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INDUSTRIAL PRODUCTION TRENDS: A DETAILED LOOK AT MAY 2024 DATA IN

ROMANIA AND THE EU.

In May 2024, industrial production experienced a decline across the European Union (EU) and the euro area. According to Eurostat, industrial production decreased by 0.6% in the euro area and by 0.8% in the EU compared to the previous month, April 2024. On an annual basis, comparing May 2024 to May 2023, the decrease was more pronounced, with a 2.9% drop in the euro area and a 2.5% decline in the EU. Monthly comparison by industrial grouping within the EU shows that Intermediate goods decreased by 1.0%, Energy increased by 0.4%, Capital goods decreased by 1.2%, Durable consumer goods decreased by 2.1%, non-durable consumer goods increased by 0.8%.

Significant monthly decreases were observed in Slovenia (-7.3%), Romania (-6.2%), and Denmark (-4.9%). Conversely, notable increases occurred in Ireland (+6.7%), Luxembourg (+3.9%), and Estonia (+3.8%).

Annual Comparison by Industrial Grouping within the EU shows that Intermediate goods decreased by 3.1%, Energy increased by 1.2%, Capital goods decreased by 6.3%, Durable consumer goods decreased by 4.1%, non-durable consumer goods increased by 3.3%

The most significant annual decreases were recorded in Romania (-6.9%), Germany (-6.6%), and Bulgaria (-6.3%). The highest increases were in Denmark (+9.6%), Ireland (+8.7%), and Greece (+6.8%).

The production indices for May 2024, seasonally and calendar adjusted with a base year of 2021, reflect values of 98.7 for the EU and 97.2 for the Euro Area. Trends for May 2024 in other EU member states: Denmark (132.5), Greece (110.9), and Malta (112.2) showed robust performance, whereas Germany (92.7), Romania (94.8), and Finland (97.8) exhibited lower indices.

Romania recorded, in May 2024, the largest decline in industrial production within the EU countries, of -6.9% compared with May 2023 due to a decline in electricity and gas supply (-11.2%), manufacturing (-6.5%) and mining (-1.4%). If we look at the first 5 months of the year, industrial production is also down by 1.2% compared with the same period of last year, mainly due to decreases in electricity and gas (-7.1%), mining (-0.7%), and manufacturing (-0.5%).

In May 2024, the industry turnover, in nominal terms, decreased by 8.5% in May 2024 compared to April 2024 and by 7.1% in May 2023. In the first 5 months of the year, compared with the same period last year, the industry turnover increased in nominal terms by 4.0%.

In May 2024, compared with the previous month, the turnover in industry fell in nominal terms by 8.5%, as a result of decreases in manufacturing (-8.7%) and mining and quarrying (-3.3%). A closer look at the breakdown shows decreases in: capital goods (-10.3%), energy (-10.1%), intermediate goods (-8.1%), capital goods (-6.4%), and durable goods (-4.8%).

The turnover in industry decreased in nominal terms in May 2024, compared to the corresponding month of the previous year, as a whole, by 7,1%, as a result of decreases in manufacturing (-7,1%) and mining and quarrying (-7,0%). By main industrial groupings, decreases were registered in: energy (-11.5%), durable goods (-9.6%), intermediate goods (-7.5%), capital goods (-7.2%) and consumer goods (-4.3%).

In May 2024, new orders in manufacturing decreased in nominal terms by 3.6% from the previous month, and by 7.2% from May 2023. In the first 5 months of the year, compared with the same period last year, new orders in manufacturing increased, in nominal terms, by 0.8%.

In May 2024, compared with the same month last year, new orders in manufacturing fell by 7.2% due to decreases in intermediate goods (-10.5%), durable goods (-9.1%), capital goods (-5.2%), and consumer goods (-7.4%).

As for the industrial producer prices in Romania, May 2024 recorded an increase of 0.7% compared to April 2024 but a decrease of 1.0% compared to May 2023.

The decrease in the industrial production is not only a result of the weak internal demand but is also connected to the decreases in trade with the top export countries, that also recorded decreases Germany (-6.6%), France (-3.2%), Italy (-3.3%). A rebound of the industry in the partner countries should contribute to reviving the internal production as well.



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Industrial turnover and new orders. Comparing Industrial Performance: EU Member States' Production Indices. Industry, in search for a rebound.