

Impact of the economic crisis on key sectors of the EU – the case of the manufacturing and construction industries

December 2009 update

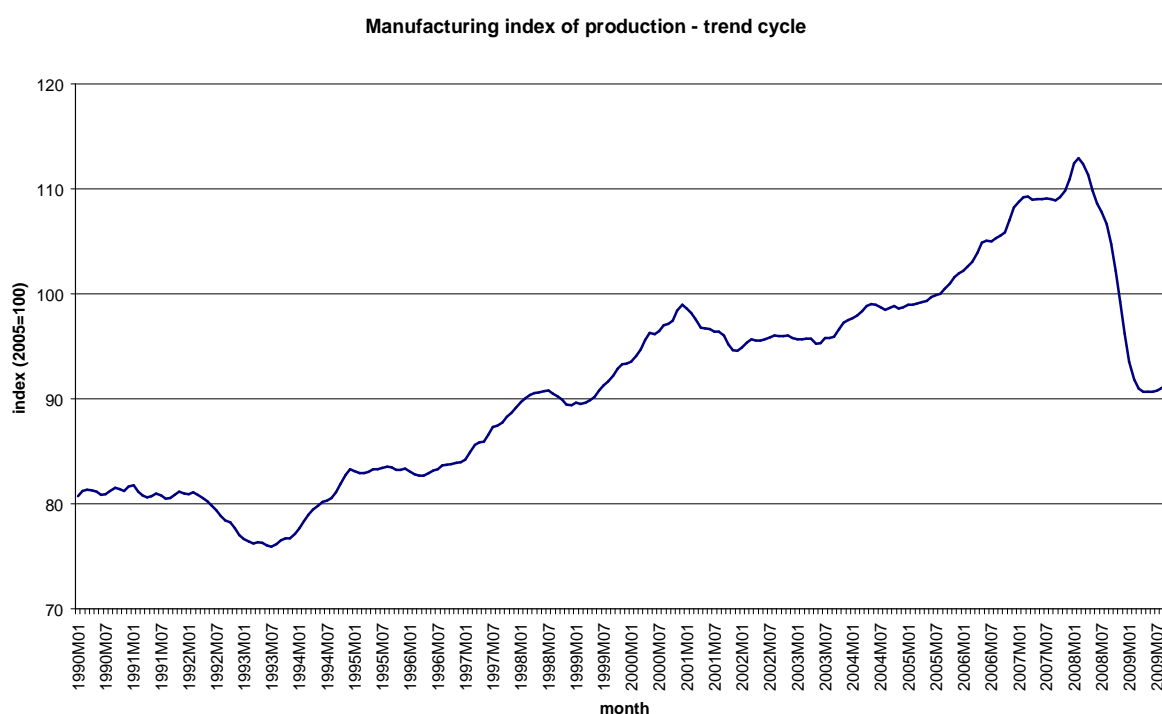
1. SUMMARY

The EU economy seems at last to be emerging from the recession with GDP in the third quarter rising by 0.3% on the previous quarter after five consecutive quarters of contraction. Most member States showed a clear rebound in GDP with only Spain and Greece still in negative territory. Among the largest Member States, the strongest growth was seen in Germany (0.7%) and Italy (0.6%). Increasing new orders and growing confidence point to an improving outlook for the EU industry, although the manufacturing output is still experiencing a phase of stabilisation rather than sound recovery. Manufacturing output still remains almost 20% below its peak level of early 2008.

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 both output levels and confidence indicators are still at low levels in absolute terms and the likelihood of a further deterioration in labour markets reflecting the typically delayed reaction of employment to output reductions and the expected phasing out of short-time working schemes. All in all, these figures confirm that so far the fall in GDP has been constituted first and foremost by the output fall in industry and construction.

Looking to the future, there is a continuous risk that restricted availability of finance on favourable terms to firms could slow down an economic recovery. SMEs in particular appear to suffer from continued difficult access to short term finance, including export credits and trade finance that have declined considerably.

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



2. RECENT DEVELOPMENTS

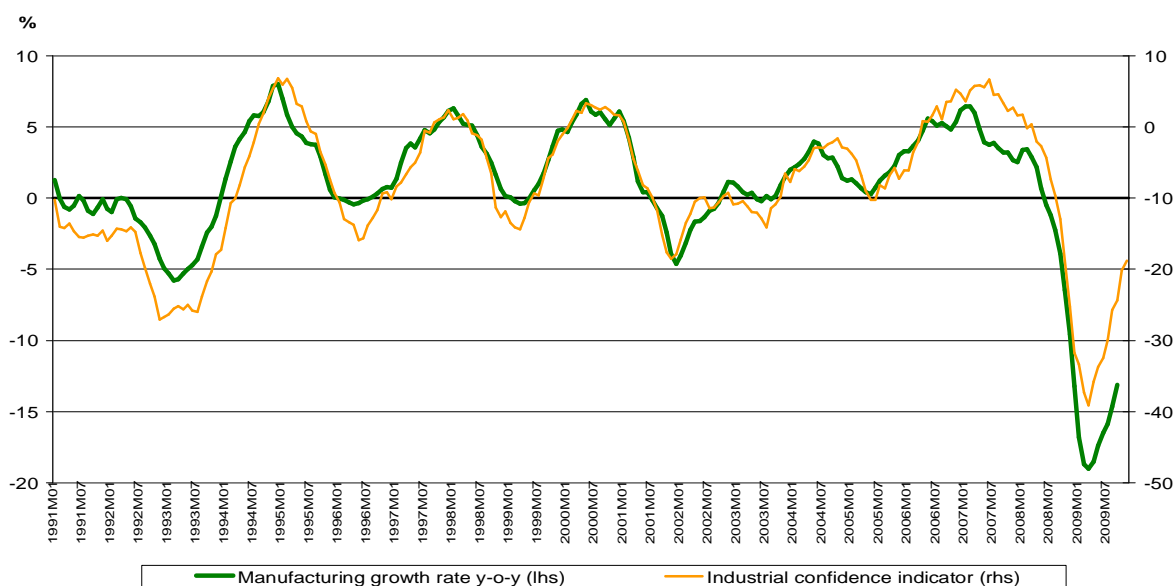
2.1. Aggregate developments

Having fallen sharply, manufacturing production stabilised in the second quarter of 2009 and since then it has been rather stable with no clear signs of fast recovery (see chart 1 above). In October 2009 manufacturing output was still 19.4% below its peak in February 2008, at production levels last seen in 1998. The current output decline has thus been much more than a correction of an excess built up in the bubble economy of the middle years of this decade. Construction output in contrast has not yet stabilised and continues to decline. In October 2009, construction output was 15.6% below its peak in February 2008.

In the fourth quarter of 2009, survey data¹ showed EU manufacturing **capacity utilisation** at a level of 71.4%, indicating a small increase from the record low level of 70.2% in the third quarter but still well below its 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 improvements could be seen in the fourth quarter compared to historical lows from the second or third quarter.

Recent **confidence surveys** show that inventory levels have now recovered to their long run average and that a solid recovery has occurred in production expectations. The improvement in the Economic Sentiment Indicator in November is the eighth consecutive increase since the trough of March 2009. The industry sentiment indicator (see chart 2) contributed significantly to the overall improvement, mainly triggered by improved production expectations, which were positive in November for the first time since July 2008. On the other hand, order books are recovering at a much slower pace. Also other confidence indicators have improved somewhat since the summer, although the construction and services indicators are still at very low levels, whereas the retail indicator has reached its long-run average.

Chart 2: EU27 manufacturing production growth and industrial confidence



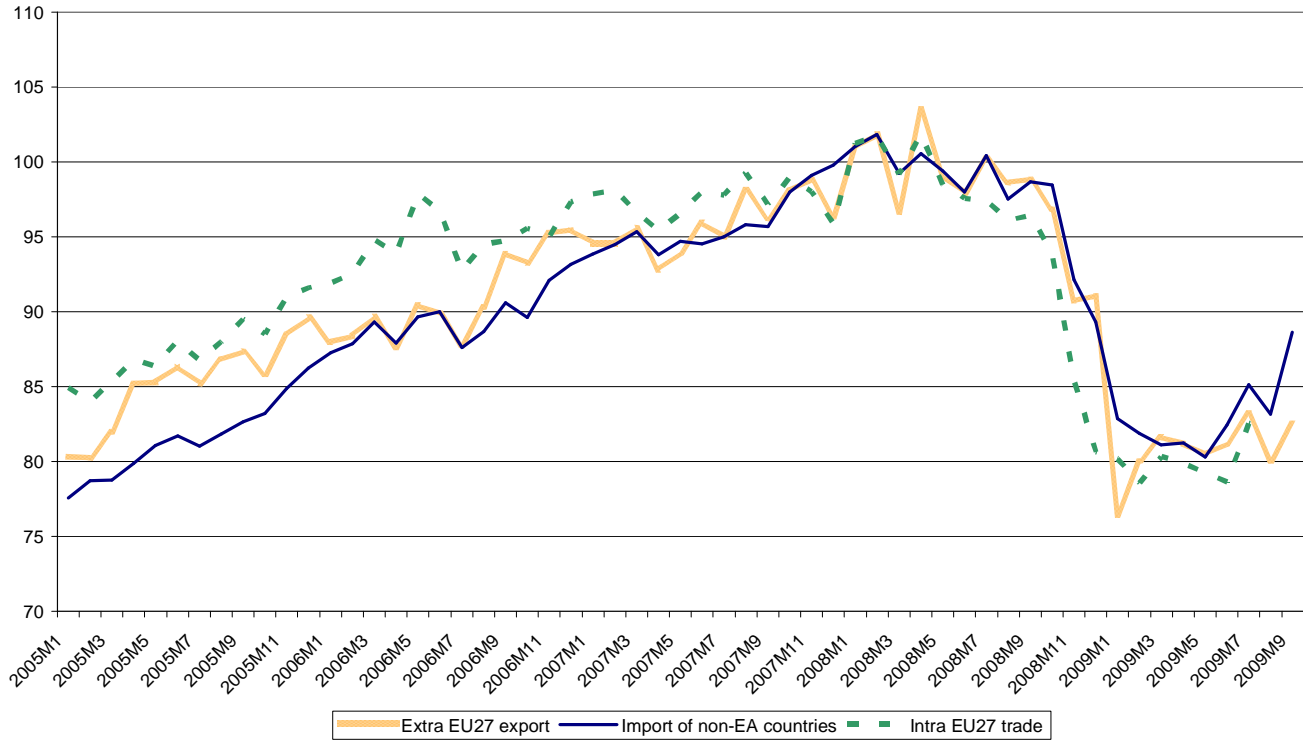
Source: Eurostat and DG Economic and Financial Affairs

¹ Source: ESI 27/11/2009 by DG Ecfm.

Recent Eurostat data on **order books** confirm their recovery from the low levels. Overall order books still remain some 23% below their peak level in the last quarter of 2007, but have already recovered some 10% since the trough in April 2009. Non-domestic orders have risen by around 12% since their low point in February 2009, whilst domestic orders started have recovered 6.7% from their low point in July. Basic metals, machinery and equipment, and fabricated metal products are still the most severely affected sectors, although some signs of recovery have emerged in recent months. The motor vehicles sector, on the other hand, has seen a substantial improvement in orders since January with an increase in new orders by over 27%.

EU exports have markedly increased since the trough in the first quarter 2009, although in October the exports to non-EU countries were still some 17% down and **intra-EU trade** was also 17% lower compared to the previous year. EU exports to the rest of the world seem to have fallen broadly in line with world trade and world industrial production (see Chart 3). However, extra-EU exports have not yet begun to benefit from the recovery in world trade that has occurred in recent months. This is partly a result of its composition, particularly concentrated in Asian economies, but may also reflect exchange rate developments.

Chart 3: World Trade (imports of non-EU countries), extra-EU exports and intra-EU trade (index)



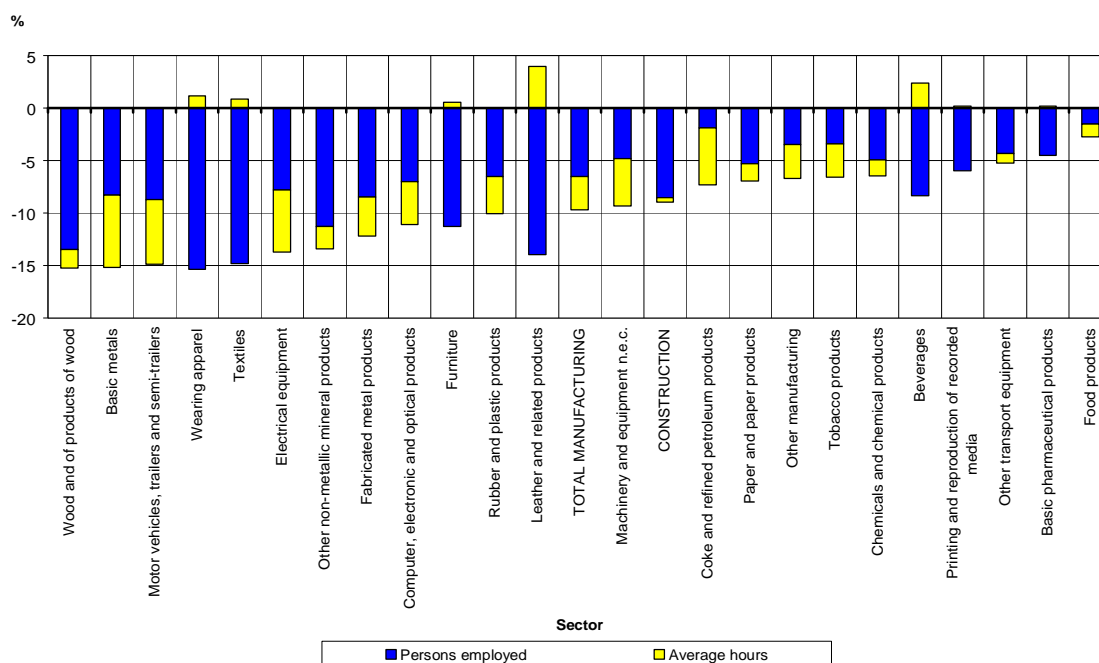
Source: Eurostat and Netherlands CPB

The latest available **employment** data for the economy as a whole (Q3/2009) show that EU27 labour markets continue to deteriorate in reaction to the economic downturn, although the pace of deterioration seems to be slowing. Overall employment fell by 0.5% (1 019 000 persons) in the third quarter of 2009 compared to the previous quarter and by 2.0% compared to a year earlier. The unemployment rate in EU27 continued to rise reaching 9.3% in October

(corresponding to 22.5 million unemployed), which was 2.6 percentage points higher than the trough of 6.7% in the spring 2008.²

Manufacturing remains the most negatively affected sector with announced job losses between September 2008 and October 2009 adding up to slightly more than half of the total job losses³. **Jobs in manufacturing** were 6.6% lower in the second quarter compared to a year ago, after being 5.1% lower in the first quarter. Preliminary Eurostat data on overall hours however show them 9.7% down on a year ago, reflecting the extensive use of short term working. Chart 4 reveals the use of short-term working in the vast majority of industrial sectors, in particular in basic metals and motor vehicles, where average hours per worker have declined by some 7% and 6% respectively over the last year to the second quarter of 2009. In some other industries, such as manufacture of wearing apparel, textiles, leather, and beverages, the level of 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.

Chart 4: Breakdown of change in overall hours worked into employment and average hours - second 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: Preliminary data, Eurostat⁴

2.2. Country specific developments

The October figures show that industrial production compared with a year earlier continued to remain dramatically depressed in all Member States for which data are available. Activity on annual comparison has fallen by the largest percentages in Estonia (-20.9%), Finland (-

² The unemployment rate of 9.3% is the highest since the EU27 series began.

³ EMCC, *European Restructuring Monitor quarterly*, Issue 3 – autumn 2009

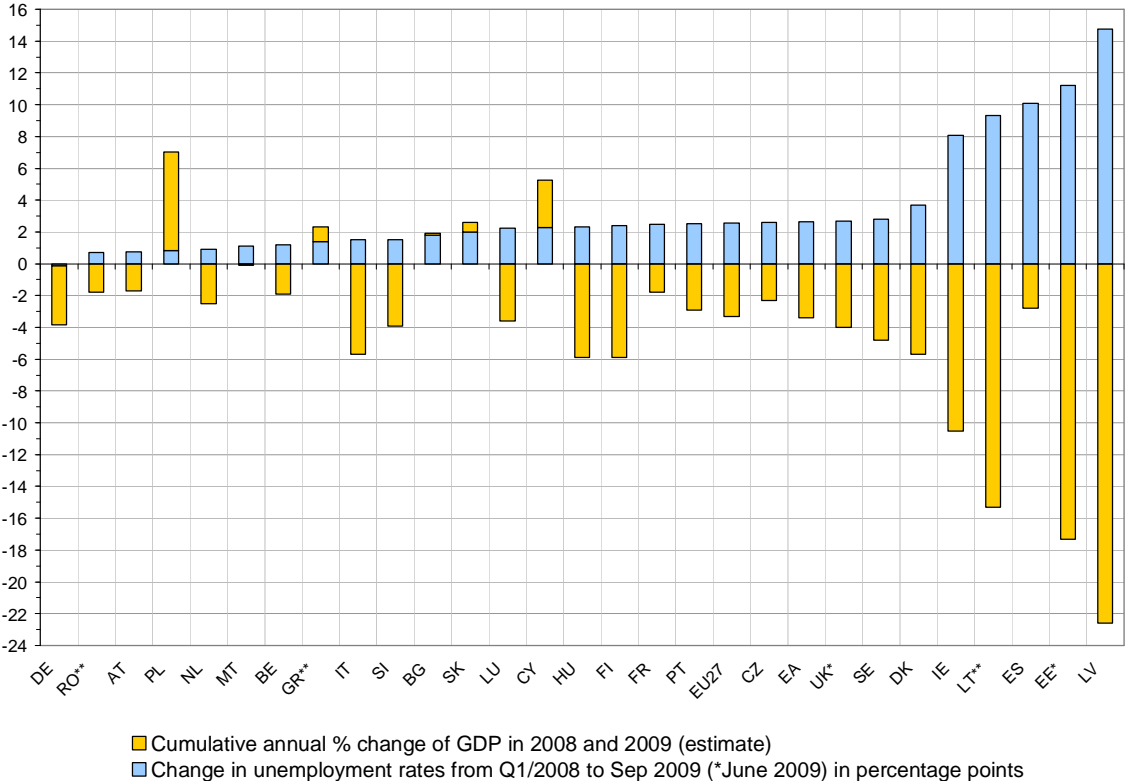
⁴ For more information: Sarmite Visocka “Economic downturn in the EU: the impact on employment in the business economy” Eurostat Statistics in Focus 60/2009 (August 2009)

19.1%), and Slovenia (-18.4%), and by the smallest in Portugal (-5.2%), the Netherlands (-6.1%) and Romania (-1.4%).⁵

Seasonally adjusted data showed that in October industrial production in the EU27 declined by -0.01%. In particular, industrial production in Germany fell in October by -1.64 % compared to September, when a 3.73% growth had been recorded. In France output also decreased by -0.79% in October compared to September. Data suggests that the strong rebound in industrial output observed in the past months is losing momentum.⁶ For example, the impact of the temporary car incentive schemes could be easing.

There are also significant differences in the increase of unemployment rates among the Member States (see chart 5). Unemployment rates in the Baltic States and in Spain⁷ and Ireland have risen by between eight and fifteen percentage points in comparison to the first quarter of 2008. In contrast, in five countries the unemployment rate rose by less than one percentage point, notably in Germany, Romania, Austria, Poland and the Netherlands.

Chart 5. Changes in unemployment rates compared with the changes of GDP



Source: Eurostat

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

⁵ Eurostat press release 14/12/2009.

⁶ However, it should be noted that data for countries remain rather volatile, especially in comparison with August, which makes it difficult to determine which countries have entered a more sustainable growth path.

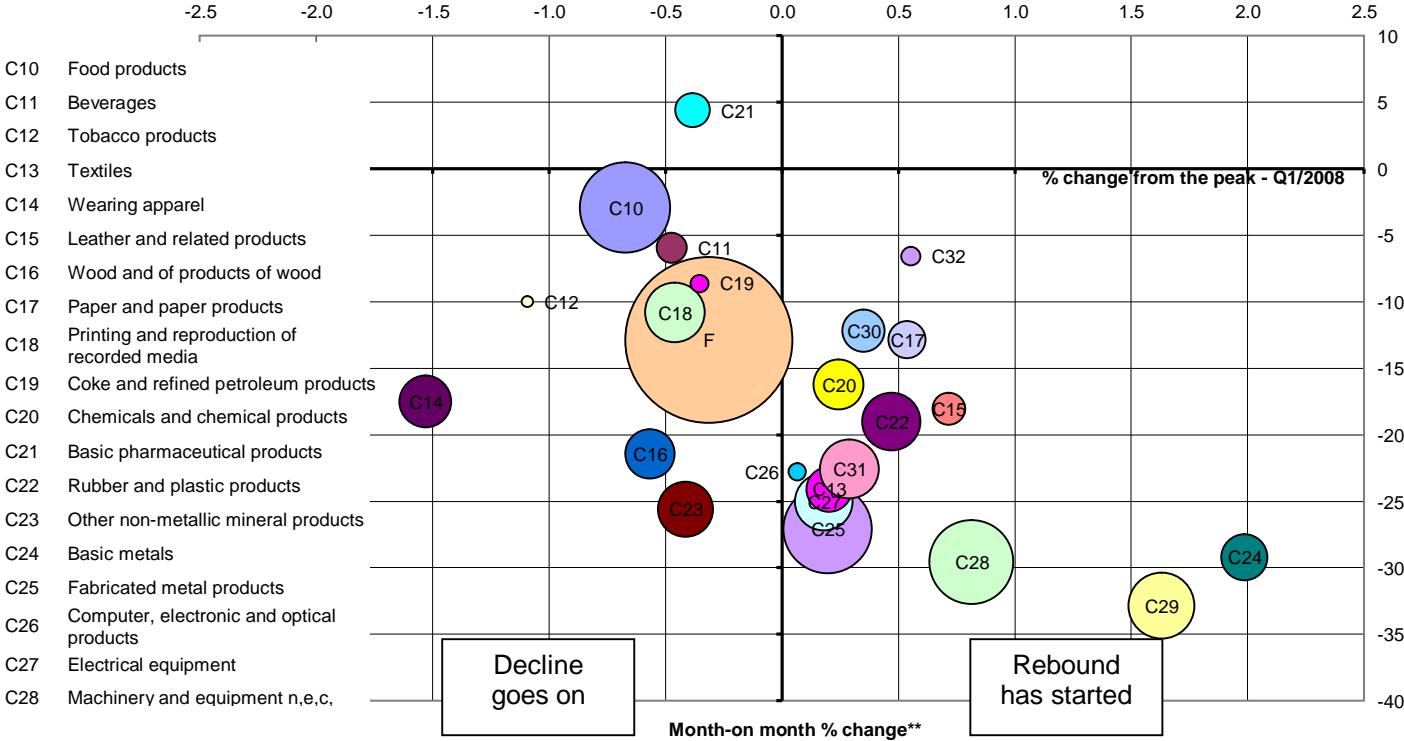
⁷ In October, the unemployment rate in Spain was 19.3%, which is the highest in the EU27.

manufacturing and construction, the two sectors with the highest cyclical sensitivity of hours worked.⁸

2.3. Recent developments in selected sectors

The latest data for developments in manufacturing sectors in the last three months to October 2009 show that production in most of the sectors has stabilised or even recovered somewhat (see chart 6. For additional information see tables 5 and 6), in particular in basic metals (c24) and motor vehicles (c29) industries. It seems that most sectors producing capital goods might have finally reached the bottom. On the other hand, output in wearing apparel (c14) is still in decline. Despite the recent recovery, 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.

Chart 6: Sectoral output performance since onset of the crisis* [CHECK LAYOUT]



* Size of the bubble reflects employment in the sector
 ** Three months moving average (August-October 2009)

Source: Eurostat

Furthermore, the outlook in some subsectors might be less favourable than the business expectations at the aggregate level indicate. For example, the boost to the motor car industry from temporary scrapping schemes might be reversed in the upcoming months, especially in Germany where the scheme appears to have pushed car sales significantly above their long-term trend. This would negatively affect the entire value chain of car industry. Another example is shipbuilding that has suffered from a massive decline of new orders of more than

⁸ OECD, *Economic Outlook*, No. 86, November 2009

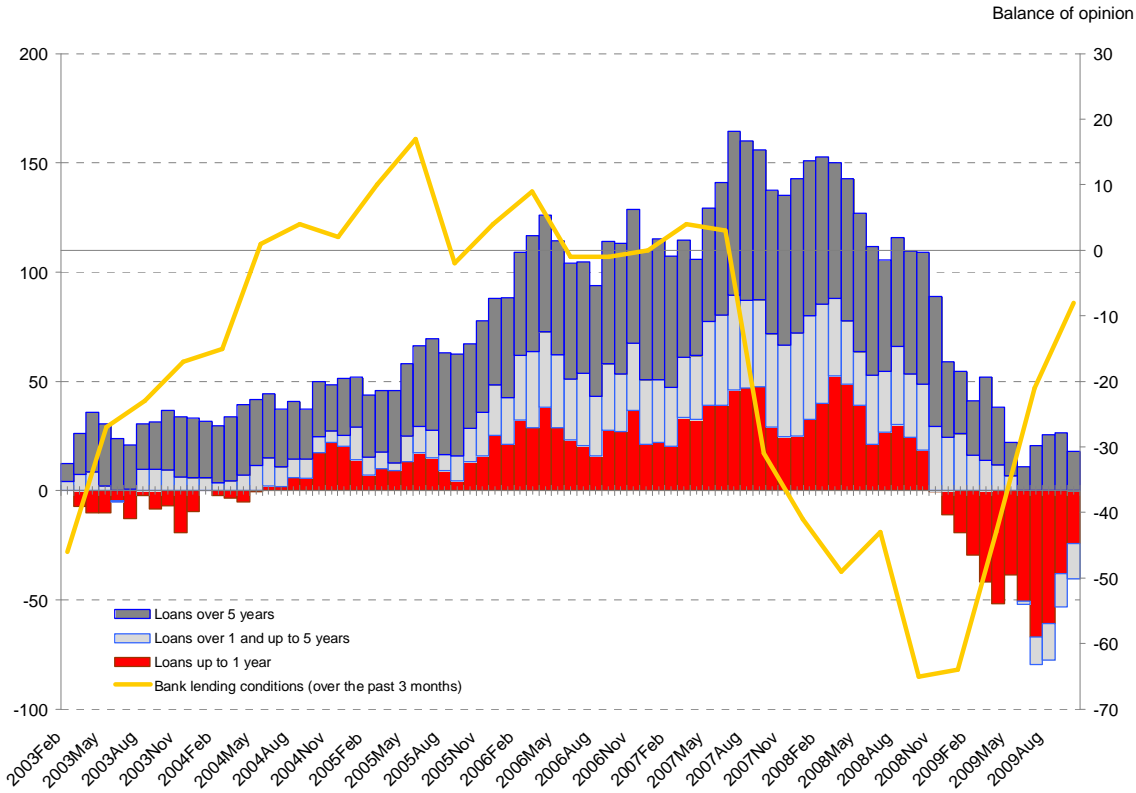
90%; although current output decline is still limited due to the multi-annual nature of shipbuilding orders, future prospects for output deteriorates swiftly.

The situation in the construction sector is also still rather gloomy. In October output fell by another 0.4% compared to the previous month continuing the negative trend since April 2008. Building construction was mostly affected (-9.9% y-o-y) mainly due to the decrease in private investment in the residential sector, whilst civil engineering was 5.5% higher compared to a year earlier, showing some evidence of the impact of fiscal policy actions.

2.4. Access to finance

ECB data for October indicated that lending in the euro-zone was contracting at an increasingly rapid pace reflecting both lower demand and tighter credit standards (see chart 9). Bank lending to the private sector fell year-on-year for the first time in September, but ECB data for October showed the annual rate of decline accelerated from 0.3 per cent to 0.8 per cent. The slowdown has been most significant in short-term loans that have been declining since November last year.

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



Source: ECB

The latest ECB October 2009 bank lending survey⁹ provides hopes for a gradual improvement. Following the turning-point in the tightening trend observed at the time of the April 2009 survey, the net tightening seems now to be close to a halt. Interest rate margins, loan size, and collateral requirements that in particular had been made more onerous, had

⁹ ECB, The Euro Area Bank Lending Survey, October 2009.

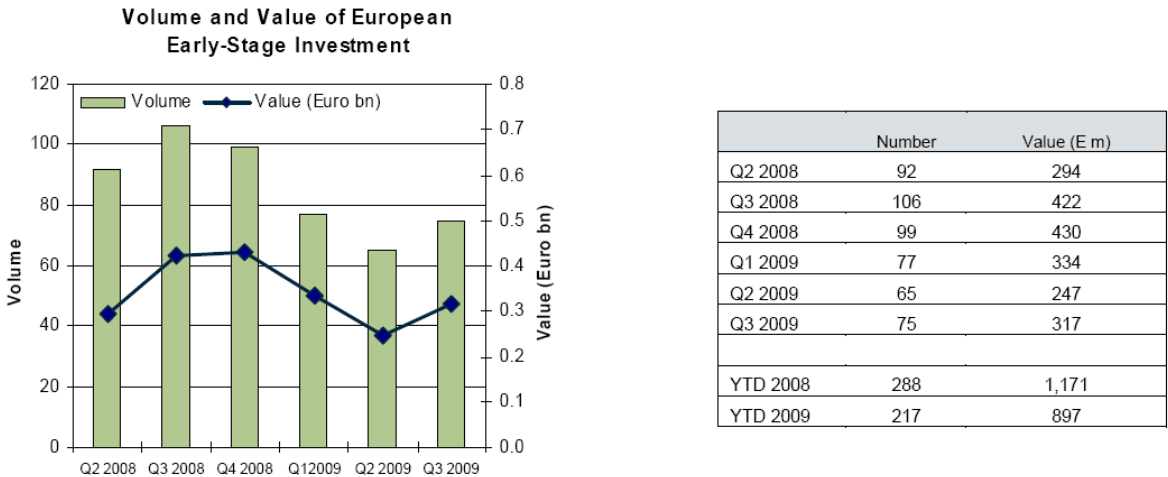
significantly lower degree of net tightening in the third quarter of 2009. The most important forces driving the tightening of credit standards to enterprises continued to be expectations regarding general economic activity and the industry or firm-specific outlook. Importantly, some of the supply-side factors, namely banks' access to market financing and banks' liquidity position, contributed to an easing of credit standards for loans to enterprises. At the same time, net demand for loans by enterprises continued to decline. 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.

Furthermore, banks reported that their access to wholesale funding has improved somewhat in comparison to the previous quarter, partly owing to governments' announcements and introduction of recapitalisation support and state guarantees for debt securities issued by banks. Securitization markets are still heavily impaired, which severely limits banks' capacity to originate (and distribute) credit.¹⁰ Over the next three months, banks do not expect much improvement in this respect. Overall, the environment remains challenging for lower-tier borrowers, notably small and medium-size enterprises.¹¹

Credit deterioration will continue to put pressure on bank balance sheets, as write-downs and loan loss provisions are expected to rise. While U.S. banks have already recognized about 60 per cent of anticipated write-downs, euro area and U.K. banks have only recognized about 40 per cent.¹² IMF projects additional write-downs or loss provisions of about €37m for euro area banks. The question for the coming months remains whether bank earnings will be robust enough to absorb these write-downs and rebuild capital cushions.¹³

At present **venture capital** funds in Europe are focused on managing their portfolio companies through the crisis in order to be well positioned once economic growth picks up. Year-to-date venture capital figures are now down by 21% (volume) and 23% (value) compared to 2008 (see chart 8). As regards early-stage investments, 2009 so far has remained significantly behind 2008 with volume and value down 25% and 23%, respectively.¹⁴

Chart 8. Early-stage venture capital statistics



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

¹⁰ World Economic Outlook, October 2009, IMF.
¹¹ Ibid.
¹² Global Financial Stability Report, October 2009, IMF.
¹³ Global Financial Stability Report, October 2009, IMF.
¹⁴ Unquote Private Equity Barometer, Q3 2009.

Annex

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

Total Industry	2009M01	2009M02	2009M03	2009M04	2009M05	2009M06	2009M07	2009M08	2009M09	2009M10
European Union	-3,17	-1,76	-0,72	-0,40	0,27	-0,11	-0,05	0,70	-0,06	-0,01
Euro area	-3,47	-2,11	-0,94	-0,73	0,55	-0,16	-0,02	0,30	0,34	-0,32
Belgium	-3,23	-0,77	-0,84	-1,19	-0,71	0,16	0,65	-0,20	-0,31	:
Bulgaria	-4,36	0,54	-5,66	5,61	1,07	-3,10	0,33	-0,22	-4,74	2,98
Czech Republic	-4,72	0,23	1,41	0,31	-1,96	2,41	-1,71	4,34	-0,52	0,42
Denmark	-12,34	0,44	-2,07	-0,55	-1,56	0,00	0,11	-1,93	-1,39	-1,76
Germany	-8,11	-3,44	0,78	-2,88	5,13	0,65	-0,97	2,07	3,73	-1,64
Estonia	-4,95	-4,63	-3,03	-4,63	2,36	-1,15	3,11	1,13	-2,24	-0,38
Ireland	13,46	-7,70	6,38	-4,61	-2,90	8,07	8,20	-17,46	12,49	-3,03
Greece	-3,26	2,60	-3,40	-1,07	2,19	-1,75	0,34	0,93	-2,81	-1,57
Spain	-1,15	-0,82	-3,66	4,73	-3,99	0,70	-0,14	1,06	-1,13	0,31
France	-5,63	0,00	-1,40	-0,47	2,03	0,58	0,58	3,00	-1,12	-0,79
Italy	-1,98	-4,26	-4,33	0,61	-0,24	0,12	1,22	6,02	-5,45	0,84
Cyprus	-4,81	0,20	-4,89	1,24	-0,05	-1,22	0,46	-3,94	0,94	:
Latvia	-9,13	-3,67	3,01	3,23	-1,77	1,12	-0,29	2,26	-1,80	-1,86
Lithuania	-3,03	-4,35	-8,41	-0,43	6,83	2,54	2,97	-4,42	-1,51	-2,15
Luxembourg	3,84	-1,56	-4,57	4,02	1,12	4,48	-4,97	2,04	9,36	:
Hungary	2,86	-3,30	3,83	-3,90	2,77	1,14	-0,31	1,54	1,12	1,10
Netherlands	0,00	-0,84	0,11	-0,64	1,49	-0,11	0,95	0,83	0,62	-0,82
Austria	-1,95	-7,66	1,84	-2,01	-1,23	1,25	1,64	-0,91	-0,92	:
Poland	0,00	1,09	1,75	0,90	0,16	0,65	-0,16	0,89	0,88	0,71
Portugal	-4,60	-3,44	6,66	0,78	-1,11	-0,11	2,91	2,94	-2,54	-1,08
Romania	0,99	1,70	1,58	3,20	0,25	1,76	1,07	-0,16	2,77	1,66
Slovenia	2,06	-3,84	0,42	-4,40	2,96	0,43	-0,74	5,34	1,11	-3,51
Slovakia	0,18	2,08	3,45	-1,62	-2,52	7,22	0,08	6,89	4,66	:
Finland	-12,46	2,96	0,44	-2,53	-0,23	2,27	-2,10	2,60	0,22	1,43
Sweden	-2,24	-1,86	-6,23	0,59	-2,00	1,44	2,25	-2,32	1,43	-1,52
United Kingdom	-2,80	-0,36	0,23	0,01	-0,47	0,21	0,81	-2,30	1,54	-0,07

: Data not available

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

	Sector name	Average growth 2001-2007	Average growth 2008	Average growth 2001-2008	Average growth Q1/2009	Average growth Q2/2009	Average growth Q3/2009	Oct-09
C	TOTAL MANUFACTURING	1,8	-1,7	1,4	-19,1	-18,1	-14,3	-10,6
C10	Food products	1,5	-0,6	1,3	-1,8	-0,4	0,0	-2,9
C11	Beverages	1,8	-1,8	1,4	-7,5	-2,8	-0,6	-0,9
C12	Tobacco products	-3,6	-16,1	-5,2	-3,6	0,1	0,1	-5,3
C13	Textiles	-3,2	-9,8	-4,0	-24,4	-21,8	-14,7	-7,4
C14	Wearing apparel	-4,4	-3,4	-4,2	-14,3	-10,3	-10,5	-14,6
C15	Leather and related products	-6,1	-7,3	-6,3	-17,9	-17,0	-10,4	-2,1
C16	Wood and of products of wood	1,1	-8,5	-0,1	-21,8	-17,6	-11,3	-11,1
C17	Paper and paper products	1,7	-2,9	1,1	-15,1	-12,4	-8,7	-5,1
C18	Printing and reproduction of recorded media	-0,1	-2,6	-0,4	-7,4	-7,7	-7,8	-7,2
C19	Coke and refined petroleum products	0,8	3,3	1,2	-8,7	-8,7	-7,5	-6,3
C20	Chemicals and chemical products	1,7	-3,5	1,0	-20,2	-15,5	-10,6	-5,3
C21	Basic pharmaceutical products	5,1	1,9	4,7	3,0	3,5	4,1	2,8
C22	Rubber and plastic products	1,8	-4,7	1,0	-21,9	-19,0	-11,4	-5,7
C23	Other non-metallic mineral products	1,0	-6,6	0,1	-26,1	-20,3	-16,9	-15,1
C24	Basic metals	1,0	-2,9	0,5	-34,2	-35,5	-26,1	-13,6
C25	Fabricated metal products	2,3	-2,1	1,8	-25,6	-25,5	-22,2	-17,6
C26	Computer, electronic and optical products	2,7	2,7	2,7	-19,7	-19,6	-19,6	-16,3
C27	Electrical equipment	1,8	0,0	1,6	-21,8	-25,5	-21,5	-16,7
C28	Machinery and equipment n,e,c,	3,4	1,5	3,2	-22,3	-29,2	-27,6	-24,8
C29	Motor vehicles, trailers and semi-trailers	3,0	-6,0	1,9	-40,4	-31,3	-20,1	-6,6
C30	Other transport equipment	2,1	4,3	2,3	-10,6	-10,7	-13,4	-10,3
C31	Furniture	-0,1	-4,8	-0,7	-18,5	-19,8	-17,6	-14,0
C32	Other manufacturing	2,1	-0,9	1,7	-6,3	-5,9	-4,1	-2,4
F	Construction	1,7	-2,9	1,1	-10,8	-8,5	-9,2	:

Source: Eurostat

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

	Sector name	mar-09	ave-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Last 3 months
C	TOTAL MANUFACTURING	-0,7	-0,4	0,3	-0,1	-0,1	0,7	-0,1	0,0	0,2
C10	Food products	0,3	0,0	-0,8	0,5	0,0	-0,4	0,3	-1,9	-0,7
C11	Beverages	1,9	0,0	-2,6	3,4	0,6	-1,6	2,2	-2,1	-0,5
C12	Tobacco products	-2,1	1,7	-2,8	-2,0	-1,3	1,8	-1,3	-3,8	-1,1
C13	Textiles	-0,5	-0,3	0,0	-1,9	1,6	-0,7	0,6	0,7	0,2
C14	Wearing apparel	-7,3	0,3	9,1	-2,9	-3,3	2,3	-6,7	-0,2	-1,5
C15	Leather and related products	-3,5	2,0	2,5	-3,3	3,5	-1,5	-0,6	4,3	0,7
C16	Wood and of products of wood	-1,5	0,4	0,1	0,7	-0,2	1,5	-2,2	-1,0	-0,6
C17	Paper and paper products	-1,4	1,0	0,1	0,4	0,0	1,0	1,2	-0,5	0,5
C18	Printing and reproduction of recorded media	-0,8	0,1	-0,8	-1,1	-0,6	0,9	-1,3	-1,0	-0,5
C19	Coke and refined petroleum products	-2,6	2,4	-0,1	-0,3	1,7	-3,8	3,4	-0,7	-0,4
C20	Chemicals and chemical products	0,0	0,3	0,3	2,2	0,9	-1,2	1,3	0,7	0,2
C21	Basic pharmaceutical products	3,0	-1,4	0,3	0,9	2,2	-3,8	3,3	-0,7	-0,4
C22	Rubber and plastic products	-0,6	-0,1	0,9	0,6	0,8	1,2	-0,1	0,4	0,5
C23	Other non-metallic mineral products	1,0	-0,1	0,5	0,1	0,4	-0,6	-0,4	-0,3	-0,4
C24	Basic metals	-5,0	-2,4	4,0	1,2	4,0	0,4	3,1	2,5	2,0
C25	Fabricated metal products	-1,9	0,3	-0,2	-0,8	-0,1	1,5	-1,2	0,3	0,2
C26	Computer, electronic and optical products	-2,3	-0,9	-0,2	-1,3	-2,1	0,8	-0,4	-0,2	0,1
C27	Electrical equipment	-0,6	-2,9	-0,5	-0,4	-0,3	0,4	0,8	-0,6	0,2
C28	Machinery and equipment n,e,c,	-2,1	-4,2	-1,6	-1,2	-2,9	2,0	2,3	-1,9	0,8
C29	Motor vehicles, trailers and semi-trailers	4,6	-1,1	4,2	1,1	-0,2	0,6	3,4	0,9	1,6
C30	Other transport equipment	2,1	-2,4	-0,5	1,5	-3,0	-0,4	0,7	0,7	0,4
C31	Furniture	-1,6	0,3	-3,1	-2,4	-0,2	1,8	-0,8	-0,2	0,3
C32	Other manufacturing	-2,3	0,6	1,4	-2,2	0,5	2,0	-1,6	1,2	0,6
F	Construction	0,1	0,5	-1,9	-0,7	-0,5	0,1	-0,5	:	-0,3

Source: Eurostat

Table 4: 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	Average 2001 - 2007	Average 2008	Q1/2009	Q2/2009	Q3/2009	Sep-09
C	TOTAL MANUFACTURING	344128	-1.07	-0.09	-5.20	-7.33	-8.92	-8.89
C10	Food products	41849	-0.25	0.42	-1.92	-1.52	-2.09	-2.13
C25	Fabricated metal products	40000	0.53	2.27	-4.10	-8.28	-10.74	-10.84
C28	Machinery and equipment n,e,c,	36495	-0.41	2.63	-1.67	-5.10	-8.01	-8.30
C29	Motor vehicles, trailers and semi-trailers	22348	-0.33	0.97	-6.53	-9.26	-11.37	-11.19
C18	Printing and reproduction of recorded media	18200	-1.92	-1.73	-4.10	-5.89	-6.38	-6.26
C31	Furniture	18000	-1.27	-1.81	-8.85	-10.92	-10.78	-10.17
C22	Rubber and plastic products	17495	0.09	0.77	-5.52	-7.02	-8.06	-8.08
C27	Electrical equipment	17100	-1.03	1.51	-4.67	-8.31	-10.58	-10.65
C23	Other non-metallic mineral products	15865	-1.42	-2.06	-8.54	-10.94	-13.41	-13.47
C14	Wearing apparel	13900	-5.17	-6.39	-12.15	-13.55	-13.29	-12.99
C20	Chemicals and chemical products	12900	-1.61	-0.99	-3.61	-4.85	-5.79	-5.65
C16	Wood and of products of wood	12687	-0.86	-1.88	-9.33	-12.28	-12.99	-12.61
C24	Basic metals	11000	-2.31	-0.59	-5.12	-8.26	-11.00	-11.25
C13	Textiles	10600	-5.24	-6.41	-12.93	-13.83	-14.69	-14.31
C30	Other transport equipment	9171	-0.15	2.38	-2.25	-4.22	-7.25	-7.75
C17	Paper and paper products	7150	-2.03	-1.46	-3.27	-5.41	-5.13	-4.94
C21	Basic pharmaceutical products	6100	0.63	-1.02	-3.89	-4.33	-2.26	-1.72
C15	Leather and related products	5488	-3.64	-5.88	-12.29	-11.99	-12.11	-12.01
C11	Beverages	4600	-0.97	-0.98	-7.59	-7.77	-7.23	-6.68
C32	Other manufacturing	1885	-0.40	0.26	-1.53	-4.07	-5.23	-5.29
C19	Coke and refined petroleum products	1684	-2.56	-0.44	-1.44	-1.05	-4.20	-4.36
C26	Computer, electronic and optical products	1546	-1.95	-1.37	-6.06	-7.51	-9.06	-9.16
C12	Tobacco products	677	-4.78	-7.74	-3.02	-2.93	-4.63	-5.28

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-Q3 /2009	Q3/2009	Sep-09
C_ORD	MANUFACTURING FOR NEW ORDERS	4.6	-4.8	-26.7	-21.4	-16.4
C25	Fabricated metal products	5.3	0.3	-28.0	-25.2	-23.2
C28	Machinery and equipment n.e.c.	6.2	-5.4	-36.3	-31.4	-25.9
C29	Motor vehicles, trailers and semi-trailers	5.4	-12.0	-28.3	-16.8	-12.6
C27	Electrical equipment	4.0	-1.5	-25.3	-19.0	-16.4
C14	Wearing apparel	0.2	-1.0	-17.7	-14.7	-19.5
C20	Chemicals and chemical products	3.8	2.6	-22.0	-18.9	-16.8
C24	Basic metals	7.7	-5.3	-43.7	-35.3	-29.5
C13	Textiles	-2.7	-9.8	-19.7	-13.2	-11.7
C30	Other transport equipment	13.0	5.3	-16.2	-13.8	36.0
C17	Paper and paper products	1.6	-1.8	-13.7	-10.1	-8.5
C21	Basic pharmaceutical products	6.2	0.5	4.2	3.4	10.6
C26	Computer, electronic and optical products	0.2	-8.6	-22.5	-19.5	-17.7

Source: Eurostat

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

NACE code	Sector name	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
C_ORD	MANUFACTURING FOR NEW ORDERS	0.3	-0.4	2.7	0.3	3.6	2.0	1.7
C25	Fabricated metal products	-0.7	1.3	1.5	-2.8	6.9	-1.6	2.8
C28	Machinery and equipment n.e.c.	1.6	-8.2	1.3	-1.7	4.4	1.2	7.7
C29	Motor vehicles, trailers and semi-trailers	8.6	0.2	-0.2	5.2	3.1	5.6	-0.7
C27	Electrical equipment	6.6	-6.7	-2.0	1.9	12.8	-8.0	4.4
C14	Wearing apparel	-3.4	-7.2	-0.2	9.6	-1.6	-5.5	-2.1
C20	Chemicals and chemical products	-0.6	0.2	0.4	-1.1	2.6	0.1	0.1
C24	Basic metals	-2.0	4.1	1.5	8.6	5.0	0.7	6.6
C13	Textiles	1.3	0.4	-3.1	5.5	4.9	-4.6	1.8
C30	Other transport equipment	-32.2	6.8	-1.8	7.2	3.9	-24.5	65.4
C17	Paper and paper products	-1.0	1.3	1.7	-0.8	1.8	-0.6	0.1
C21	Basic pharmaceutical products	1.1	-0.6	-4.2	7.5	-4.3	-3.9	11.8
C26	Computer, electronic and optical products	-2.3	1.1	-3.7	4.2	-1.7	-3.3	2.8

Source: Eurostat