

## French industrial production down by 32%

In France, industrial production figures for March confirm the first survey data of the lockdown period, showing a stunning 32% drop in production during the lockdown. Consumer durables and construction were unsurprisingly the main victims



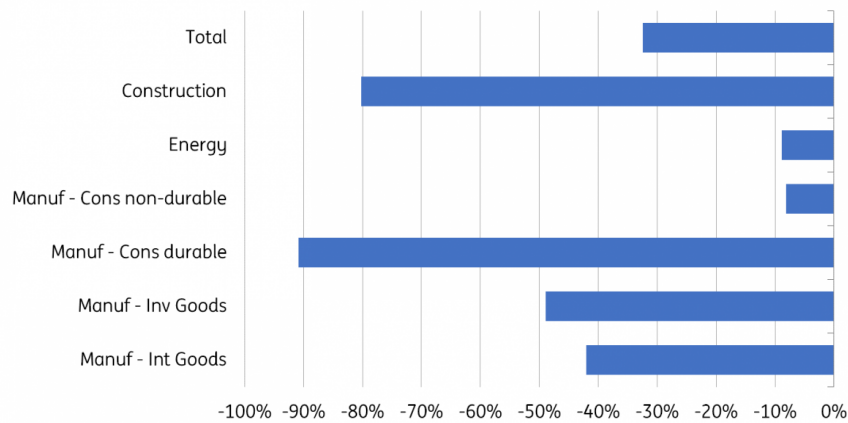
French industrial production declined by 16.2% month on month in March and stood 19% below last year's level.

In manufacturing, these figures are stunning: -18% MoM and -27% on the year. These numbers aren't far from twice the size of the disruptions seen in Germany during the same period.

If one makes the hypothesis that the first week of March saw production levels similar to those in February, then the impact of the Covid-19 fighting measures during the last weeks of the month can be computed. The results are in line with the first estimates given by INSEE surveys in early April, showing a 32% drop of total industrial production. However, the figures show discrepancies between sectors with non-durable consumer goods declining by only 8% while durable goods showed a 91% drop because of the complete stop (-99%) of automobile production. Investment good production halved during the lockdown.

Some sectors are doing better, like pharmaceuticals (production was up 32% during lockdown compared to previous weeks), water and electricity production (-5%) or agro-food (still -8%).

## Estimated drop in production per sector under the lockdown (%) in the second half of March



Source: INSEE, ING

These figures could be revised, but INSEE indicated a decent rate of answers to its statistics requests, even during the lockdown weeks, in the manufacturing sector.

We note that the construction statistics are based on partial results, nevertheless, they confirm that the scale of activity drop in 1Q20, estimated last week at 5.8% QoQ on the basis of a 35% drop in overall economic activity during the lockdown, could well be confirmed if service activity indicators end up in line with the March surveys.

As far as industrial production indicators were concerned, today's figures show that the surveys were, unfortunately, right.