UNIDO Statistics presents this report on the observed growth of world manufacturing production in the fourth quarter of 2017. The quarterly growth estimates are based on the indices of industrial production. Reports on earlier quarters are available on UNIDO's website.

Effective as of 2013, new country groups are being used in all UNIDO statistical publications. Details on the country groupings are available in the 2017 edition of the International Yearbook of Industrial Statistics. The data in the current report is presented by Revision 4 of the International Standard for Industrial Classification of All Economic Activities. Users can find further information on the methodology of index numbers, estimation procedure or compilation of country groups' indices in a methodological document, available on the statistical pages of UNIDO's website, together with indices themselves published in UNIDO's Quarterly IIP database, available at UNIDO Statistics Data Portal.

**Major findings**

- Global manufacturing output rose by 4.7 per cent in the fourth quarter of 2017 compared to the same quarter of the previous year. This impressive gain was attributable to strong growth since the beginning of the year. The manufacturing output
growth was estimated at 3.5 per cent in industrialized economies, and 6.1 per cent in developing and emerging industrial economies.

- The upward growth trend of industrialized economies as a whole is attributable to the robust dynamics in all industrialized regions, namely manufacturing production expanded by 4.9 per cent in Europe, by 3.2 per cent in East Asia and by 2.9 per cent in North America.
- Latin America has continued to recover from its downturn in 2016 and rose by 2.9 per cent. Asian developing economies achieved a relatively higher growth rate at 6.5 per cent. According to UNIDO's latest estimates, African manufacturing experienced a 2.9 per cent year-to-year gain in the fourth quarter of 2017.
- Medium-high and high-technology manufacturing industries continued to outperform other industry groups, increasing the year-by-year growth rate to 6.0 per cent in the fourth quarter of 2017.

**Detailed trends**

Figure 1: World manufacturing production continued to grow in the fourth quarter of 2017, maintaining the upward trend that has been observed since the beginning of the year. Improvements in business conditions, rising consumer spending and promising investment plans are some of the driving forces behind the positive developments in global manufacturing. The growth of manufacturing production was observed across all industrialized and developing regions in the last quarter of 2017 compared to the same period of the previous year, which confirms the sustained recovery of manufacturing production both in advanced and in emerging economies.
Figure 2: Europe's manufacturing showed a strong growth rate of 4.9 per cent in the fourth quarter of 2017 compared to the same period of the previous year. It experienced the strongest growth in the last six years. The growth rate in the eurozone countries followed the same trend as overall Europe. Among major economies of the eurozone, manufacturing output rose by 5.5 per cent in Germany, 5.0 per cent in France and Spain, and 4.3 per cent in Italy. The Swiss manufacturing sector witnessed an ongoing upward trend and expanded sharply by 9.2 per cent compared to the same period of the previous year.

Figure 3: Asia's developing economies recorded a high growth rate of 6.5 per cent in the fourth quarter. China, the world's largest manufacturer, contributed most to Asian economies' growth. Latin America continued its recovery from the third quarter of 2017 in a year-by-year comparison. Brazil's economy has had a considerable impact on Latin America's recovery in the fourth quarter. The region experienced positive growth of 0.7 per cent compared to the previous quarter. Growth estimates based on limited data showed positive growth for Africa's manufacturing output.
Figure 4: Shifting from low technology to high technology manufacturing industries plays a key role in promoting innovation and, moreover, determines the positioning of economies within the global market. Therefore, the competition between advanced and emerging economies in high-tech leadership will be compelling and crucial for both groups. The medium-high and high-technology industries witnessed solid high growth rates leading to an increase in high value goods and a high level of consumer confidence. UNIDO data largely support this pro-technology approach.

Figure 5: Global manufacturing production maintained a positive growth rate in nearly all industries in the fourth quarter of 2017. When reviewing the individual top industries, the production of machinery and equipment grew by 9.1 per cent, the manufacturing of computers, electronics and optical products rose by 7.8 per cent, the production of electrical equipment by 6.0 per cent, the manufacturing of pharmaceutical products by 5.8 per cent and the manufacturing of motor vehicles by 5.5 per cent. The production in all of the abovementioned industries was dominated by developing and emerging industrial economies compared with industrialized economies.

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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION
Vienna International Center, P.O. Box
Internet: www.unido.org/statistics/

Questions or comments? Email us at stat@unido.org.