7 December 2016

Industry slows down

Industry – October 2016

In October 2016, industrial production decreased at constant prices by 1.7%, year-on-year (y-o-y). Working days adjusted industrial production increased by 0.8%, y-o-y. Seasonally adjusted industrial production was by 0.4% lower, month-on-month (m-o-m). The value of new orders decreased by 1.6%, y-o-y.

In October 2016, **industrial production** decreased at constant prices by 1.7%, y-o-y. Working days adjusted industrial production increased by 0.8%, y-o-y. There was 1 working day less in October 2016 compared to October 2015. Seasonally adjusted industrial production (including working days adjustment) was by 0.4% lower, m-o-m. The following contributed the most to the y-o-y decrease of industrial production: manufacture of other transport equipment
(contribution -0.6 p.p., drop by 26.4%), manufacture of electrical equipment (contribution -0.5 p.p., drop by 7.0%), and mining and quarrying (contribution -0.4 p.p., drop by 11.6%). Industrial production increased in repair and installation of machinery and equipment (contribution +0.3 p.p., growth by 9.7%), manufacture of rubber and plastic products (contribution +0.2 p.p., growth by 3.4%), and manufacture of computer, electronic and optical products (contribution +0.1 p.p., growth by 6.8%).

**Sales from industrial activity at current prices** decreased by 2.3%, y-o-y, in October 2016. Direct export sales of industrial enterprises decreased at current prices by 1.6%. Domestic sales, which include also indirect export via non-industrial enterprises decreased at current prices by 3.1%.

The value of **new orders** in selected industrial CZ-NACE activities decreased by 1.6%, y-o-y, in October 2016. Non-domestic new orders increased by 0.1%, while domestic new orders decreased by 4.8%. The y-o-y decrease of new orders in total was the most contributed to by the following CZ-NACE divisions: manufacture of electrical equipment (contribution -0.7 p.p., drop by 7.8%), manufacture of motor vehicles, trailers and semi-trailers (contribution -0.7 p.p., drop by 1.7%), and manufacture of other transport equipment (contribution -0.4 p.p., drop by 23.2%). New orders increased in manufacture of machinery and equipment (contribution +0.3 p.p., growth by 3.1%), manufacture of fabricated metal products (contribution +0.1 p.p., growth by 1.0%), and manufacture of basic metals (contribution +0.05 p.p., growth by 0.9%).

The **average registered number of employees\*)** in industrial enterprises with 50+ employees increased in October 2016 by 2.2%, y-o-y. Their **average gross monthly nominal wage** increased in October 2016 by 2.8%, y-o-y, and reached CZK 29 132.

According to the Eurostat news release, working days adjusted **industrial production in the EU28 in September 2016** increasedby 1.2%, y-o-y. According to a preliminary time schedule, data for October 2016 will be released by Eurostat on 14 December 2016 at 11:00 a.m.

*Notes:*

*\*) The registered number of employees indicator 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 activities of services (CZ-NACE 78.2).*

*In accordance with the CZSO revision policy, data for July to September 2016 have been revised concurrently with processing of data for October 2016.*

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*Method of data acquisition: direct survey of the CZSO (*Prům 1-12*)*

*End of data collection: 2 December 2016*

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

*Next News Release will be published on: 6 January 2017*

Annexes:

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

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

Graph 1 Industrial production (changes on the base year)

Graph 2 Industrial production (year-on-year changes)

Graph 3 Industrial production index – international comparison