

A6: Manufacturing

Manufacturing is one of the production industries, which also include mining, electricity, water & waste management and oil & gas extraction.

In 2019, the manufacturing sector accounted for 9.7% of total UK economic output (Gross Value Added). In March 2020, it accounted for 8% of jobs.

Manufacturing Output

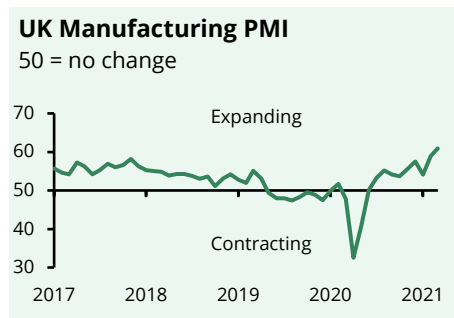


Total manufacturing output for the three months to March 2021 (Q1) declined by 0.7% compared with the three months to December 2020 (Q4). For the three months to February 2021, manufacturing output decreased by 1.6%, compared with the same period the previous year.

Monthly manufacturing output in March 2021 rose by 2.1% compared to February 2021, the strongest monthly rise since July 2020. Output rose in 10 of the 13 subsectors, the largest being a rise in manufacture of manufacturing of machinery and equipment. Manufacturing output in March 2021 was 2.2% below pre-pandemic levels (February 2020).

Purchasing Managers' Index (PMI)

In the Markit/CIPS PMI, a value of 50 means that there is no change compared to the previous month. Values above 50 indicate an expansion, and values below 50 a contraction.



The UK manufacturing PMI for April 2021 was 60.9, up from 58.9 in March 2021 signalling further recovery from the pandemic and a near-record high.

Rising output, employment and new orders contributed to the increased PMI. Increased production was attributed to

loosening lockdown restrictions, improved demand and backlogs of work. New orders were dominated by the domestic market. The sector continued to face supply chain delays and input shortages, however.

Manufacturing output index			PMI Index				
	Index	% change on yr		Index	Change on mth		
2018	103.1	0.9	2019	Mar	55.1		
2019	101.3	-1.7	2020	Mar	47.8		
2021	Jan	92.0	-2.9	2021	Jan	54.1	-3.4
	Feb	93.3	-3.8		Feb	58.9	4.8
	Mar	95.3	-1.6		Mar	60.9	2.0

Source: ONS, series [K22A](#), [K2JE](#)

Source: [Markit/CIPS UK Manufacturing PMI](#)

PMI is based on a monthly survey asking companies about output, new orders, stock levels, employment and prices. PMI compares the current month with the previous one.

The PMI is produced faster than comparable official data. It often anticipates the direction of official figures, although the methodology is different.

Subject Specialist

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Update

ONS, [Index of Production](#)
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Markit/CIPS, [UK Manufacturing PMI](#),
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