6 September 2016

Holidays and a lower number of working days significantly influenced industrial production

Industry – July 2016

In July 2016, industrial production decreased at constant prices by 14.1%, year-on-year (y-o-y). Working days adjusted industrial production dropped by 7.6%. Seasonally adjusted industrial production was lower by 9.7%, month-on-month (m-o-m). The value of new orders decreased by 16.2%, y-o-y.

July data were significantly influenced by distribution of public holidays within a working week and by movement of company holidays within both the holiday months. Many important industrial enterprises decided their company holiday to be in 2016 in July, unlike in the previous year when the holidays were taken in August.

In July 2016, **industrial production** decreased at constant prices by 14.1%, y-o-y. Working days adjusted industrial production decreased by 7.6%. There were 3 working days less in July 2016 than in July 2015. Seasonally (as well as working days) adjusted industrial production was by 9.7% lower, m-o-m. The following contributed the most to the y-o-y decrease of industrial production: manufacture of motor vehicles, trailers and semi-trailers (contribution -6.7 p.p., drop by 34.8%), manufacture of machinery and equipment (contribution -1.2 p.p., drop by 13.8%), and manufacture of electrical equipment (contribution -1.0 p.p., drop by 12.9%). Industrial production increased in manufacture of basic pharmaceutical products and pharmaceutical preparations (contribution +0.4 p.p., growth by 42.1%), manufacture of other transport equipment (contribution +0.3 p.p., growth by 19.6%), and electricity, gas, steam and air conditioning supply (contribution +0.1 p.p., growth by 1.5%).

**Sales from industrial activity at current prices** decreased by 18.9%, y-o-y, in July 2016. Direct export sales of industrial enterprises decreased at current prices by 20.1%. Domestic sales, which include also indirect export via non-industrial enterprises decreased at current prices by 17.4%.

The value of **new orders** in selected industrial CZ-NACE activities decreased by 16.2%, y-o-y, in July 2016. Non-domestic new orders decreased by 15.5%, while domestic new orders decreased by 17.6%. The y-o-y decrease of new orders in total was the most contributed to by the following CZ-NACE divisions: manufacture of motor vehicles, trailers and semi-trailers (contribution -9.1 p.p., drop by 23.4%), manufacture of electrical equipment (contribution -1.6 p.p., drop by 16.6%), and manufacture of machinery and equipment (contribution -1.4 p.p., drop by 12.2%). New orders increased in manufacture of other transport equipment (contribution +0.4 p.p., growth by 24.5%), and manufacture of basic pharmaceutical products and pharmaceutical preparations (contribution +0.2 p.p., growth by 21.3%).

The **average registered number of employees\*)** in industrial enterprises with 50+ employees increased in July 2016 by 2.6%, y-o-y. Their **average gross monthly nominal wage** increased in July 2016 by 1.9%, y-o-y, and reached CZK 29 098.

According to the Eurostat news release, working days adjusted **industrial production in the EU28 in June 2016** increasedby 0.5%, y-o-y. According to a preliminary time schedule, data for July 2016 will be released by Eurostat on 14 September 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. Data on the registered number of employees in industry also exclude agency workers, who have contracts of employment within activities of services (CZ-NACE 78.2). In compliance with the CZSO revision policy, data for April to June 2016 have been revised together with processing of data for July 2016.*

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

*End of data collection: 31 August 2016*

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

*Next News Release will be published on: 7 October 2016*

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