6 February 2024

Industrial production decreased by 0.4% in 2023

Supplementary information to the News Release on Industry – December 2023

Industry in 2023

**Industrial production** was lower by 0.4%, year-on-year (y-o-y), in 2023. The year 2023 had by two working days less than the year 2022. Most of the production in most of economic activities of industry decreased, year-on-year. Mainly economic activities (industries) that need a lot of energy such as manufacture of other non-metallic mineral products (a decrease by 17.8%) and manufacture of basic metals (a decrease by 14.4%) had difficulties. Production of electricity, gas, steam and air conditioning supply decreased by a tenth and also coal mining decreased (a decrease by 14.4%). Even a recovery in manufacture of motor vehicles, trailers and semi-trailers (in which there was an increase by 16.1%) and in manufacture of other transport equipment (growth by 17.8%) was unable to reverse the decreasing trend. Year 2023 was successful for pharmaceutical industry, in which production increased by 9.3%.



In the **Q1**2023, industrial production in total recorded a very slight growth by 1.2%, y-o-y. The positive result was the most contributed to by the automotive industry (a year-on-year increase by 28.2%, a contribution +4.91 percentage points (p. p.)), which was, however, influenced by a lower comparison basis to a considerable extent. In the **Q2**2023, industrial production still kept a roughly comparable year-on-year increase by 1.1%, namely again mainly thanks to the automotive industry, in which a considerable growth from the previous periods was still seen (+21.3%; +4.11 p. p.). Development in manufacture of other transport equipment, in which important orders (contracts) for the army and railways were implemented, also had a favourable impact. In the **Q3**2023, the trend already changed and industrial production recorded a rather considerable decrease by 3.5%, year-on-year. A decrease in electricity, gas, steam and air conditioning supply was accompanied by a deepening decrease in production of glass, ceramics, porcelain, and building materials and mainly in manufacture of machinery and equipment. An absolute majority of economic activities of industry recorded a decrease mainly due to a decreasing demand for production.

A year-on-year decrease in industrial production, although less considerable, also continued in the **Q4**2023, in which only in October there was a temporary deviation from the downward trend (due to a lower comparison basis in the automotive industry and invoicing of some extraordinary orders (contracts)). The total decrease by 0.5% was the most influenced by a considerable change in manufacture of machinery and equipment; this economic activity (industry) changed during the last half-year from a constantly increasing one to an industry generating the biggest negative contributions, namely due to a low demand for production. That also held true for many other economic activities of industry, especially for production of glass, ceramics, porcelain, and building materials. On the other hand, a bigger slump was prevented in the very end of the year by a favourable development in the automotive industry and also by implementation of some large extraordinary orders (contracts) in manufacture of other transport equipment.



**Sales from industrial activity** at current prices increased by 4.0%, year-on-year, in 2023. Direct export sales of industrial enterprises increased at current prices by 1.7%. Domestic sales, which also include indirect export via non-industrial enterprises, increased at current prices by 6.7%.

The following contributed the most to the increase: manufacture of motor vehicles, trailers and semi-trailers (a contribution +4.3 p. p, an increase by 19.3%), electricity, gas, steam and air conditioning supply (a contribution +1.8 p. p, an increase by 24.6%), and manufacture of electrical equipment (a contribution +0.4 p. p, an increase by 6.2%). Sales in mining of black and brown coal increased by almost a fifth.

On the other hand, sales from industrial activity decreased the most in manufacture of basic metals (a contribution -1.1 p. p, a decrease by 23.7%), manufacture of chemicals and chemical products (a contribution -0.8 p. p, a decrease by 18.8%), and in manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials (a contribution -0.5 p. p, a decrease by 20.8%).

The value of **new orders** at current prices in surveyed industrial CZ-NACE activities decreased by 1.7%, year-on-year, in 2023. Non-domestic new orders decreased by 3.0%. Domestic new orders increased by 1.1%.

The following contributed the most to the decrease in the value of new orders: manufacture of basic metals (a decrease by 21.6%), manufacture of chemicals and chemical products (a decrease by 18.1%), and manufacture of computer, electronic and optical products (a decrease by 6.5%). The highest positive contributions came from the following ones: manufacture of motor vehicles, trailers and semi-trailers (growth by 6.1%), manufacture of electrical equipment (an increase by 2.8%), and manufacture of basic pharmaceutical products and pharmaceutical preparations (an increase by 10.5%).



The average registered number of **employees** in industry in 2023 was by 1.8% lower compared to the corresponding period of the previous year. Their average gross monthly nominal wage increased by 8.7%.

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