

Developed world manufacturing

Two decades of manufacturing compared

- Of the major developed economies, the US has seen by far the best manufacturing performance over the past 20 years
- Italy, France and Japan have seen the worst two decades

Comparisons of developed world manufacturing economies, which includes data up to March 2013 for the US, UK, Japan, the eurozone and the individual big-four euro countries, show hugely divergent fortunes over the past 20 years.

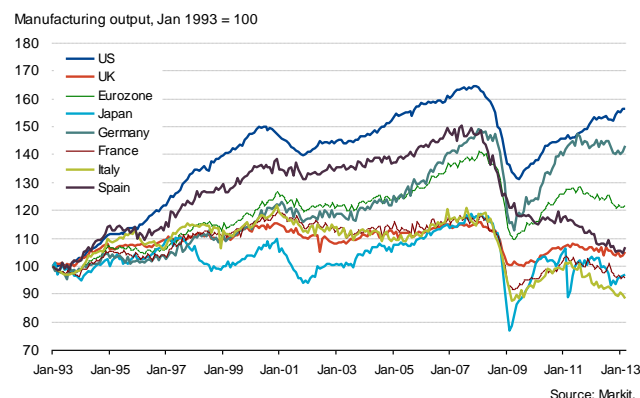
The goods-producing sector of the US has seen the strongest growth, expanding 56.3% since the start of 1993, followed by Germany, where the sector has grown 43.2%. Spain and the UK have eked out growth of just 7.0% and 4.9% respectively.

The Japanese, French and Italian sectors, however, are notable in being smaller than 20 years ago. While relatively moderate declines of 3.1% and 4.5% have been seen in Japan and France respectively, Italy's goods-producing economy is some 11.5% smaller than 20 years ago.

Although none of the major economies covered by our analysis has recovered to pre-crisis peaks, Germany has come closest, with output down just 4.1%, closely followed by the US, where output is 5.1% lower. In contrast, the UK's manufacturing sector is still some 9.5% smaller than its pre-crisis peak, though that compares well with 18.4% and 19.3% in Japan and France respectively, and would be welcomed by Italy and Spain, where production still runs some 26.9% and 28.9% below pre-crisis highs.

More recently, all countries except Spain have recovered from the lows to which their manufacturing economies sank in 2009. Although Spain saw an initial recovery, production continues to run some 9.0% below the lowest level seen during the height of the global financial crisis. However, unlike France and Italy, Spain has at least seen production rise since the end of last year.

Manufacturing output



% change since:	1993	pre-crisis peak	2009 crisis low	End of 2012
US	+56.3	-5.1	+19.2	+0.5
UK	+4.9	-9.5	+4.9	-0.3
Eurozone	+21.9	-13.7	+11.2	-0.4
Japan	-3.1	-18.4	+25.9	+1.1
Germany	+43.2	-4.1	+26.8	+1.0
France	-4.5	-19.3	+4.1	-1.7
Italy	-11.5	-26.9	+1.1	-0.9
Spain	+7.0	-28.9	-9.0	+1.4

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