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Business

Manufacturing survey: April-June 2006

Sales and investment in manufacturing industry increased during the second quarter of 2006, driven mainly by the TV, Radio and Communication equipment sub-sector, while employment declined.

Sales

Total sales by manufacturing enterprises increased by 7.5 per cent to Lm259.3 million during the second quarter of 2006 compared to the same period last year. As Table 1 shows, higher sales were also registered by the Chemicals and chemical products and the Other Transport equipment manufacturing sub-sectors.

The Textiles and textile products sub-sector registered a 35.4 per cent drop in its sales which stood at Lm5.4 million during the survey period. A decrease in sales of Lm1.4 million in the Electrical machinery and apparatus sub-sector was also registered.

The broad trends in manufacturing sales observed during the second quarter of 2006 were also registered for the first half of the year, where manufacturing sales rose by 8.2 per cent to Lm494.7 million.

Employment, Wages & Salaries

In the second quarter this year, employment in the sampled enterprises declined by 1,269 employees to 18,367 when compared to the same period the year before.

Lower employment levels were recorded in the Textiles and textile products and the Wearing apparel and Clothes sub-sectors, as Table 2 shows. Other decreases were registered by the Rubber and plastic products, the Leather and leather products and the Machinery and equipment n.e.c. sub-sectors.

Increases in employment were recorded in the Radio, TV and Communication equipment and the Chemicals and chemical products manufacturing sub-sectors.

In the period under review an amount of Lm29.7 million was paid out in gross wages and salaries by the sampled enterprises, marginally down from that of the same period last year.

Investment

During the April-June quarter 2006, overall investment in the manufacturing industry amounted to Lm14.5 million, an increase of Lm2.5 million when compared to the same period of 2005. Higher investment in the Radio, TV and Communication equipment sub sectors offset declines in investment in other sub-sectors of the manufacturing industry■

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Table 1. Total Sales

Lm'000

NACE and sector	April-June			January-June		
	2004	2005	2006	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	39,433	37,680	38,540	71,849	68,414	66,598
17 – Textiles and textile products	6,220	8,324	5,374	13,159	16,280	9,927
18 – Wearing apparel and clothes	9,447	6,237	5,935	20,354	13,304	12,398
19 – Leather and leather products	1,740	1,356	856	4,149	3,080	1,836
20 – Wood and wood products	87	142	75	155	231	150
21 – Paper and paper products	1,825	1,806	1,698	3,585	3,252	3,241
22 – Publishing and printing	10,619	13,084	12,717	23,892	26,731	22,442
24 – Chemicals and chemical products	7,431	10,431	15,859	16,570	18,526	29,505
25 – Rubber and plastic products	9,479	10,214	10,023	19,866	20,289	19,936
26 – Other non-metallic mineral products	3,678	5,501	5,228	6,952	10,313	10,430
28 – Fabricated metal products	3,404	4,686	3,988	6,535	8,995	8,560
29 – Machinery and equipment n.e.c.	3,061	4,275	3,642	6,561	7,549	6,426
31 – Electrical machinery and apparatus	8,528	12,873	11,510	18,678	25,356	20,769
32 – Radio, TV and Communication equipment	122,554	101,981	118,440	245,525	193,080	235,396
33 – Medical, precision and optical instruments	6,395	6,762	7,086	12,912	13,339	13,986
34 – Motor vehicles, trailers and semi-trailers	171	134	106	316	304	265
35 – Other transport equipment	3,728	3,431	5,568	7,050	6,647	8,598
36 – Furniture and Manufacturing n.e.c.	10,137	12,324	12,708	21,474	21,570	24,228
Total	247,939	241,242	259,354	499,581	457,258	494,690

Table 2. Employment

NACE and sector	End June		
	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	3,312	3,177	3,127
17 – Textiles and textile products	1,017	1,110	455
18 – Wearing apparel and clothes	1,785	1,472	1,235
19 – Leather and leather products	425	327	160
20 – Wood and wood products	31	31	30
21 – Paper and paper products	287	278	261
22 – Publishing and printing	1,634	1,588	1,545
24 – Chemicals and chemical products	805	841	872
25 – Rubber and plastic products	1,776	1,782	1,612
26 – Other non-metallic mineral products	675	737	737
28 – Fabricated metal products	651	671	611
29 – Machinery and equipment n.e.c.	420	453	350
31 – Electrical machinery and apparatus	1,140	1,074	1,053
32 – Radio, TV and Communication equipment	3,031	2,994	3,229
33 – Medical, precision and optical instruments	1,198	1,150	1,161
34 – Motor vehicles, trailers and semi-trailers	54	60	39
35 – Other transport equipment	232	234	204
36 – Furniture and Manufacturing n.e.c.	1,569	1,657	1,686
Total	20,042	19,636	18,367

Table 3. Wages and Salaries

Lm'000

NACE and sector	April-June			January-June		
	2004	2005	2006	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	4,605	4,552	4,373	9,053	8,811	8,533
17 – Textiles and textile products	1,200	1,516	790	2,472	3,008	1,551
18 – Wearing apparel and clothes	1,938	1,789	1,415	3,987	3,677	2,950
19 – Leather and leather products	459	382	231	979	777	514
20 – Wood and wood products	28	28	32	51	54	64
21 – Paper and paper products	458	424	470	902	869	955
22 – Publishing and printing	3,059	2,743	3,181	6,109	5,537	6,163
24 – Chemicals and chemical products	1,248	1,322	1,454	2,577	2,614	3,062
25 – Rubber and plastic products	2,999	2,762	2,536	5,830	5,594	5,147
26 – Other non-metallic mineral products	771	882	945	1,583	1,687	1,887
28 – Fabricated metal products	959	1,016	791	1,991	2,011	1,705
29 – Machinery and equipment n.e.c.	584	669	540	1,215	1,300	1,263
31 – Electrical machinery and apparatus	1,794	1,837	1,801	3,639	3,749	3,626
32 – Radio, TV and Communication equipment	5,217	5,196	6,099	10,622	10,603	12,085
33 – Medical, precision and optical instruments	1,747	1,810	1,804	3,679	3,592	3,531
34 – Motor vehicles, trailers and semi-trailers	54	63	37	107	123	75
35 – Other transport equipment	472	503	526	924	979	1,034
36 – Furniture and Manufacturing n.e.c.	2,325	2,532	2,721	4,915	5,091	5,390
Total	29,917	30,025	29,746	60,637	60,075	59,537

Table 4. Investment

Lm'000

NACE and sector	April-June			January-June		
	2004	2005	2006	2004	2005	2006
15/16 – Food and Beverages & Tobacco products	2,331	1,399	1,095	2,827	2,727	2,119
17 – Textiles and textile products	593	328	461	1,037	1,226	2,219
18 – Wearing apparel and clothes	28	22	0	45	28	9
19 – Leather and leather products	17	3	0	38	7	0
20 – Wood and wood products	0	0	0	0	0	0
21 – Paper and paper products	149	13	0	401	68	3
22 – Publishing and printing	141	977	160	4,550	2,116	769
24 – Chemicals and chemical products	1,620	1,887	1,032	6,708	3,850	2,957
25 – Rubber and plastic products	123	288	296	594	805	549
26 – Other non-metallic mineral products	3	166	69	48	366	268
28 – Fabricated metal products	46	419	82	91	529	90
29 – Machinery and equipment n.e.c.	110	35	18	130	52	24
31 – Electrical machinery and apparatus	662	202	48	889	905	96
32 – Radio, TV and Communication equipment	4,474	4,834	10,710	9,603	8,908	20,698
33 – Medical, precision and optical instruments	727	135	23	944	261	233
34 – Motor vehicles, trailers and semi-trailers	0	23	0	0	24	0
35 – Other transport equipment	16	67	4	34	90	14
36 – Furniture and Manufacturing n.e.c.	903	1,239	546	2,473	2,332	1,502
Total	11,944	12,037	14,544	30,412	24,295	31,549

Methodological Notes:

1. It is important to note, that during the course of 2005 some enterprises have changed their main activity of production due to restructuring. A re-classification of these enterprises according to their new activity was carried out. This resulted in a shift of enterprises to and from different manufacturing sectors, the exclusion of some enterprises from the manufacturing activity and even in the amalgamation of sectors..

2. For the same reasons stated above, sector 16 was amalgamated with sector 15 to respect the confidentiality of the two remaining enterprises in this sector. Furthermore, the only enterprises which were in NACEs 23 and 27 of sectors 23/24 and 27/28 have changed activity, therefore there is no more activity in sectors 23 and 27. Sectors 24 and 28 will thus be reported on their own from this release onwards.

3. This release is based on a sample survey of 417 enterprises across all sectors of the manufacturing sector. All enterprises are classified in accordance with NACE Rev.1.1 (Nomenclature des Activités Economiques dans les Communautés Européennes).

STATUS OF THE DATA

The data contained in this release should be considered as current and thereby subject to revision. Each release may include revisions of the past quarterly data in respect of a rolling two year period.

SUMMARY DEFINITIONS OF KEY VARIABLES:

Employment is inclusive of all full-time and part-time employees and outworkers. With regards to Table 3: Employment, the total employment in manufacturing sectors refers to the end-of-month figures marking the end of every quarter, i.e., March, June, September and December.

Gross wages and salaries are inclusive of all basic wages and salaries payable at regular intervals, overtime, night shift and other allowances, bonuses and commissions. Employers' social security contributions are excluded.

Total Sales are made up of all local sales, which are exclusive of VAT and exports on an FOB basis.

Investment refers to new investment during the reference period. These are tangible capital goods for own company use but not for speculative use. They have a useful life of more than one year. Any additions, alterations, improvements or renovations prolonging the service life or to increase the productive capacity of capital goods are taken into account. Excluded from the definition are current maintenance costs as well as investment in capital goods used under rental and lease contracts, intangible goods (patents, trade marks), financial assets and goods acquired through mergers. Computer software is regarded as investment if its life is over one year and if its amount is of a relatively considerable amount.