

Arab Republic of Egypt



Ministry of Planning

**PRODUCTION INDEX
MONTHLY BULLETIN**

*Monthly Bulletin of the Production Index
Of the Most Important Economic Sectors*

**November
2011**

By
National Accounts Department

Introduction

The preparation of a “Monthly Production Index” is a natural extension and an important development for the emerging market economy and the participation of the Private Sector.

Accordingly, the Ministry of Planning started the preparation of the Monthly Production Index beginning January 2002. It passed through several tests to guarantee its measure of the economy of the Arab Republic of Egypt.

The Index includes the results of most important economic activities in Egypt and covers about 60% of the entire economic activities. These activities are Manufacturing, Natural gas, Oil Products, Electricity, Construction, Transportation, Suez Canal and Tourism.

There has been a dire need for the compilation of the composite Production Index to demonstrate economic activities when Egypt joined Special Data Dissemination Standard (SDDS) of International Monetary Fund (IMF). These indices and the composite index enable to measure the change, trend in Egypt’s economic activities comparing with the rest of the world economies. SDDS allows investment opportunities along with acceptable loan rates for international markets.

TOTAL PRODUCTION INDEX

First: Short-term analysis:

The Total Production Index reached 173.4 % in November 2011 compared to the previous month (October 2011, 165.6 %) , with an increase by 4.7%, this due to: -

1. Tourism Index, 309.5 % in November 2011 compared to 245.4 % in October 2011 with an increase by 26.1 %.
2. Construction Index, 175.2 % in November 2011 compared to 164.2 % in October 2011 with an increase by 6.7 %.
3. Oil products Index, 148.9 % in November 2011 compared to 140.3 % in October 2011 with an increase by 6.1 %.

However, there was a decline in these activities:

1. Transportation Index, 79.1 % in November 2011 compared to 83.3 % in October 2011 with a decline of -5.1 %.
2. Manufacturing Index, 147.1 % in November 2011 compared to 153.7 % in October 2011 with a decline of - 4.25 %.
3. Natural Gas Index, 179.8 % in November 2011 compared to 187.6 % in October 2011 with a decline of 4.16 % .
4. Suez Canal Index, 249.3 % in November 2011 compared to 257.0 % in October 2011 with a decline of - 3.0 %.
5. Electricity Index, 175.3 % in November 2011 compared to 179.9 % in October 2011 with a decline of - 2.6 %.

[See table (1)]

Second: Long-term analysis:

Comparing Total Production Index 173.4 % in November 2011 compared to 175.8 % in November 2010 with a decline of - 1.4 % , this due to:

1. Tourism Index, 309.5 % in November 2011 compared to 357.2 % in November 2010 with a decline of - 13.4 %.
2. Construction Index, 175.2 % in November 2011 compared to 183.1 % in November 2010 with a decline of - 4.3 % .
3. Transportation Index, 79.1 % in November 2011 compared to 82.3 % in November 2010 with a decline of - 3.9 % .
4. Oil products Index, 148.9 % in November 2011 compared to 154.8 % in November 2010 with a decline of - 3.8 % .

However, there was an increase in these activities:

- 1 - Natural Gas Index, 179.8 % in November 2011 compared to 158.8 % in November 2010 with an increase by 13.2 % .
2. Manufacturing Index, 147.1 % in November 2011 compared to 134.6 % in November 2010 with an increase by 9.3 % .
3. Suez Canal Index, 249.3 % in November 2011 compared to 236.3 % in November 2010 with an increase by 5.5% .
4. Electricity Index, 175.3 % in November 2011 compared to 170.9% in November 2010 with an increase by 2.5 % .

Manufacturing Index

Manufacturing analysis focusing on two directions: -

First direction: Monthly change rate for manufacturing index according to main activities for the latest month (November 2011) compared to previous month (October 2011), and we compare monthly change of latest year with the corresponding monthly change of the previous year (manufacturing index of November 2010 / manufacturing index of October 2010) x 100.

Second direction: Annual change rate for manufacturing index according to main activities for latest month (November 2011) compared to the corresponding month of the previous year (November 2010) and compared to Annual change rate of the previous month (November 2010) to the corresponding month of the previous year (November 2009).

First: Short-term analysis:

1. Activities which recorded a decline in November 2011 compared to October 2011 : -

1) Textiles	- 46.5 %
2) Other Non metallic products	- 14.9 %
3) Food products and Beverages	- 10.9 %
4) Publishing, printing and reproduction of recorded media	- 10.7 %

2. In addition to the decline in the previous activities there was an increase in these activities: -

1) Radio, television and communication equipment	13.0%
2) Manufacture of motor vehicles , trailers	6.1 %
3) Chemicals and Chemical products	3.2 %

The product of growth and negative growth rate in the previous activities was a decrease in these activities by - 9.4 % (November 2011 compared to October 2011) against 13.6 % (November 2010 compared to October 2010).

While the total Manufacturing Index decreased by - 4.3 % (November 2011 compared to October 2011) against 0.4 % (November 2010 compared to October 2010).

Second: Long-term analysis:

1. Activities which recorded an increasing growth rate in November 2011 compared to November 2010 :-

1. Publishing, printing and reproduction of recorded media	50.8 %
2. Food products and Beverages	41.6 %
3. Manufacture of motor vehicles , trailers	13.5 %
4. Chemicals and Chemical products	6.5 %

2. In addition to the increase in the previous activities there was a decline in these activities: -

1. Textiles	- 53.5 %
2. Other Non metallic products	- 29.0 %
3. Radio, television and communication equipment	- 28.0%

The product of growth and negative growth rate in the previous activities was a decrease in these activities by - 2.5 % (in November 2011 compared to November 2010) against 23.9 % (in November 2010 compared to November 2009) , Which affect the positive growth rate of total manufacturing by 9.3 % (November 2011 compared to November 2010) against 8.1 % (November 2010 compared to November 2009) .

Activity	Weight	Monthly growth rate		Annual growth rate	
		NOV 2011/ OCT 2011	Nov 010/ OCT 10	Nov 011/ Nov 010	Nov 010/ Nov 09
		1	2	3	4
Food Products and Beverages	27.5 %	-10.9	-8.6	41.6	9.5
Chemicals and Chemical Products	19.4 %	3.2	-10.0	6.5	-8.0
Other Non Metallic Products	9.6%	-14.9	2.3	-29.0	-3.5
Publishing, printing and reproduction of recorded media	8.6 %	-10.7	-9.3	50.8	20.5
Textiles	6.3 %	-46.5	41.5	-53.5	89.5
Manufacture of motor vehicles, trailers and semi-trailers	5.3 %	6.1	19.0	13.5	15.9
Manufacture of radio, television and communication equipment and apparatus	4.8 %	13.0	159.9	-28.0	150.4
Total of Pervious Activities	81.5 %	-9.4	13.6	-2.5	23.9
Total Manufacturing	100.0 %	-4.3	0.4	9.3	8.1

The current methodology for the preparation of the Monthly Production Index:

Year 2002 was taken as a base year

The methodology of the preparation of the Monthly Production Index

1- If the index is made up of one variable

$$\left[\frac{\text{Size of Variable in the Comparison month}}{\text{Size of Variable in the Base month}} \right] \times 100$$

2- If the index is made up of many variables

$$\left[\frac{\text{Size of Variable A in the Comparison month}}{\text{Size of Variable A in the Base month}} \right] \times \text{relative weight of variable A to total variables.} \quad (A)$$

$$\left[\frac{\text{Size of Variable B in the Comparison month}}{\text{Size of Variable B in the Base month}} \right] \times \text{relative weight of variable B to total variables.} \quad (B)$$

Then the index is = A + B

For example, the relative weight of the variable A depends on whether or not the elements of the activity can be collected, if the elements can be collected like the activities of electricity and construction, then:

Size of Variable B in the Comparison month

Total of Variable B in the Base month

In case, the elements of the activities cannot be collected such as the transportation and the tourism activities, then:

$$\text{Relative weight of Variable A} = \frac{\text{Size of Variable A in the comparison month}}{\text{Standard deviation of variable for the months of the base year}} \div X$$

Where X = Total standard deviations of the activity's variables

Variables are different from one activity to another as follow:

Manufacture:

A sample field survey has been conducted for 309 companies that cover 60% of the manufacture activity to get the monthly production index.

Natural Gas

The consumed amounts of gas have been depended on.

Oil Products

The consumed amounts of petroleum products have been depended on.

Electricity

The consumed amounts domestically, industrially and commercially were depended on.

Construction

Sales of cement and iron have been taken as variables controlling that activity.

Transportation

Number of passengers and loads of the railways, roads, and marine transportation were depended on.

Suez Canal

The canal's revenues in dollars were depended on.

Tourism

Tourism nights and number of tourist were depended on.

Production Index is under the continuous development. In the light of "transparency" principle, any amendment-taking place in its methodology will be circulated immediately.

Two types of analysis are used to analyze the various indices:

First: Short Term Analysis

- For the current year, monthly change rate is calculated for the latest monthly compared with the previous month.
- Similarly, the same calculation is done for the corresponding two months in the previous year.

Second: Long Term Analysis

- Annual change rate is calculated for the latest month (current year) compared with the corresponding month (previous year)
- A similar calculation is done for the previous month in the current and previous years

Table 1: Indices for Major sectors of the Egyptian Economy: (November 2009 - November 2011)

Base (Year / Month 2002) = 100

Year	Month	Manufacturing Index	Natural Gas Index	Oil Products Index	Electricity Index	Construction Index	Transportation (Excluding Suez Canal) Index	Suez Canal Index *	Tourism Index	Total Production Index
2009	November	124.5	152.8	148.1	153.4	176.0	69.5	209.2	291.3	156.6
	December	129.0	156.0	138.4	156.6	215.4	81.4	217.1	306.2	165.5
2010	January	135.3	168.5	152.7	165.1	196.1	82.4	253.4	446.7	192.0
	February***	143.6	173.0	149.3	162.8	219.3	86.9	243.7	389.2	188.4
	March	142.0	174.7	143.1	171.2	217.5	87.4	244.5	354.9	182.2
	April	145.7	173.3	144.3	173.3	162.5	88.1	243.6	337.1	175.9
	May	140.3	177.7	148.1	179.1	151.0	84.9	243.0	402.9	183.3
	June	148.6	168.5	157.2	185.0	177.6	83.2	240.7	392.6	187.6
	July	136.4	165.4	159.5	179.3	258.8	90.8	234.4	356.9	185.7
	August	128.4	173.5	156.7	180.3	249.6	77.1	245.3	293.1	170.8
	September	127.6	171.3	153.9	173.0	142.9	80.5	251.0	351.7	169.7
	October***	134.1	173.2	139.5	177.4	148.8	90.0	245.2	312.2	166.4
	November	134.6	158.8	154.8	170.9	183.1	82.3	236.3	357.2	175.8
	December	141.9	159.7	139.0	172.9	207.5	82.7	235.9	370.8	181.4
2011	January	132.8	176.2	159.7	179.0	187.9	82.5	275.2	511.7	202.9
	February	122.8	184.9	161.4	163.1	182.6	83.2	283.5	136.4	141.5
	March	129.0	189.6	141.1	156.0	202.8	85.0	266.4	132.2	142.5
	April	165.4	189.5	149.1	175.5	168.6	79.2	282.4	198.9	164.8
	May	167.5	200.0	136.2	182.7	160.7	72.5	268.7	254.6	171.4
	June	177.6	181.3	147.5	193.4	170.2	73.9	279.3	285.3	182.0
	July	140.8	184.3	141.3	186.0	248.9	68.1	259.2	279.8	172.1
	August	130.6	186.4	148.9	182.4	168.7	61.9	264.6	210.1	150.3
	September ***	148.8	187.8	139.5	178.2	202.4	69.3	268.2	350.9	182.1
	October	153.7	187.6	140.3	179.9	164.2	83.3	257.0	245.4	165.6
November	147.1	179.8	148.9	175.3	175.2	79.1	249.3	309.5	173.4	
% Change	% change Sept 011 /Sept 010	16.6%	9.7%	-9.4%	3.0%	41.7%	-13.8%	6.9%	-0.2%	7.3%
	% change Oct 011 /Oct 010	14.6%	8.3%	0.6%	1.4%	10.4%	-7.4%	4.8%	-21.4%	-0.5%
	% change Nov 011 / Nov 010	9.3%	13.2%	-3.8%	2.5%	-4.3%	-3.9%	5.5%	-13.4%	-1.4%
	% change Sept 011/ Aug 010	13.9%	0.8%	-6.3%	-2.3%	20.0%	12.0%	1.4%	67.0%	21.2%
	% change Oct 011/ Sept 010	3.3%	-0.1%	0.6%	0.9%	-18.9%	20.2%	-4.2%	-30.1%	-9.0%
	% change Nov 011/ Oct 010	-4.25%	-4.16%	6.1%	-2.6%	6.7%	-5.1%	-3.0%	26.1%	4.7%
The weights		0.38	0.06	0.10	0.03	0.09	0.13	0.05	0.15	1.00

** Electricity Index revised.

*** Manufacturing Index revised.

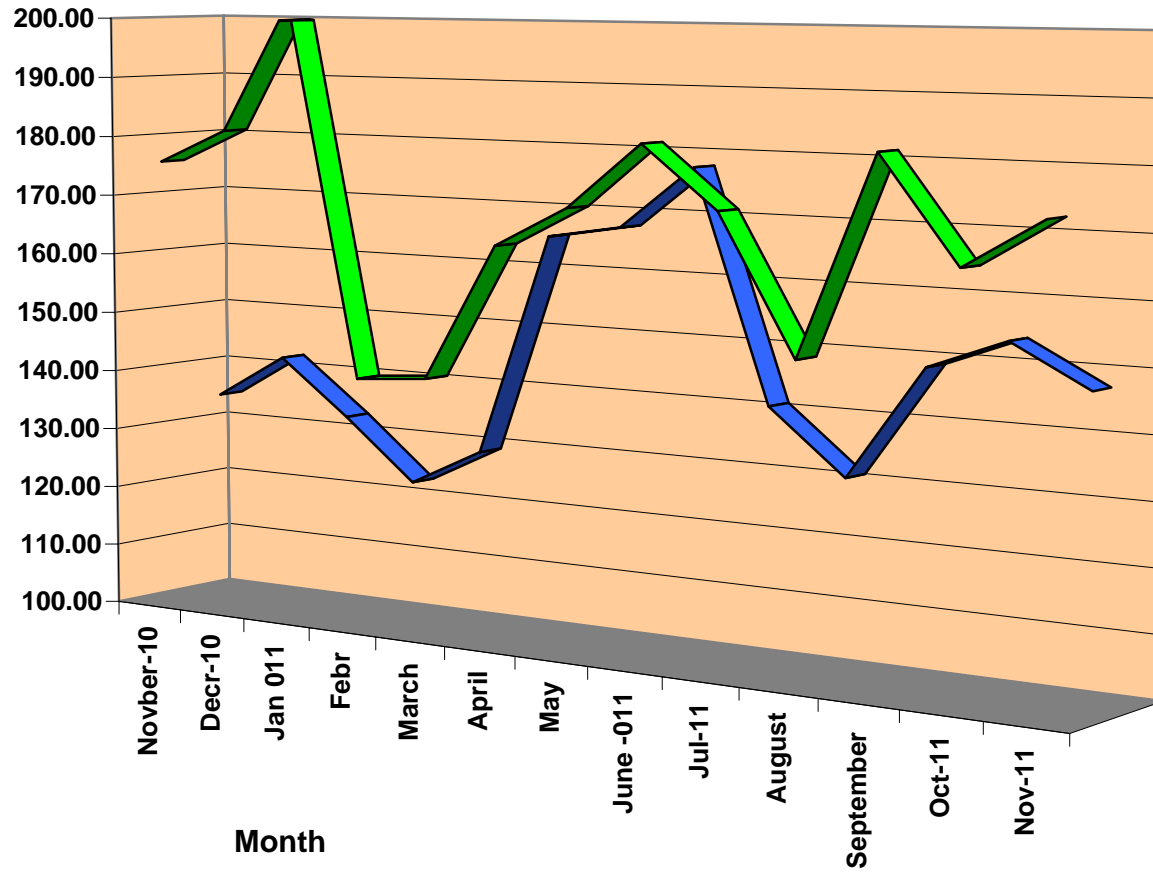
**** Construction Index revised.

Table 3A: Manufacturing Indices by Activity and Total Manufacturing Index (November 2010 - November 2011)
 Base (Year / Month 2002) = 100

ISIC	Activity	Weights	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
15	Manufacture of food products and beverages	27.5	74.2	93.8	87.3	89.8	108.3	113.9	100.7	107.9	95.1	68.9	106.7	118.0	105.1
24	Manufacture of chemicals and chemical products	19.4	122.6	134.5	132.9	116.9	121.1	147.7	161.8	161.8	143.4	141.0	156.9	126.6	130.6
26	Manufacture of other non-metallic mineral products	9.6	255.1	261.0	207.1	193.2	222.4	214.7	180.1	162.7	181.9	121.6	166.4	212.8	181.1
22	Publishing, printing and reproduction of recorded media	8.6	225.5	229.3	233.0	265.4	235.0	501.3	473.4	528.5	337.8	375.9	387.0	380.8	340.1
17	Manufacture of textiles	6.3	133.4	130.7	125.3	144.1	137.0	132.8	142.2	134.4	337.8	177.2	138.2	115.9	62.0
34	Manufacture of motor vehicles, trailers and semi-trailers	5.3	118.3	103.8	102.0	24.0	17.1	64.2	72.1	89.1	98.5	104.6	128.8	126.6	134.3
32	Manufacture of radio, television and communication equipment and apparatus	4.8	184.0	93.1	94.5	48.3	77.3	118.3	246.8	349.6	82.5	65.1	41.2	117.3	132.5
28	Manufacture of fabricated metal products, except machinery and equipment	3.5	91.4	151.5	128.2	95.3	88.1	90.0	89.1	89.8	99.9	92.0	98.4	126.5	103.2
29	Manufacture of machinery and equipment n.e.c.	2.7	173.2	214.2	169.8	139.0	140.2	161.0	198.6	209.4	175.0	118.7	187.2	124.9	108.8
21	Manufacture of paper and paper products	2.6	148.2	153.4	203.5	153.9	147.7	193.8	203.6	233.9	185.0	131.9	133.6	158.1	155.1
18	Manufacture of wearing apparel; dressing and dyeing of fur	2.6	139.5	139.0	142.8	144.8	150.0	177.7	162.8	122.7	105.1	165.9	123.8	153.2	419.1
27	Manufacture of basic metals	2.1	94.1	79.4	86.7	79.2	83.7	91.9	93.9	49.0	60.2	84.4	91.2	97.7	116.2
31	Manufacture of electrical machinery and apparatus n.e.c.	2.1	154.7	181.7	133.2	118.9	119.9	135.3	139.4	129.6	123.7	114.7	112.5	142.1	121.4
25	Manufacture of rubber and plastics products	1.4	105.5	115.6	113.3	102.5	102.4	107.8	141.4	154.9	170.6	77.5	122.1	127.1	103.3
36	Manufacture of furniture; manufacturing n.e.c.	0.5	96.6	101.7	79.2	62.5	56.1	62.5	54.5	106.4	83.1	76.9	125.9	118.3	80.5
19	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery,	0.3	6.5	7.6	6.7	3.2	3.2	5.4	5.3	5.8	4.8	6.6	5.3	5.2	6.0
16	Manufacture of tobacco products	0.2	92.7	101.2	101.7	72.6	91.0	93.0	114.4	116.3	112.8	76.0	97.0	85.4	84.3
33	Manufacture of medical, precision and optical instruments, watches and clocks	0.2	31.3	154.0	116.8	138.0	16.1	19.6	10.2	8.9	124.2	129.2	13.1	32.5	63.0
20	Manufacture of wood and of products of wood and cork, except furniture;	0.1	23.3	20.3	11.2	8.9	9.3	11.5	21.0	19.4	18.3	36.1	18.4	6.4	5.8
14	Other mining and quarrying	0.0	76.6	96.9	57.5	43.2	50.9	46.7	64.7	56.5	65.1	49.9	81.8	87.4	90.4
38	Retail trade, except of motor vehicles and motorcycles; repair of personal	0.0	75.1	59.1	71.3	131.9	162.4	169.3	221.6	206.5	220.5	59.1	82.9	86.0	64.5
30	Manufacture of office, accounting and computing machinery	0.0	100.5	100.6	162.8	18.4	23.7	60.0	79.9	30.0	25.6	11.5	21.3	6.7	22.9
35	Manufacture of other transport equipment	0.0	70.3	103.9	106.6	33.2	75.6	161.3	76.9	221.5	30.5	38.5	33.7	39.1	67.8
	Total Manufacturing	100.0	134.6	141.9	132.9	122.8	129.0	165.4	167.5	177.6	140.8	130.6	148.8	153.7	147.1

Source: Monthly Manufacturing Establishment survey (CAPMAS)

**Chart 1 : Manufacturing Index & Total Production Index
 (November 2010 - November 2011)
 Base (Year / Month 2002) = 100**



■ Total Production Index ■ Manufacturing Index

Chart 2: Total Manufacturing Index (November 2010-November 2011)
Base (Year / Month 2002) = 100

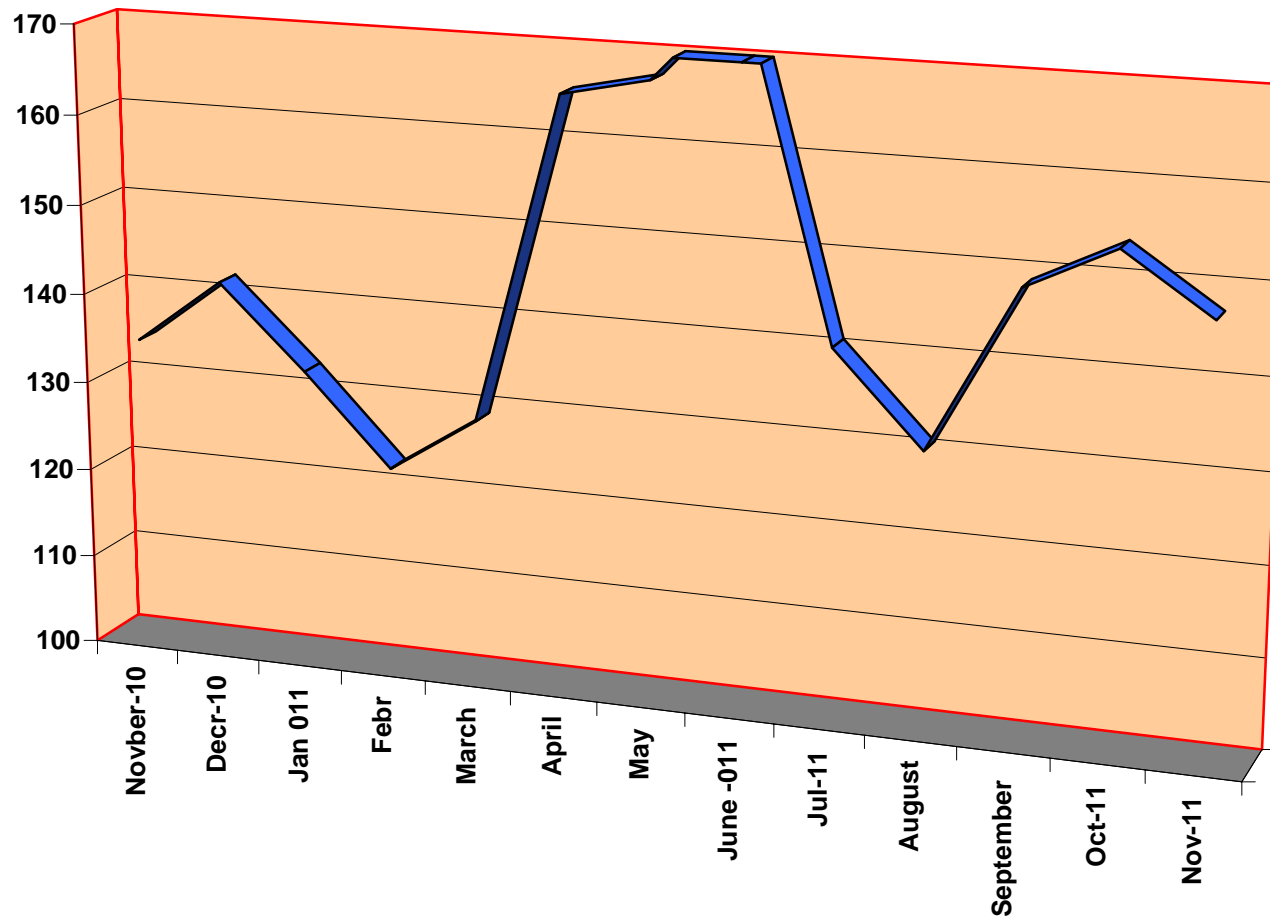


Chart 3A: Major Manufacturing Activities Indices (November 2010 - November 2011)
Base (Year / Month 2002) = 100

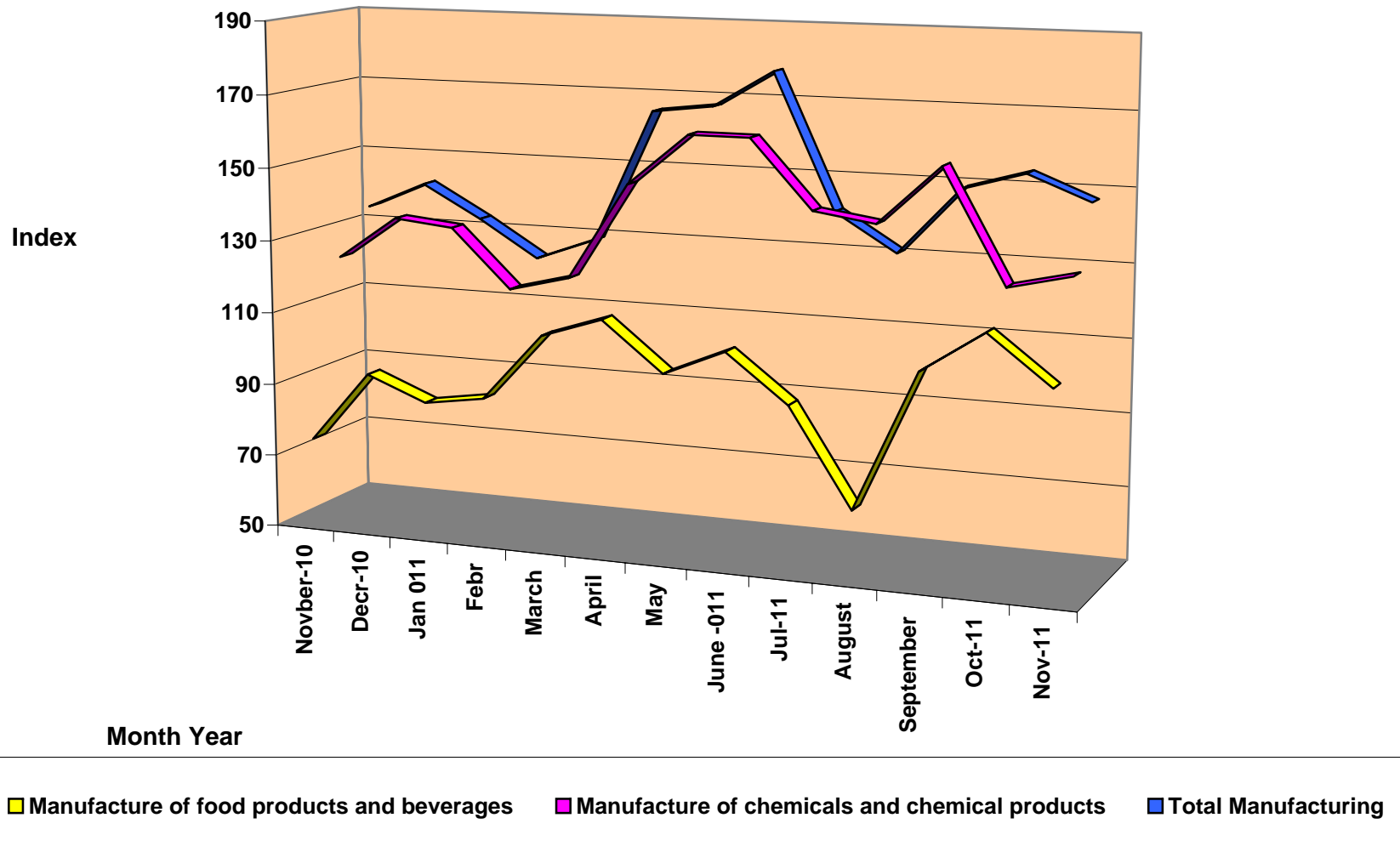
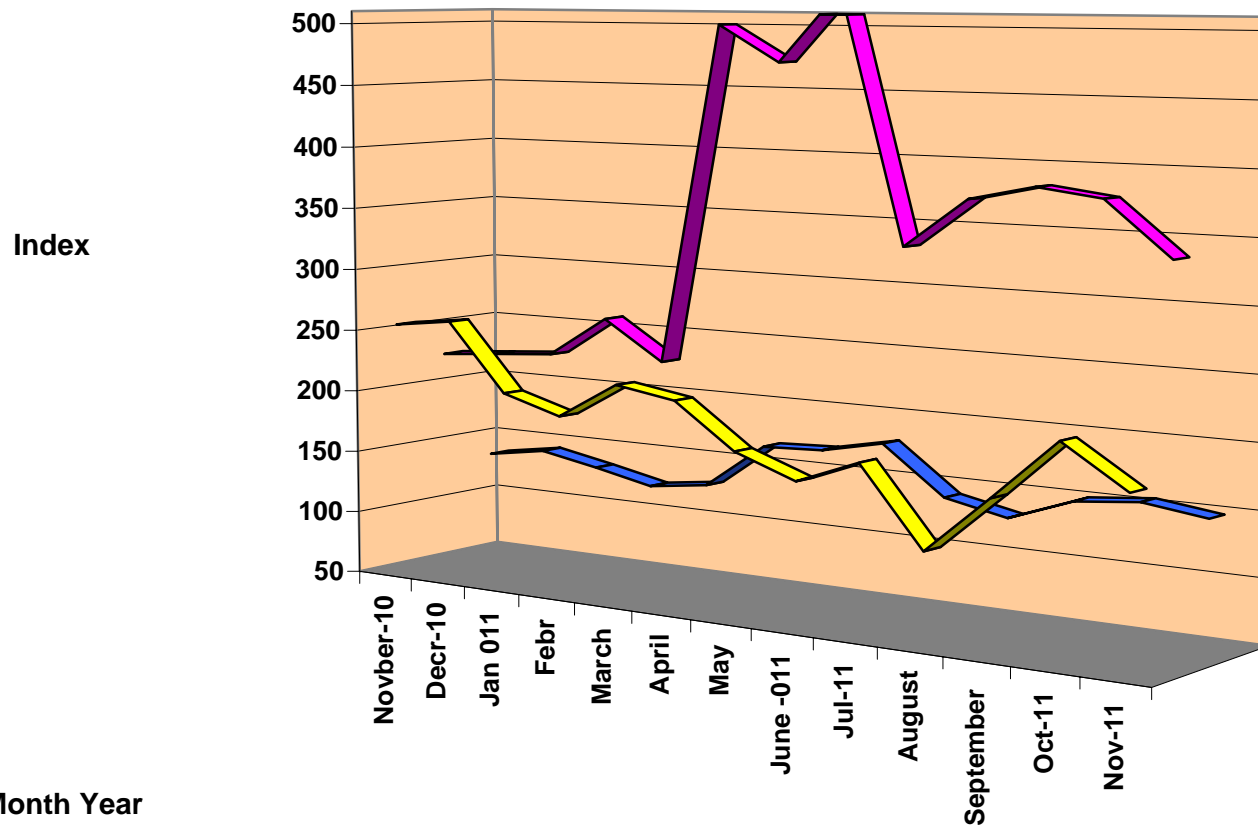


Chart 3B: Major Manufacturing Activities Indices (November 2010 - November 2011)
Base (Year / Month 2002) = 100



■ Manufacture of other non-metallic mineral products

■ Publishing, printing and reproduction of recorded media

■ Total Manufacturing