7 May 2021

Industrial production driven by car production again

Industry – March 2021

In March, industrial production increased in real terms by 14.9%, year-on-year (y-o-y). In the month-on-month (m-o-m) comparison, it was by 3.2% higher. The value of new orders increased by 23.0%, y-o-y.

*“March results showed Czech industry in good shape,”* Radek Matějka, Director of the Agricultural and Forestry, Industrial, Construction, and Energy Statistics Department, says. *“The year-on-year growth of industrial production by almost 15% is influenced by the previous year's restriction on production due to the onset of the pandemic. What is positive is a month-on-month increase in industrial production, which somehow balanced weaker February results,”* he adds.

**Industrial production1** in March 2021 was in real terms by 3.2% higher, m-o-m. In the year-on-year comparison, it increased by 14.9%. The following economic activities contributed the most to the y-o-y increase of industrial production: manufacture of motor vehicles, trailers and semi-trailers (contribution +7.4 percentage points (p. p.), growth by 47.0%), manufacture of rubber and plastic products (contribution +1.6 p. p., growth by 22.4%), and manufacture of electrical equipment (contribution +1.3 p. p., increase by 18.1%). Industrial production decreased in the following economic activities: repair and installation of machinery and equipment (contribution −0.2 p. p., decrease by 6.6%), manufacture of wearing apparel (contribution −0.1 p. p., decrease by 18.9%), and manufacture of basic pharmaceutical products and pharmaceutical preparations (contribution −0.1 p. p., decrease by 5.7%).

*“High year-on-year increases of production were mainly reported by industries, which were affected by a complete lockdown from half of March 2020 and that are, moreover, very closely interconnected. That is, car production, where production increased by 47%, year-on-year, manufacture of rubber and plastic products with the growth by 22%, and manufacture of electrical equipment. Industrial enterprises are in very good shape, again mainly thanks to the mentioned industries, in terms of newly contracted orders,”* Veronika Doležalová, Head of Industrial Statistics Unit, says.

**Sales from industrial activity at current prices1** increased by 16.8%, y-o-y, in March 2021. Direct export sales of industrial enterprises increased at current prices by 22.6%. Domestic sales, which also include indirect export via non-industrial enterprises, increased at current prices by 9.6%.

The value of **new orders1** in surveyed industrial CZ-NACE activities increased by 23.0%, y-o-y, in March 2021. Non-domestic new orders increased by 30.4%, while domestic new orders increased by 8.8%. The year-on-year increase of new orders in total was contributed to by the following CZ-NACE divisions: manufacture of motor vehicles, trailers and semi-trailers (contribution +18.2 p. p., increase by 59.2%), manufacture of electrical equipment (contribution +2.7 p. p., growth by 26.2%), and manufacture of machinery and equipment (contribution +2.2 p. p., growth by 21.2%). New orders decreased in manufacture of other transport equipment (contribution −6.0 p. p., decrease by 76.2%), manufacture of basic pharmaceutical products and pharmaceutical preparations (contribution −0.5 p. p., decrease by 21.9%), and manufacture of textiles (contribution −0.02 p. p., decrease by 3.9%).

The **average registered number of employees2** in industry decreased by 2.8%, y-o-y, in March 2021. Their **average gross monthly nominal wage** increased by 5.5%, y-o-y, in March 2021.

According to data released by Eurostat, **industrial production in the EU27 in February 2021** decreasedby 1.1%, y-o-y. Czech industrial production decreased by 2.6%. The biggest year-on-year decrease was reported by Malta, Estonia, and also by Germany, that is 6.0%. Contrarily, production of Irish industry increased by 41.4%, y-o-y. According to a preliminary release calendar, Eurostat will release data for March 2021 on 12 May 2021.

**Industry in the first quarter of 2021**

Seasonally adjusted **industrial production1** in the Q1 2021 decreased by 1.1% compared to the Q4 2020. In the year-on-year comparison, it increased by 4.1%.

**Sales from industrial activity** **at current prices1** were higher by 5.5%, y-o-y, in the Q1 2021. Direct export sales of industrial enterprises increased at current prices by 8.5%. Domestic sales, which include also indirect export via non-industrial enterprises, increased at current prices by 1.5%.

The value of **new orders1** in selected industrial CZ-NACE activities increased by 7.9%, y-o-y, in the Q1 2021. Non-domestic new orders increased by 13.8%, whereas domestic new orders decreased by 4.0%.

The **average registered number of employees2** in industry decreased by 3.2%, y-o-y, in the Q1 2021. Their **average gross monthly nominal wage2** increased by 2.0%, y-o-y, in the Q1 2021.

Starting with data for January 2021, data on the development of sales from industrial enterprises and new industrial orders are presented in a new way. The same as for industrial production, adjusted data are preferred now. Year-on-year rates are published in a form adjusted for the number of working days. Moreover, month-on-month or quarter-on-quarter indices are seasonally adjusted.

*Notes:*

**1** The year-on-year development of all indicators 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. March 2021 had one working day more than March 2020.

**2**Indicators related to employment in industry apply to the whole 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 (an agreement on work performance and an agreement on work activity), working owners of enterprises, and contributing family workers (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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*Related outputs: time series* <https://www.czso.cz/csu/czso/pru_ts>

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Annexes:

Table 1 Industrial production (year-on-year indices)

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)