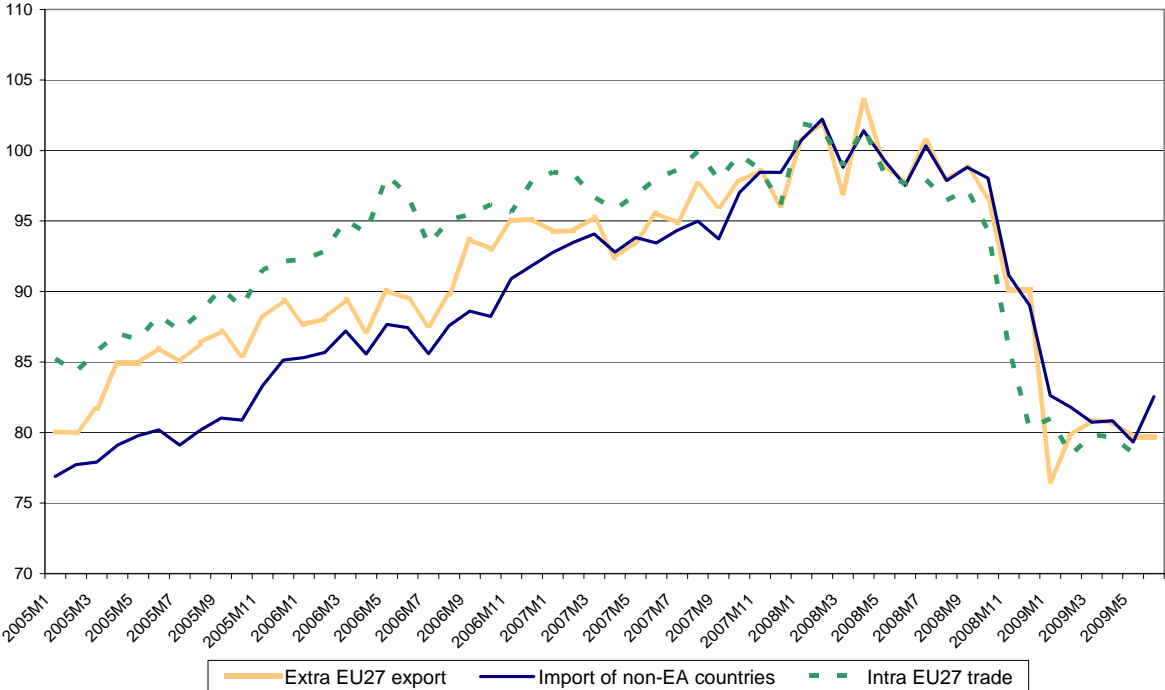
Recent data on **order books** also show some broad stabilisation at a low level. Whilst domestic orders have continued to decrease, non-domestic orders have moved higher in recent months and have risen by more than 6.4% since February 2009. Order books as a whole however still remain some 25% below their level a year ago, with basic and fabricated metals, machinery and equipment and motor vehicles sector being the most severely affected.

**EU exports** to non-EU countries were 18.4% down in volume terms in June 2009 compared to the previous year, whilst **intra-EU trade** was 20.3% lower in May 2009 on a year earlier. There is evidence that EU exports to the rest of the world has fallen broadly in line with world trade (see chart 3) and industrial production as a whole, suggesting there has been limited effects from protectionism or exchange rate distortions. Moreover, there is strong evidence that the previous substantial fall in world trade is now also beginning to stabilise. Comprehensive data on world trade from the Netherlands Bureau for Economic Policy Analysis<sup>3</sup> show that having fallen by 11% and 7% in the fourth quarter of last year and the first quarter of this year respectively, world trade volumes fell by only 0.7% in the second quarter. Whilst there was evidence of stabilisation of import volumes across the world in the

<sup>3</sup> Based on import data from some 100 countries. CPB World Trade Monitor, 26 August 2009.

second quarter, import volumes in the Asian developing countries (including China, India, and Korea) increased by 6.0% in the second quarter of this year.

**Chart 3: EU export volumes and world trade volumes (index of volumes 2008H1=100)**



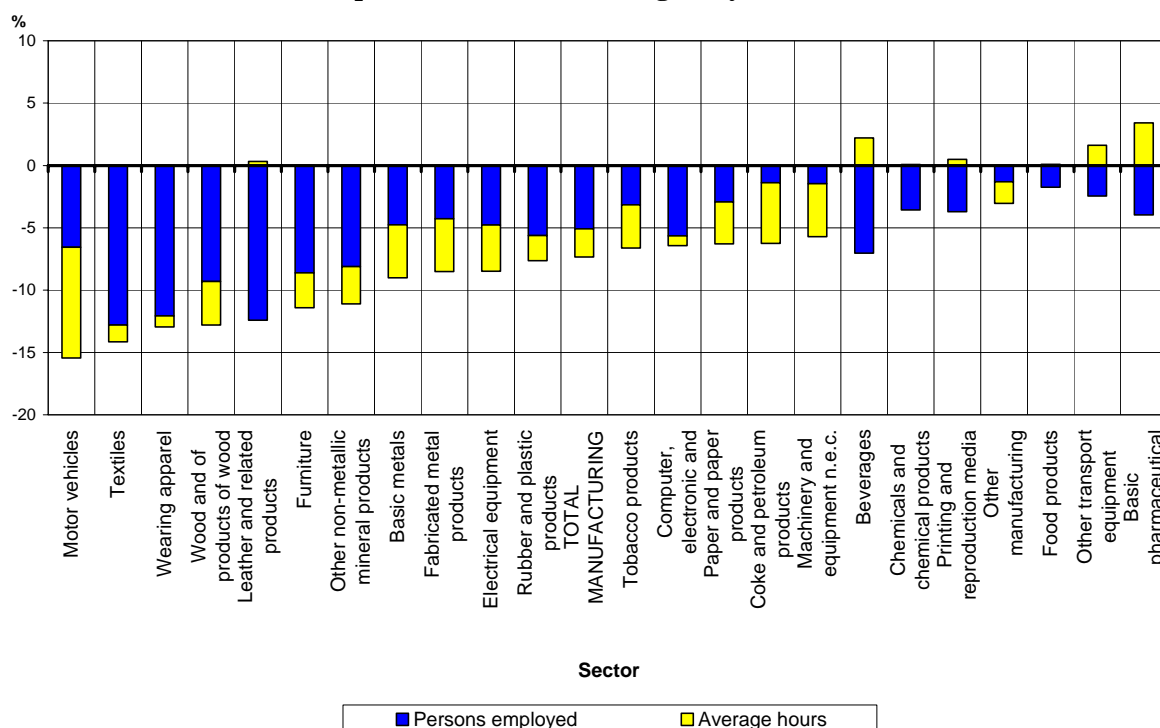
Source: Eurostat, Netherlands CPB

Finally, the latest available **employment** data show that EU labour markets continue to deteriorate in reaction to the economic downturn, although the pace of deterioration is slowing. The overall employment fell by 0.6% (1.4 million) in the second quarter of 2009. The unemployment rate in EU27 in July was 2 percentage points above its level in July 2008 and now stands at 9.0%, corresponding to 21.8 million unemployed.<sup>4</sup> However, labour markets tend to react with a certain lag to output fluctuations over an economic cycle and a further deterioration can thus be expected, reflecting both previous reductions in output and the eventual unwinding of extensive short-time working. In June, more than 1.4 million people had been affected by short-term working in Germany alone.

The extent of short-time working in industry can be seen from recent Eurostat figures giving a breakdown of industrial employment between persons employed and average hours worked (see chart 4). In the vast majority of industrial sectors, the rate of decline in the index of hours worked was stronger than the decline in the index of persons employed. This characteristic was particularly clear in the activities of motor vehicles, where average hours have declined by some 9% over the last year to the first quarter of 2009. However, substantial reductions in average hours up to 5% have occurred in a wide range of other industries. In some other industries however, such as manufacture of textiles, leather and wearing apparel, adjustment in employment has taken the main brunt of adjustment. Many of these industries have been in restructuring over a number of years and the economic downturn appears to have accelerated this.

<sup>4</sup> As a result, the progress over the three years from mid-2005 to mid-2008 in bringing the unemployment rate down from 9% to 6.7% has been reversed in just 15 months.

**Chart 4: Breakdown of change in Overall Hours worked into Employment and Average Hours first quarter of 2009 (% change on year earlier)**



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.

Source: Eurostat<sup>5</sup>

## 2.2. Country specific developments

The July industrial production figures show that - compared with a year earlier - industrial production continued to remain dramatically depressed in all Member States for which data are available except Ireland (+7.1%). Activity was most subdued in Estonia (-27.9%), Slovenia (-20.4%), Finland (-24.2%), and Luxembourg (-19.9%), and least in Poland (-4.6%), Romania (-4.5%) and Portugal (-8.3%).

Month-on-month data (s.a.) for June and July showed evidence of stabilisation in industrial production, in particular, in Ireland, France, the UK, and Romania (see annex 2 for more details).<sup>6</sup> On the other hand, output is still declining in Sweden and Bulgaria, whereas in some other countries output levels are registering fluctuations.

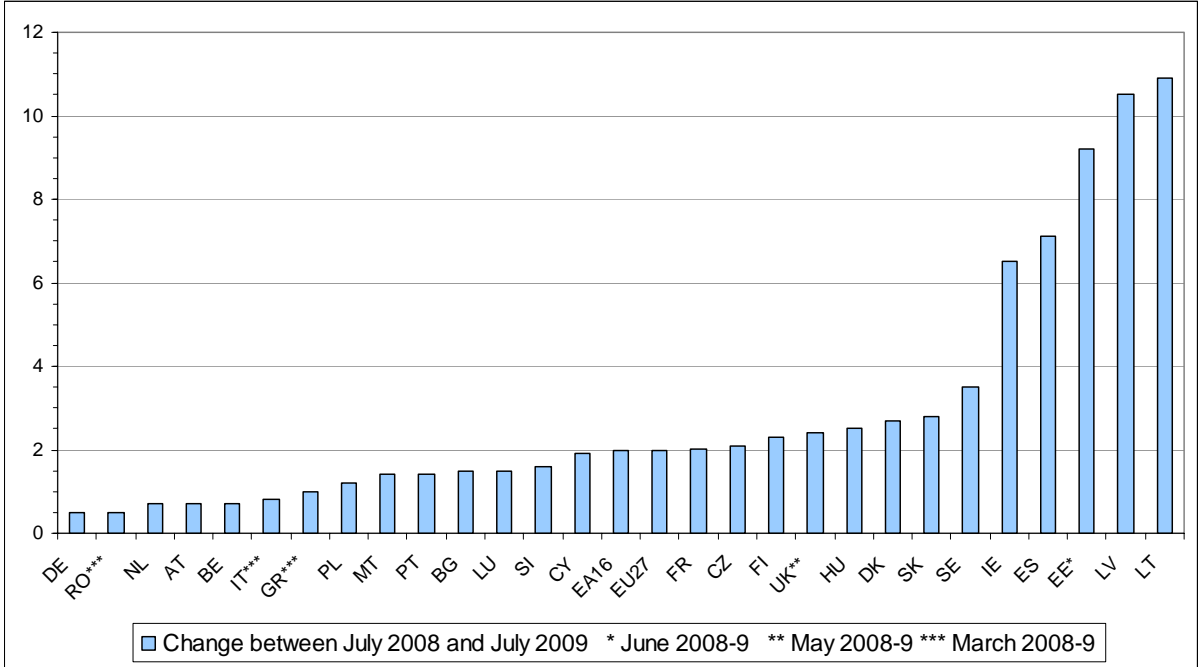
There are also significant differences in the fluctuations of unemployment rates among the Member States (see chart 5). In seven countries the unemployment rate rose by less than one percentage point notably in Germany, the Netherlands, and Austria. Unemployment rates in

<sup>5</sup> Sarmite Visocka “Economic downturn in the EU: the impact on employment in the business economy” Eurostat Statistics in Focus 60/2009 (August 2009)

<sup>6</sup> However, as noted by the ECB (August Monthly Bulletin) monthly changes in Eurostat industrial production data for the EU/eurozone have recently somewhat diverged from the aggregation of the national data.

the Baltic States and in Spain and Ireland in contrast have risen by between six and twelve percentage points. The developments in unemployment partly reflect the degree of use of short-term working, as well as other economic factors.

**Chart 5. Changes in unemployment rates since July 2008 till July 2009 (seasonally adjusted, in percentage points)**



Source: Eurostat

**2.3. Recent developments in selected sectors**

The latest monthly data for developments in manufacturing sectors in July 2009 show that production in most sectors has now begun to stabilise or even recover somewhat (see chart 6). In particular, after several months of moderating pace of decline since December 2008, there has been a clear turn around in the motor car industry. There is clear evidence that this is the result of increased sales through car scrapping schemes. Export volumes for motor cars have remained depressed. In food, chemicals, pharmaceuticals, and basic metals also output has increased in recent months.

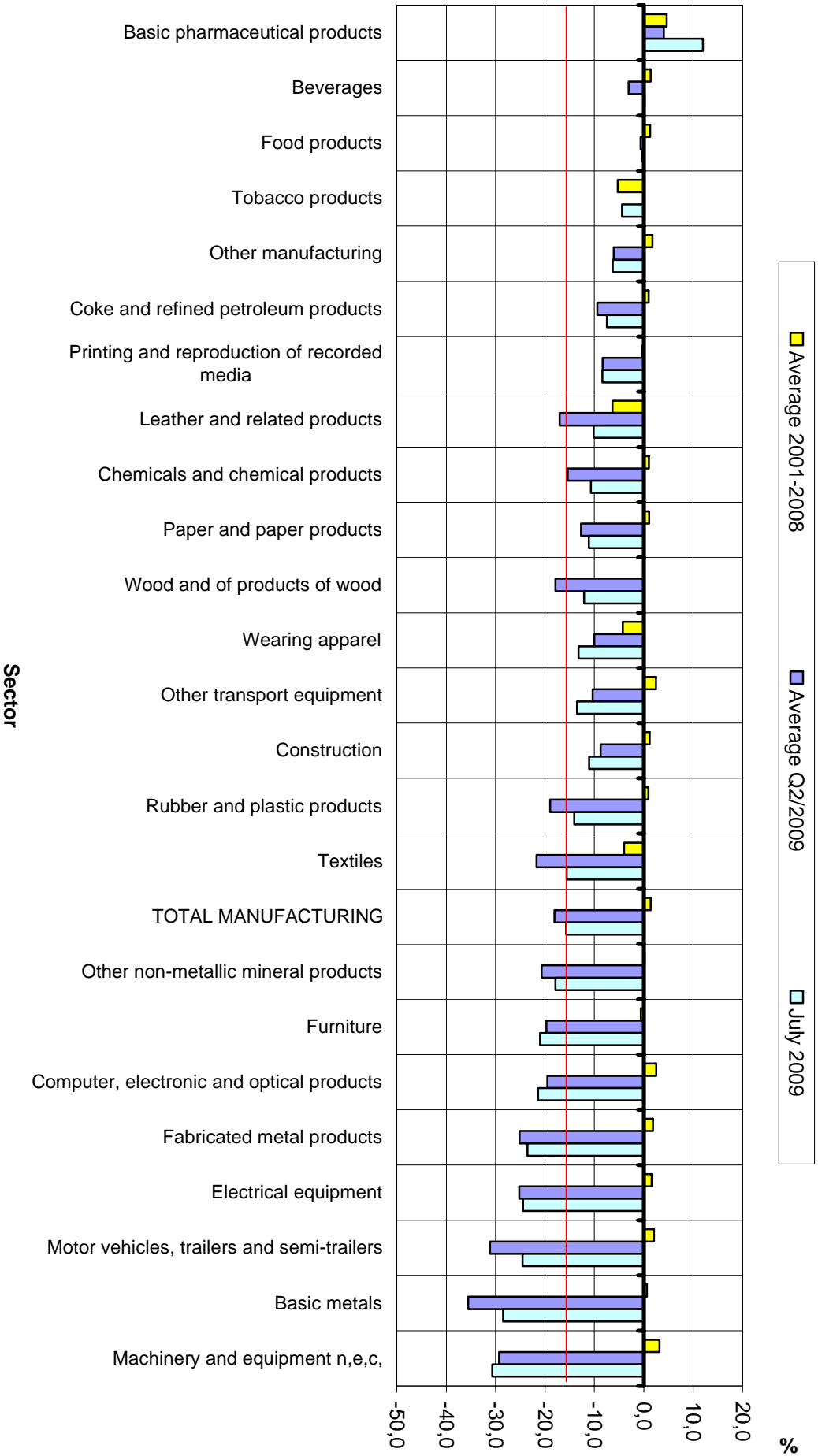
On the other hand, output in electrical equipment, machinery and equipment, and computers has continued to fall over the last three months. In some other industries, such as manufacture of textiles, there were also further reductions in output. These latter industries have been in restructuring over a number of years and the economic downturn appears to have accelerated the trend.

The most recent data confirm the significant downturn in the construction sector where activity in the EU27 in the second quarter of 2009 was still 8.8% below its level a year ago. Building construction was mostly affected (-12.0%) mainly due to the decrease in private investment in the residential sector. In contrast, civil engineering showed an increase in the second quarter of 2009 (+3.8%) compared with a year earlier, showing some evidence of the impact of fiscal policy actions.

**Chart 6: EU27 manufacturing and construction growth rate - % change in comparison to the corresponding period of the previous year – working day adjusted data)**



### EU27 Manufacturing and construction growth rate by sector (data adjusted by working days)



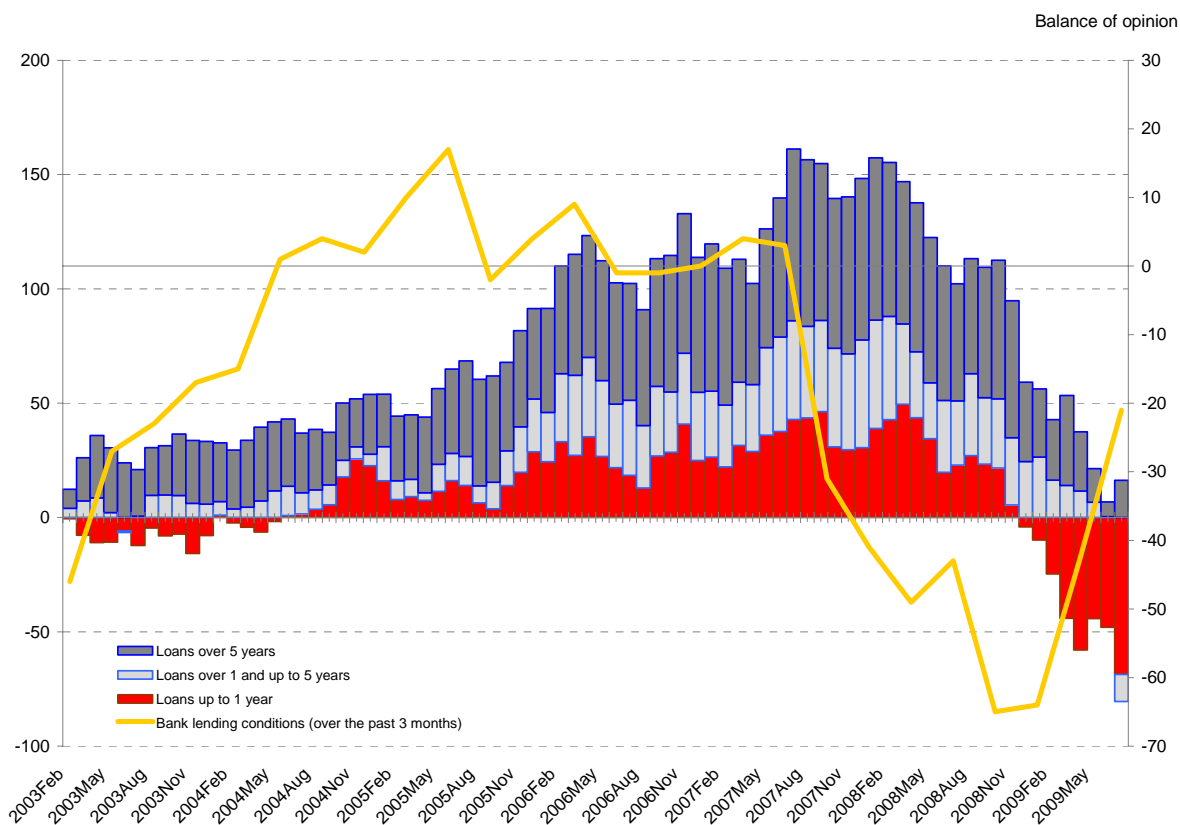
*Source: Eurostat*

### 3. ACCESS TO FINANCE

The growth in **bank lending in the euro area** to non-financial corporations slowed down significantly in the course of 2008 and has turned negative in recent months (see chart 7). This is reflected in the progressive slow-down of the still positive annual growth rates of outstanding loans. The slowdown has been most significant in short-term loans that have been declining since November last year. Also, the growth of the volume of loans with long maturities over 5 years, while remaining positive, has substantially slowed down. Consistent with a decline in credit availability, non-financial companies have also rapidly liquidated excess inventories to provide financial resources.

It is notable that the reductions in loan volumes have been most severe in those euro area Member States that were most seriously affected by the banking crisis and where emergency government recapitalisation was necessary, for example in Belgium, Ireland, Luxembourg, and the Netherlands.

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



Source: ECB

According to the ECB bank lending survey, **credit standards** of euro area banks have tightened substantially since the third quarter of 2007 coinciding with the on-set of the sub-prime mortgage crisis (see additional line in chart 7). Interest rate margins, loan size, and collateral requirements in particular have been made more onerous. This tightening peaked in the second half of last year, but continued into the first half of this year though at a lesser rate. Given the lag of three to four quarters in the response of loan volumes to a change in credit standards, the trend decline in loan volumes can be expected to continue for some time before recovery takes place. In the July bank lending survey, banks reported that their access to wholesale funding has improved somewhat, partly owing to governments' announcements and introduction of recapitalisation support and state guarantees for debt securities issued by banks.

Growth in bank lending to non-financial corporations in the **non-euro area Member States** has also declined in recent months. Loans in the UK dropped some 1.8% in £ sterling terms between September and December last year, before starting to recover following further government intervention. In the New Member States, bank lending standards tended to tighten sharply in the fourth quarter of last year contributing to a rapid decrease of lending activity. In Poland, for example, the previously strong growth in loans to non-financial corporations has slowed rapidly down in recent months.

**Concerning SMEs**, a survey conducted by UEAPME among their members in ten European countries suggests that the overall situation in May/June 2009 on access to finance for SMEs was slightly better than earlier this year (February/March 2009). At the moment between 20% and 32% of SMEs are reporting increased difficulties as regards access to finance, which seems to be 2% to 4% lower than at the beginning of this year.

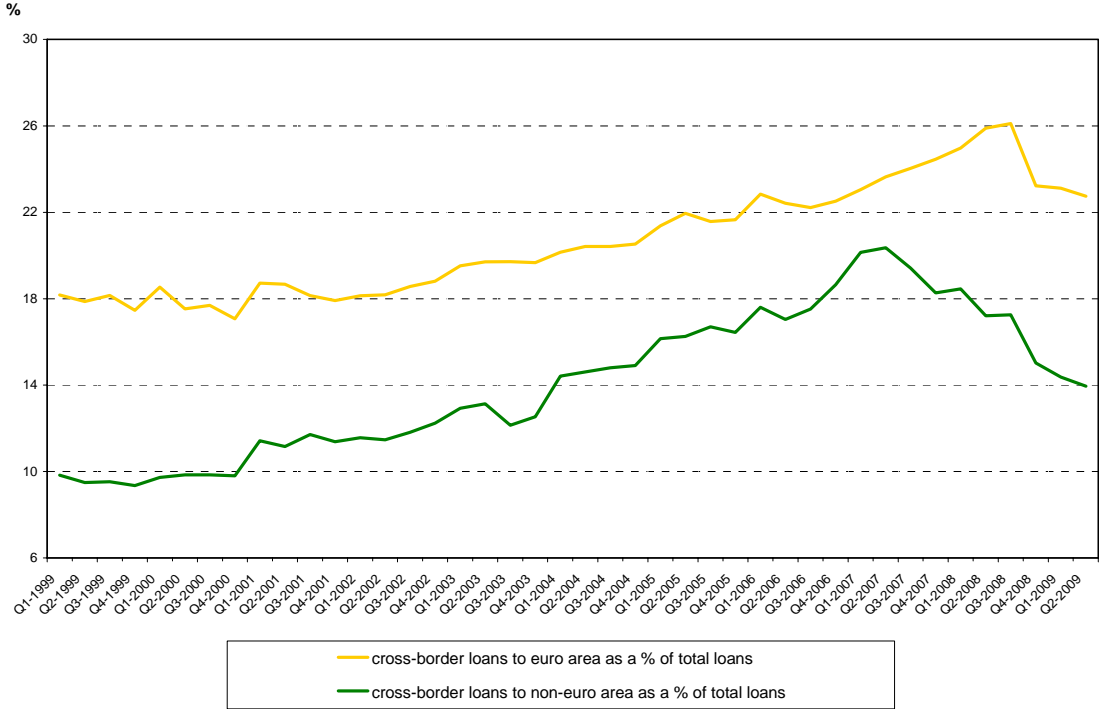
**Export credits** peaked in the second quarter of last year and have contracted sharply since then. Total credits had fallen some 21.3% by the first quarter of this year from this peak, mainly the result of a 23.6% contraction in short-term credits. This represents a similar order of magnitude to the collapse in trade flows themselves. The contraction could have had an aggravating impact on the rapid decline in intra-EU and world trade. However, it might itself also have been affected by collapsing trade volumes as a consequence of the recession. The availability of insurance for domestic trade credit has also declined owing to the more difficult financial circumstances and the increased risk of default<sup>7</sup>.

A further aspect of the economic crisis has been that banks have also started to refocus on their (more national) core business and have reduced their **cross-border exposure**. This represents a substantial reversal of previous trends towards increased financial integration within the EU single market. Cross-border loans of euro area banks to non-euro area EU countries have fallen substantially since the on-set of the sub-prime mortgage crisis (see chart 8). These loans as a percentage of all loans declined from a peak of some 20% in the second quarter of 2007 to just 14% in the second quarter of this year. Cross-border loans within the euro area itself have also declined but more recently. They declined from a peak of some 26% of all loans in the third quarter of 2008 to 23% in the second quarter of this year.

---

<sup>7</sup> See Business Europe "Companies Access to" DG ECFIN, Business and Consumer Survey Results, May 2009

**Chart 8: Cross-border loans of euro area banks**



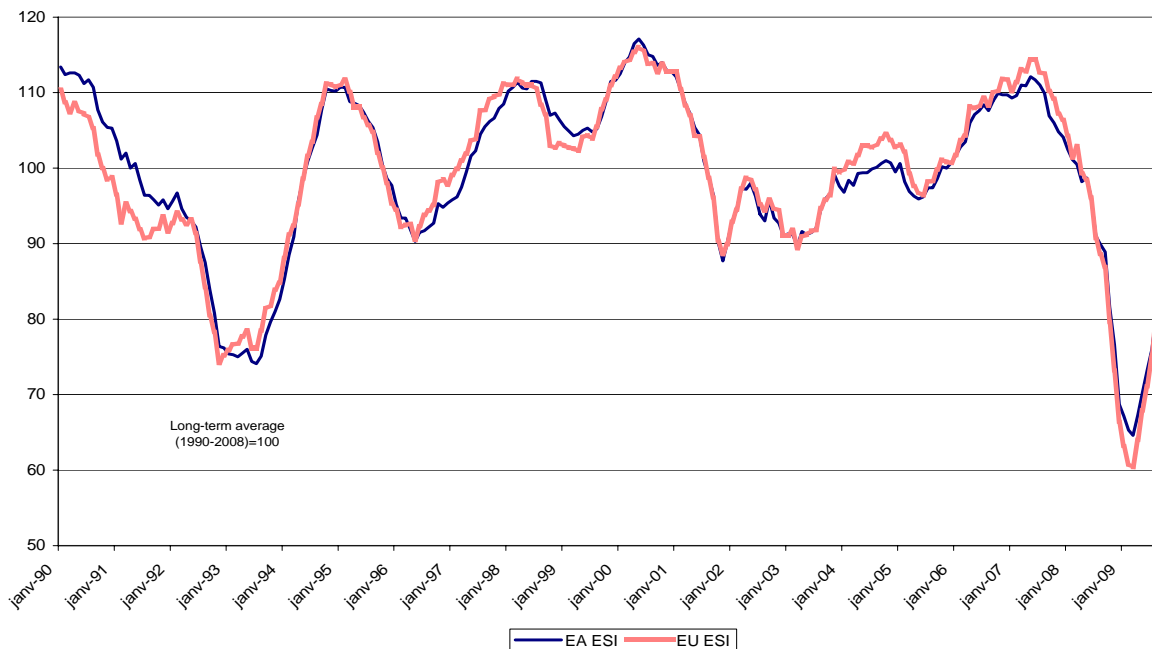
Source: ECB

At present **venture capital** funds in Europe are focused on managing their portfolio companies through the crisis to be well positioned once the economic climate improves. Final figures for 2008 released by the European Private Equity and Venture Capital Association indicate that early-stage venture capital investment registered a 15% increase in the number and 7% in the value of seed-stage and start-up companies receiving finance compared to 2007. This year will be difficult year for venture capital investments in Europe. The year 2008 saw capital commitments from capital markets and banks dry up considerably, with both halving their commitment levels compared with previous years. Research data indicates that the financial crisis led to a 20% decrease in the average amount of funds raised per funding round among US internet firms. The negative trend of the first quarter of 2009 continued into the second quarter as early-stage investments fell by 14% and 26% in terms of volume and value. Year-to-date figures are now down by 21% (volume) and 23% (value) compared to 2008.

## ANNEX 1: CONFIDENCE INDICATORS

The Commission's **EU Economic Sentiment Indicator**<sup>8</sup> [next update 29/9], an economy-wide measure of economic sentiment, improved in August for the fifth month in a row, albeit from a very low level (see chart 9). Indeed, the indicator still remains at around the trough of the previous 1991/92 recession. Of its components, confidence in industry, retailing, and other services have all begun to recover since March. Consumer confidence and construction confidence have also registered marginal improvements. The **Eurozone Purchasing Managers Index**<sup>9</sup> [next flash update 23/9] also indicated the first positive output growth reading in August (albeit at 50.8 just moderately above the output stability mark of 50.0).

**Chart 9: Economic sentiment indicator**



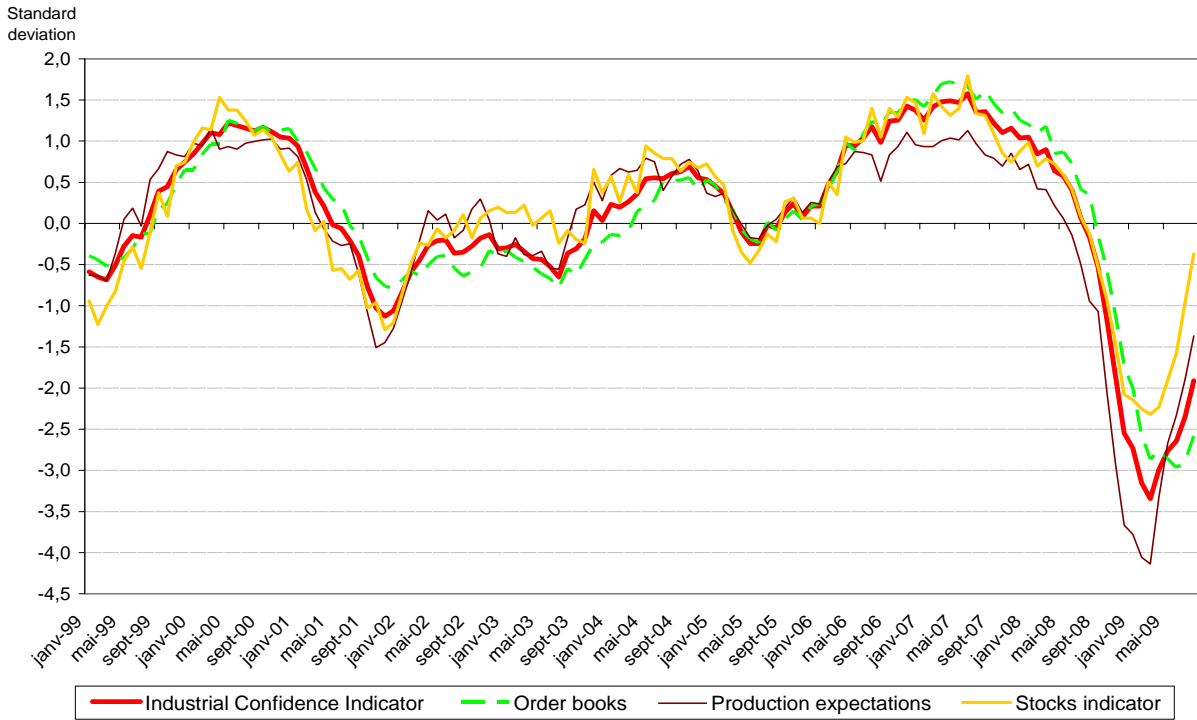
Source: DG ECFIN

The **index of industrial confidence** continues to indicate subdued manufacturing output, while suggesting that the largest contractions may effectively be over. In August the recovery of the industrial confidence indicator was backed by a strong increase in production expectations and manufacturers' assessment of order books as well as improved level of stocks. Still, stocks of finished goods, production expectations and order books remain well below their long-term averages. The index and its most important components are shown in the chart 10, standardised for their historical degree of fluctuation (using standard deviations). The chart shows that the industrial confidence indicator itself has slowly improved from its all-time low in March. Among the individual components of the index, the survey indicator for stocks of finished products shows that excess stocks have diminished very markedly since

<sup>9</sup> Markit Flash Eurozone PMI, 21 August 2009

April. The balance on production expectations has also shown a relatively strong rebound since March.

**Chart 10: Industrial confidence indicator and its components – standardised values**

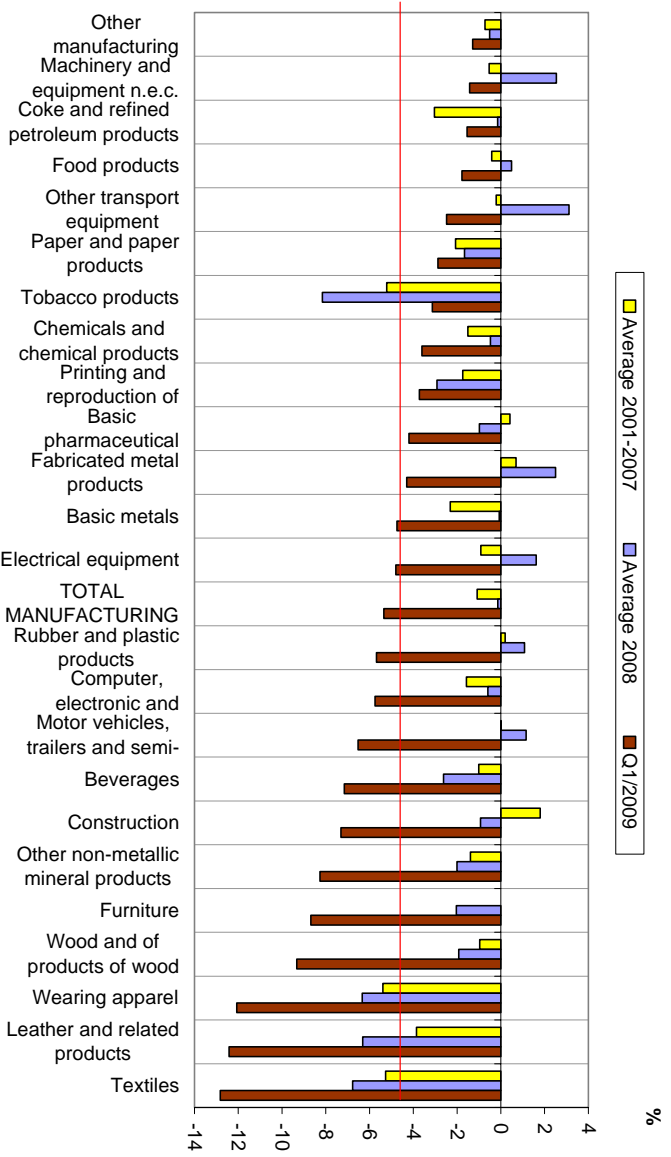


Source: DG ENTR normalisation on the basis of DG ECFIN data

Data from the Commission’s economic sentiment survey for August also show that business expectations of future employment have begun to stabilise at a strongly negative balance, although slightly above the historically negative balance of March. This is broadly true in all sectors, manufacturing, construction, services and retail trade alike. The employment sentiments among consumers also seem to have stabilised in August somewhat easing the outlook for further substantial job losses.

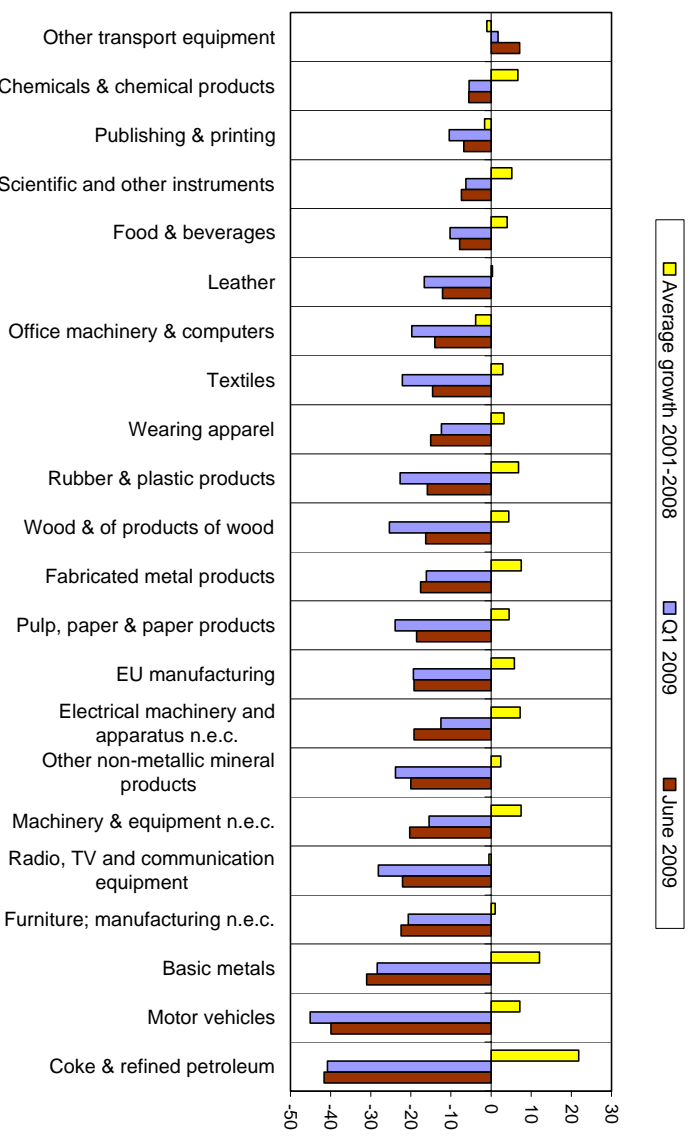
## ANNEX 2: STATISTICAL ANNEX

**Chart 11 : EU27 employment growth rate by sector of manufacturing - % change in comparison to the corresponding period of the previous year – gross data**



Source: Eurostat

**Chart 12: Extra-EU export value growth**



Source: DG Trade based on Eurostat data



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

Total industry	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
<b>EA16</b>	-2.7	-2.5	-1.2	-1.5	0.6	<b>-0.6</b>
<b>EU27</b>	-2.5	-2.0	-1.1	-0.8	0.0	<b>-0.2</b>
<b>Belgium</b>	-4.8	-0.8	0.9	-2.9	-0.5	:
<b>Bulgaria</b>	-3.6	-0.8	-2.5	-0.4	-1.6	<b>-1.1</b>
<b>Czech Republic</b>	-3.0	-0.7	0.5	-1.0	-2.1	:
<b>Denmark</b>	-7.0	-2.2	-2.1	-0.6	-0.8	<b>-2.7</b>
<b>Germany</b>	-6.2	-3.7	0.0	-2.9	4.8	<b>0.0</b>
<b>Estonia</b>	-4.5	-4.0	-2.9	-4.6	2.2	<b>-0.1</b>
<b>Ireland</b>	10.9	-6.8	5.1	-3.5	-3.6	<b>9.3</b>
<b>Greece</b>	-1.9	2.1	-2.2	-2.6	1.5	<b>-0.6</b>
<b>Spain</b>	-1.1	-1.7	-3.1	2.2	-2.9	<b>0.2</b>
<b>France</b>	-4.7	-0.5	-1.7	-1.4	2.7	<b>0.5</b>
<b>Italy</b>	-1.2	-4.5	-4.5	1.1	0.0	<b>-1.2</b>
<b>Cyprus</b>	-3.6	0.0	-2.9	-0.5	1.6	:
<b>Latvia</b>	-9.0	-2.7	1.5	3.5	-2.6	<b>1.4</b>
<b>Lithuania</b>	-2.8	-4.3	-7.0	-1.2	7.3	<b>1.2</b>
<b>Luxembourg</b>	4.2	-1.7	-4.8	3.5	2.5	:
<b>Hungary</b>	2.9	-4.5	4.4	-5.1	2.7	:
<b>Malta</b>	:	:	:	:	:	:
<b>Netherlands</b>	0.7	-3.8	-1.4	-3.0	2.5	<b>2.1</b>
<b>Austria</b>	-6.3	-2.8	2.2	-2.7	-0.5	:
<b>Poland</b>	-0.5	1.0	2.1	1.0	-0.3	<b>1.7</b>
<b>Portugal</b>	-4.1	0.2	3.4	0.2	-1.4	<b>0.3</b>
<b>Romania</b>	1.7	-0.6	0.7	0.9	0.1	<b>-0.3</b>
<b>Slovenia</b>	0.8	-1.3	-0.8	-3.6	2.9	<b>-1.0</b>
<b>Slovakia</b>	3.5	2.4	2.8	-1.0	-2.0	:
<b>Finland</b>	-6.2	-0.2	1.5	-4.2	-2.2	<b>1.5</b>
<b>Sweden</b>	-2.3	-2.0	-2.6	-2.4	-2.6	:
<b>United Kingdom</b>	-2.6	-0.8	-0.4	0.1	-0.5	<b>0.3</b>

: Data not available

\*\* Estimated by Member State

Source: Eurostat

**Table 2: EU27 manufacturing and construction growth rate - % change in comparison to the corresponding period of the previous year – working day adjusted data<sup>10</sup>**

NACE code	Sector name	Average growth 2001-2007	Average growth 2008	Average growth Q1/2009	Average growth Q2/2009	Jun-09
<b>C</b>	<b>TOTAL MANUFACTURING</b>	1,8	-1,8	-19,0	-18,0	-16,6
<b>F</b>	<b>CONSTRUCTION</b>	1,8	-3,0	-11,3	-10,0	-13,8
C10	Food products	1,5	-0,5	-1,7	-0,3	1,2
C25	Fabricated metal products	2,4	-2,1	-26,0	-25,6	-24,4
C28	Machinery and equipment n.e.c.	3,4	1,4	-21,8	-29,3	-30,2
C29	Motor vehicles, trailers and semi-trailers	3,2	-5,9	-40,3	-30,7	-24,3
C18	Printing and reproduction of recorded media	-0,1	-2,4	-6,4	-7,7	-8,5
C31	Furniture	-0,1	-4,5	-19,5	-20,3	-23,3
C22	Rubber and plastic products	1,7	-4,7	-22,0	-19,0	-16,7
C27	Electrical equipment	1,8	-0,2	-22,3	-26,5	-26,7
C23	Other non-metallic mineral products	1,1	-6,2	-25,9	-20,9	-19,2
C14	Wearing apparel	-4,4	-3,4	-14,4	-10,5	-9,6
C20	Chemicals and chemical products	1,6	-3,2	-19,9	-15,3	-12,2
C16	Wood and of products of wood	1,1	-8,3	-21,7	-17,9	-15,1
C24	Basic metals	1,1	-2,9	-34,2	-35,8	-33,7
C13	Textiles	-3,2	-9,7	-24,4	-21,8	-22,0
C30	Other transport equipment	2,2	4,4	-10,5	-10,3	-7,9
C17	Paper and paper products	1,7	-3,0	-15,1	-13,2	-12,8
C21	Basic pharmaceutical products	5,1	1,8	2,7	3,9	4,1
C15	Leather and related products	-6,1	-7,7	-17,9	-16,8	-16,5
C11	Beverages	1,8	-1,8	-6,9	-3,7	-0,3
C32	Other manufacturing	2,1	-0,6	-5,5	-5,6	-5,8
C19	Coke and refined petroleum products	0,6	3,1	-8,7	-8,9	-9,5
C26	Computer, electronic and optical products	2,6	1,8	-18,1	-17,9	-16,9
C12	Tobacco products	-3,7	-16,1	-3,7	0,7	-2,9

Source: Eurostat

<sup>10</sup> 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	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
<b>C</b>	<b>TOTAL MANUFACTURING</b>	-3,3	-3,1	-2,0	-0,8	-0,7	0,1	-0,3
<b>F</b>	<b>CONSTRUCTION</b>	-2,6	0,6	-1,9	-0,1	0,4	-2,5	-2,9
C10	Food products	1,0	0,2	0,1	0,5	-0,1	-0,7	0,8
C25	Fabricated metal products	-5,4	-3,3	-4,8	-1,8	0,3	-0,4	-0,6
C28	Machinery and equipment n.e.c.	-3,0	-7,7	-3,8	-2,3	-4,4	-2,3	-2,2
C29	Motor vehicles, trailers and semi-trailers	-9,0	-3,8	-4,7	3,5	-1,8	3,1	0,8
C18	Printing and reproduction of recorded media	-0,2	0,5	-1,8	-0,9	-0,4	-0,9	-1,0
C31	Furniture	-2,8	-2,0	-2,1	-1,3	0,0	-2,9	-3,5
C22	Rubber and plastic products	-5,7	-0,1	-2,1	-0,7	-0,5	0,5	-0,2
C27	Electrical equipment	-3,5	-4,7	-3,9	-0,8	-3,2	-0,8	-2,3
C23	Other non-metallic mineral products	-8,6	-4,1	-0,3	1,1	-0,7	0,4	-0,4
C14	Wearing apparel	-1,3	-4,4	-1,9	-6,7	0,6	8,9	-2,7
C20	Chemicals and chemical products	-6,4	0,8	0,4	-0,3	0,1	0,0	2,0
C16	Wood and of products of wood	-4,9	-1,8	-0,6	-1,2	0,0	-0,2	0,6
C24	Basic metals	-11,1	-3,2	-0,8	-5,3	-3,0	3,0	0,7
C13	Textiles	-2,9	-2,8	-2,6	-1,1	-1,2	-0,4	-2,5
C30	Other transport equipment	1,5	-10,4	1,1	2,1	-2,4	-0,4	1,8
C17	Paper and paper products	-3,5	-2,1	0,2	-1,7	0,7	-0,2	-0,8
C21	Basic pharmaceutical products	-1,3	3,8	-3,1	3,0	-1,1	0,2	1,9
C15	Leather and related products	-4,3	0,8	-5,6	-3,5	1,9	1,8	-3,6
C11	Beverages	0,2	-0,1	-1,2	1,6	-0,9	-2,2	2,0
C32	Other manufacturing	1,1	-1,3	-0,6	-2,6	0,5	1,3	-1,8
C19	Coke and refined petroleum products	-0,1	-2,6	-0,5	-2,5	2,5	0,4	-1,3
C26	Computer, electronic and optical products	-3,5	-6,1	0,5	-2,0	-0,9	-0,4	-1,0
C12	Tobacco products	1,8	1,9	1,1	-2,1	1,8	-2,6	-1,1

Source: Eurostat

**Table 4: EU27 employment growth rate by manufacturing sector - % change in comparison to the corresponding period of the previous year – gross data**

<b>NACE code</b>	<b>Sector name</b>	<b>Average growth 2001-2007</b>	<b>Average growth 2008</b>	<b>Jan-09</b>	<b>Feb-09</b>	<b>Mar-09</b>
<b>C</b>	<b>TOTAL MANUFACTURING</b>	-1,1	-0,1	-4,4	-5,6	-6,1
<b>F</b>	<b>CONSTRUCTION</b>	1,8	-0,9	-6,5	-7,7	-7,7
C10	Food products	-0,4	0,5	-1,6	-2,0	-1,7
C25	Fabricated metal products	0,7	2,5	-2,7	-4,7	-5,5
C28	Machinery and equipment n.e.c.	-0,5	2,5	-0,7	-1,5	-2,0
C29	Motor vehicles, trailers and semi-trailers	0,0	1,2	-5,2	-6,9	-7,6
C18	Printing and reproduction of recorded media	-1,7	-2,9	-3,7	-3,6	-3,9
C31	Furniture		-2,0	-7,8	-9,2	-9,0
C22	Rubber and plastic products	0,2	1,1	-4,8	-5,9	-6,3
C27	Electrical equipment	-0,9	1,6	-3,8	-5,1	-5,5
C23	Other non-metallic mineral products	-1,4	-2,0	-7,5	-8,6	-8,7
C14	Wearing apparel	-5,4	-6,3	-11,1	-12,3	-12,8
C20	Chemicals and chemical products	-1,5	-0,5	-3,3	-3,7	-3,9
C16	Wood and of products of wood	-1,0	-1,9	-8,3	-9,6	-10,1
C24	Basic metals	-2,3	-0,1	-4,0	-5,0	-5,3
C13	Textiles	-5,3	-6,8	-11,8	-13,2	-13,5
C30	Other transport equipment	-0,2	3,1	-1,8	-2,7	-2,9
C17	Paper and paper products	-2,1	-1,7	-2,6	-2,8	-3,2
C21	Basic pharmaceutical products	-	-	-3,6	-4,8	-4,2
C15	Leather and related products	-3,9	-6,3	-11,8	-13,0	-12,5
C11	Beverages	-1,0	-2,6	-6,4	-7,6	-7,5
C32	Other manufacturing	-0,7	-0,5	-0,9	-1,57	-1,5
C19	Coke and refined petroleum products	-3,0	-0,1	-1,6	-1,5	-1,5
C26	Computer, electronic and optical products	-1,6	-0,6	-5,1	-5,7	-6,5
C12	Tobacco products	-5,2	-8,2	-2,7	-3,1	-3,6

Source: Eurostat

**Table 5: 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	Q1/2009	Q2/2009	Jun-09
<b>C_ORD</b>	<b>MANUFACTURING FOR NEW ORDERS</b>	4,6	-4,8	-30,4	-29,4	-24,1
C25	Fabricated metal products	5,3	0,3	-28,6	-28,1	-29,8
C28	Machinery and equipment n.e.c.	6,2	-5,4	-36,9	-39,4	-37,9
C29	Motor vehicles, trailers and semi-trailers	5,4	-12,0	-37,2	-31,0	-27,0
C27	Electrical equipment	4,0	-1,5	-27,8	-28,3	-28,0
C14	Wearing apparel	0,2	-1,0	-15,2	-23,8	-7,6
C20	Chemicals and chemical products	3,8	2,6	-23,7	-22,6	-21,2
C24	Basic metals	7,7	-5,3	-48,2	-49,4	-43,5
C13	Textiles	-2,7	-9,8	-23,7	-21,0	-16,0
C30	Other transport equipment	13,0	5,3	-30,8	-31,4	31,1
C17	Paper and paper products	1,6	-1,8	-16,9	-13,9	-11,0
C21	Basic pharmaceutical products	6,2	0,5	3,9	5,8	10,0
C26	Computer, electronic and optical products	0,2	-8,6	-24,2	-24,5	-17,5

Source: Eurostat

**Table 6: EU27 industry new orders – monthly evolution – seasonally adjusted data**

NACE code	Sector name	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
<b>C_ORD</b>	<b>MANUFACTURING FOR NEW ORDERS</b>	-6,6	-2,6	-1,7	-0,6	-1,7	0,5	-0,4
C25	Fabricated metal products	-6,4	-5,0	-1,8	-0,8	1,2	1,4	-2,7
C28	Machinery and equipment n.e.c.	-10,8	-3,0	-2,4	1,6	-8,6	1,1	-1,4
C29	Motor vehicles, trailers and semi-trailers	-3,6	-11,7	5,0	8,4	0,4	-0,5	4,9
C27	Electrical equipment	-6,4	-5,5	-5,1	4,6	-4,9	-1,9	1,5
C14	Wearing apparel	4,2	-11,0	4,7	-3,6	-7,4	-0,3	11,6
C20	Chemicals and chemical products	-7,0	-2,9	-0,1	-0,9	0,0	-0,1	-1,4
C24	Basic metals	-8,7	-10,2	-7,2	-2,0	3,8	1,5	9,0
C13	Textiles	2,1	-6,8	-1,3	1,6	-0,4	-3,9	5,9
C30	Other transport equipment	9,7	22,4	28,8	-37,5	12,3	6,8	7,7
C17	Paper and paper products	-5,0	-1,1	-0,1	-1,1	1,6	1,1	-1,0
C21	Basic pharmaceutical products	6,3	-1,4	2,8	1,2	0,2	-4,2	7,2
C26	Computer, electronic and optical products	-0,1	-9,4	-0,2	-2,5	1,3	-3,9	5,8

Source: Eurostat

**Table 7: EU27 industry new orders index – domestic market – gross data - % change in comparison to the corresponding period of the previous year**

NACE code	Sector name	Average growth 2001-2007	Average growth 2008	Q1/2009	Q2/2009	Jun-09
<b>C_ORD</b>	<b>MANUFACTURING FOR NEW ORDERS</b>	2,8	-3,1	-26,4	-27,8	-24,4
C25	Fabricated metal products	4,5	1,3	-28,7	-31,1	-30,6
C28	Machinery and equipment n.e.c.	3,2	-5,7	-34,5	-38,9	-37,0
C29	Motor vehicles, trailers and semi-trailers	2,6	-11,0	-26,7	-25,6	-21,7
C27	Electrical equipment	2,8	-1,0	-29,0	-31,8	-29,7
C14	Wearing apparel	-0,9	-1,0	-13,1	-20,7	-7,0
C20	Chemicals and chemical products	3,0	3,2	-22,8	-24,2	-21,2
C24	Basic metals	5,7	-5,3	-46,5	-47,9	-42,8
C13	Textiles	-4,3	-11,4	-21,6	-18,6	-13,2
C30	Other transport equipment	26,9	5,2	47,8	-3,0	33,4
C17	Paper and paper products	0,3	-1,3	-15,2	-14,0	-9,5
C21	Basic pharmaceutical products	4,7	0,5	-9,9	-2,7	-1,3
C26	Computer, electronic and optical products	-3,4	-4,5	-24,9	-23,6	-20,7

Source: Eurostat

**Table 8: EU27 industry new orders index – non-domestic market – gross data - % change in comparison to the corresponding period of the previous year**

NACE code	Sector name	Average growth 2001-2007	Average growth 2008	Q1/2009	Q2/2009	Jun-09
<b>C_ORD</b>	<b>MANUFACTURING FOR NEW ORDERS</b>	6,9	-5,8	-33,0	-29,9	-23,6
C25	Fabricated metal products	8,3	-2,2	-30,7	-27,0	-27,3
C28	Machinery and equipment n.e.c.	9,1	-5,7	-38,4	-42,7	-37,9
C29	Motor vehicles, trailers and semi-trailers	8,4	-11,2	-41,9	-32,5	-28,3
C27	Electrical equipment	6,3	-1,7	-25,0	-29,4	-25,5
C14	Wearing apparel	2,0	0,5	-13,5	-19,0	-3,9
C20	Chemicals and chemical products	4,6	1,9	-26,2	-24,9	-22,9
C24	Basic metals	9,9	-3,7	-49,8	-47,7	-44,4
C13	Textiles	-0,6	-7,6	-25,9	-24,9	-19,6
C30	Other transport equipment	15,5	11,0	-48,2	-21,1	18,4
C17	Paper and paper products	2,5	-2,8	-18,9	-13,5	-12,9
C21	Basic pharmaceutical products	10,1	6,5	11,8	11,1	17,8
C26	Computer, electronic and optical products	1,2	-9,9	-21,1	-23,1	-18,0

Source: Eurostat

**Table 9: Extra EU Exports (in value) - % change in comparison to the corresponding period of the previous year**

NACE code	Sector name	average growth 2001-7	average growth 2008	Q1-2009	Q2-2009	June-09
DM 35	Other transport equipment	-2,1	6,4	1,7	-1,5	7,1
DG 24	Chemicals & chemical products	7,2	3,0	-5,5	-5,3	-5,6
DE 22	Publishing & printing	-1,7	-1,1	-10,4	-12,7	-6,8
DL 33	Scientific and other instruments	5,5	2,8	-6,3	-9,7	-7,4
DA 15	Food & beverages	3,7	6,7	-10,2	-11,1	-7,8
DC 19	Leather	0,2	1,4	-16,6	-17,4	-12,1
DL 30	Office machinery & computers	-3,2	-8,5	-19,7	-15,0	-14,0
DB 17	Textiles	3,6	-2,1	-22,2	-19,8	-14,6
DB 18	Wearing apparel	3,1	4,3	-12,4	-18,8	-15,1
DH 25	Rubber & plastic products	7,6	1,4	-22,7	-21,8	-15,9
DD 20	Wood & of products of wood	5,8	-5,4	-25,3	-21,4	-16,3
DJ 28	Fabricated metal products	7,5	7,1	-16,1	-22,0	-17,6
DE 21	Pulp, paper & paper products	4,8	2,5	-23,9	-18,8	-18,6
<b>D</b>	<b>EU MANUFACTURING</b>	5,9	5,1	-19,4	-21,2	-19,2
DL 31	Electrical machinery and apparatus n.e.c.	6,8	10,2	-12,5	-19,0	-19,2
DI 26	Other non-metallic mineral products	2,7	0,5	-23,9	-23,2	-20,0
DK 29	Machinery & equipment n.e.c.	7,3	8,2	-15,5	-21,8	-20,3
DL 32	Radio, TV and communication equipment	0,0	-4,3	-28,1	-27,6	-22,1
DN 36	Furniture; manufacturing n.e.c.	1,2	-0,2	-20,6	-24,5	-22,4
DJ 27	Basic metals	12,7	7,9	-28,4	-31,7	-31,0
DM 34	Motor vehicles	7,7	3,5	-45,1	-42,4	-39,9
DF 23	Coke & refined petroleum	21,0	27,8	-40,8	-42,6	-41,7

Source: DG Trade