The Industrial Production Indices

Prof. Constantin ANGHELACHE PhD
Academy of Economic Studies, Bucharest
“Artifex” University of Bucharest

Alexandru URSACHE PhD Student
Academy of Economic Studies, Bucharest

Georgeta LIXANDRU (BARDAȘU) PhD Student
Academy of Economic Studies, Bucharest

Abstract

This paper analyzes the evolution of the industrial production indices. One of the most valuable insights is the fact that in 2010-2013 the industrial production indices are reflecting a slight increase as comparatively to the similar periods of the previous year, being largely influenced by the restructuring of the extractive sector, as well as by the decrease recorded at the level of the lohn production, which generated a slower rhythm of development at the level of the manufacturing industry.

Key words: manufacturing, lohn, energy, branch, durable goods

The rhythms of increase in the industrial field diminished and were different so that as against the increase recorded by the manufacturing industry, the decreases recorded by the extractive industry and the electric and thermo-energy, gas and water sector should be underlined; however, there have been increases for certain categories, such as the industry of durable goods, recording an increase of the industry of capital goods with, the industry of current usage goods with increase.

The fact that these other activities or branches had small weights within the total industrial activity from our country is to be noted. However, there are several other branches which recorded diminished indices, such as: textile production, clothes, shoes and leather articles production, rubber and plastics products, production of building materials and other non-metallic minerals and production of equipments and machinery.

The first three categories, i.e. textile production, clothes, shoes and leather articles carried out their activity in the form of lohn production and recorded a tempering rhythm which might generate effects during the periods to come as well.

On an overall basis, the industry kept on remaining on a positive position, meaning that it recorded a slight increase of the contribution to the GDP achievement in 2011 and 2012

The privatization process could lead within the forthcoming periods to new decreases, both for the rhythm and the volume of the production of certain

1 Anghel M.G. și alții (2012). Evoluția produsului intern brut și a investițiilor străine directe în ultimul deceniu, Revista Română de Statistică – Supliment
branches, but also of the total contribution which the industry might bring to the GDP achievement, by the obtained gross added value.

The labor productivity by an employee in the industrial field followed a slow increase trend over the period 2010-2013.

In the first seven months of 2013, the total of the resources of prime energy amounted 17,405.1 thousand tons equivalent crude oil (out of which from the domestic production 12,297.6 thousand tons equivalent crude oil) decreasing as against the previous year as a result of a diminished production and import.

The evolution of the industrial production represents the sectors which have positively marked the evolution process during the period 2009-2013.

This characteristic is specific to the manufacturing industry which, by the over-helming weight hold in the total industry production generated the same trajectory to the entire industrial production. This is significant, despite the fact that the production of electric and thermo energy, is following a practically opposite trend while the trend of the extractive industry is recording a flat evolution.

The data show a fluctuating evolution of the production volume, compared to previous periods. The decrease is stronger in the extractive industry as well, the manufacturing industry and electric and thermo energy, recording decreases.

The decreases have been stronger at the level of the large industrial groups, structured upon the goods destination. Here we have to mention the marked decrease of the production of capital goods and by almost a quarter for the production of intermediary goods. The decreases recorded by the import and the export of intermediary goods are going to jeopardize this sector production which is already a confirmed fact by the recorded decreases.

The biggest decreases being recorded during the first seven months of 2013, comparatively with the corresponding months of the previous year are shown up by the metallurgical industry

A similar trend of a significant magnitude is stated out in the case of the production of auto-vehicles for road transportation from a relatively slight reduction in October to a marked decrease December.

In July 2013, the prices of the industrial production increased by 1.56% as comparatively to the corresponding month of the previous year, on an overall basis.

The industrial production is one of the few sectors which are marking a certain recovery at the EU level and that of the EU member states. The evolution of the Romania industrial production is also included in this allegation.

At the level of EU 27, increases have been recorded for four consecutive months, even if fluctuant, counting for 0.4% in October and December, as against the previous months, reaching the level of 0.3% in January 2012, as against December 2011.
Certainly, the positive evolution at the EU level is marked by the evolution of the industrial production in Germany, France, Italy and other countries, among which Ireland, Hungary, Denmark, Holland, with a relatively smaller weight.

For 2011 and 2012, Romania recorded increases of the industrial production computed as seasonally adjusted series, a trend which was maintained in the first seven months of 2013 also.

From the point of the industrial production, although recording a relatively small increase, Romania occupied the 18th place among the EU countries, namely by the middle of the classification.

If considering the distribution by large groups, the increase of the industrial production in Romania has been more marked for the group of the capital goods industry and significantly lower for the group of the current usage goods\(^2\).

From the point of view of the industrial production increase recorded by Romania in 2010 and 2011, it can be seen that the production has been significantly higher as against the corresponding period of the previous year\(^3\). During the first seven months of 2013, overall, industry recorded a growth by 6.4%.

It is worthy to note that the increase recorded by Romania in September 2010 is higher comparatively with all the other European states which, most of them, excepting Poland, Slovenia and Holland, recorded decreases, in same cases quite significant.

The situation keeps on being more or less the same in January 2011, comparatively with 2010 when the increase recorded by Romania is exceeded by Poland and Czech Republic only.

However, these increases by groups have been counter-weighted the decreases recorded by the groups of current usage goods and durable goods.

The indices of the industrial production, in 2010-2012 comparatively with 2009 and 2008, are showing, both on the overall and for the extractive and manufacturing industries branches, for all quarters as far as the first one is concerned while the manufacturing industry recorded decreases over the first three quarters followed by a strong recovery during the IV quarter. The indices for the first half of 2013 have manifested increases in all months.

The evolution of the industrial production, both on the overall and the main sub-branches, in 2012 as against 2011, is positive, even if fluctuating.

The manufacturing industry, electric energy, gas and water, as major sections, on one side and the capital goods industry, the intermediary goods industry and the power industry on the other side, with important increases are responsible for the mentioned increases at the industry level.

The industrial production indices, as adjusted series, are also indicating a positive trend, although is circumscribed within increase levels relatively modest as


\(^3\) Anghel M.G. (2013). *Modele de gestiune și analiză a portofoliilor*, Editura Economică, București
to the overall industry, but nevertheless significant for the sub-branch electric and
 thermo energy, gas and water and, respectively, the capital goods industry.

The value indices of the new orders marked decreases in 2009, 2010, 2011
and 2012.

In 2012 comparatively with 2011, the situation changed in respect of the
new orders within the manufacturing industry from Romania, mainly in the
situation of the manufacturing industry working on orders basis.

Significant increases have been recorded in the case of orders value index
for the manufacturing of chemical substances and products group, metallurgical
industry, and manufacturing of road conveyance auto-vehicles, out of which
absolutely remarkable was the increase recorded for the external market, as a
consequence of the well known evolution of the Dacia cars exports to west-
European countries, mainly to Germany.

The actual supplies of goods established on the basis of the turnover
indices are reflecting an uncertainty tendency as regards the producers’ capability
to capitalize the achieved production, on one hand and the payment difficulties of
the buyers, on the other hand. Thus, in 2011 as against 2010, the deliveries
decreased on an overall basis, the domestic and foreign market, these decreases
outrunning those recorded in connection with the achieved production⁴. For the
period June 2012 – July 2013, we observe that during seven months (July, October,
November and December of 2012, and also in May, June and July 2013) the orders
have recorded important decreases, being under the production capacity.

The labor productivity increased yearly over the period 2002 – July 2013,
simultaneously with the decrease of the occupied population, so during the first
seven months of 2013, the productivity of labor grew by 5.5% per total industry.

**Bibliography**

Anghel M.G. (2013). *Modele de gestiune și analiză a portofoliilor*, Editura
Economică, București


Statistică – Supliment

Anghel M.G. și alții (2012). *Evoluția produsului intern brut și a investițiilor
străine directe în ultimul deceniu*, Revista Română de Statistică – Supliment

Editura Economică, București

Editura Economică, București

Economică, București

---

Supliment


