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Monthly report on Industrial Production Index using TSE listed companies' data Nov/2020

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Monthly report on Industrial Production Index using TSE listed companies' data Nov/2020

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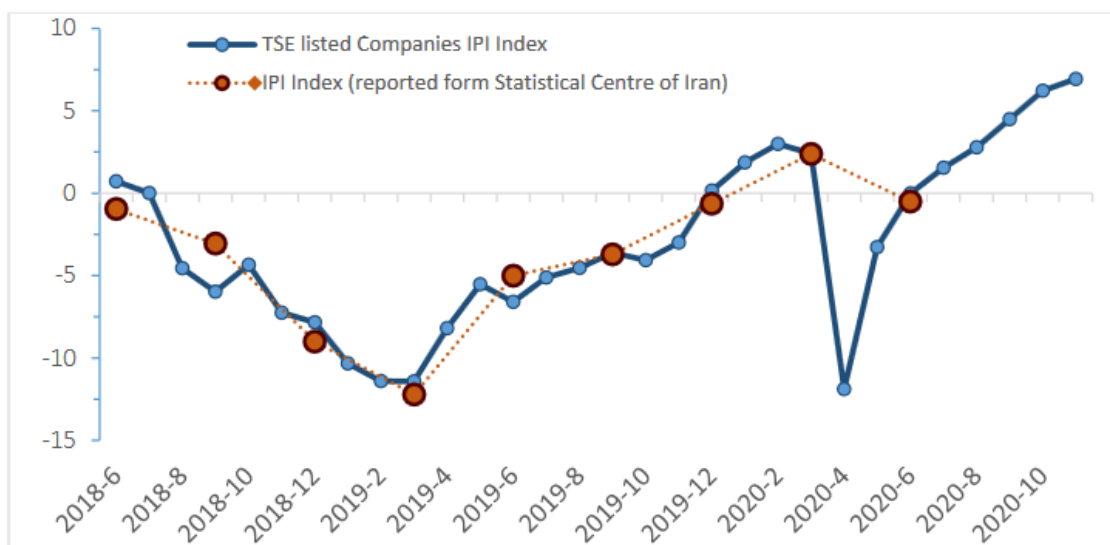
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Executive summary

The upward trend in the growth rate of industrial production among TSE listed companies that has started since the beginning of the year also continued in November, and the **Industrial Production Index** of TSE listed companies grew a remarkable 6.9% in November as in October.

An increase in the growth rate of **CHEMICAL PRODUCTS** to 5.8% (compared to the same period last year) is one reason for the continuation of this upward trend. In November, the **MOTOR VEHICLES** industry maintained a high production growth of 18% (compared to the same period last year) that has been an important part of industrial production growth. Among the major industries, the **BASIC METALS** industry's growth has approximately reached zero percent, and the average sales growth rate in this industry has reached slightly below zero.

Industrial Production Index of TSE listed companies (based on the base year of 2016), which at the end of 2017 had reached 110 units, in November 2020, reached the figure of 103.7





units. In other words, despite the growth of production in 2019 and the eight months of 2020, a decrease in industrial output in 2018 still is not compensated.

	NOVEMBER GROWTH COMPARED TO OCTOBER	GROWTH COMPARED TO THE SAME PERIOD LAST YEAR		SIGNIFICANCE FACTOR IN THE TOTAL INDEX
		NOV 2020	OCT 2020	
CHEMICAL PRODUCTS	-1.2	5.8	4.9	28.1
BASIC METALS	-1.3	0.5	0.8	20.8
MOTOR VEHICLES	11.1	18.6	18.9	13.8
FOOD AND BEVERAGE	3.3	7.6	3.8	9.6
NON-METALLIC MINERAL PRODUCTS	-2.0	12.7	11.3	6.5
PHARMACEUTICALS	-12.5	9.8	8.5	5.1
ELECTRONIC EQUIPMENT	7.2	4.5	5.3	3.1
RUBBER AND PLASTICS PRODUCTS	-1.4	23.9	25.0	3.1
MACHINERY AND EQUIPMENT MOTOR VEHICLES	4.3	11.0	-1.3	2.7
REFINED PETROLEUM PRODUCTS	-14.2	-0.5	-0.8	2.3
TEXTILES	17.6	-20.6	-25.9	1.9
FABRICATED METAL PRODUCTS	-8.6	20.5	19.2	1.8
PAPER PRODUCTS	5.0	-7.7	-11.7	1.2
TSE INDUSTRIAL PRODUCTION INDEX	-1.7	6.9	6.2	1.1

Introduction of TSE Industrial Production Index

In Iran, industry statistics are published by the two institutions: Central Bank and the Statistical Center of Iran. While the Central Bank reports the value-added information of the industrial sector in national accounts on a quarterly basis, it also publishes a report on large industrial plants quarterly. The Statistical Center of Iran also publishes the results of surveys of industrial plants of 10 employees and more on an annual and quarterly basis. The most important weakness of these statistics is that the published information is not up-to-date (periods of delays in the publication of data and sometimes the cessation of their publication) and lack monthly frequency.

More than 240 industrial companies listed on the TSE and OTC, which publish their production reports on a monthly basis, own more than half of the country's production.



Therefore, according to these companies' statistics, the country's industry's production changes can be observed. Studies show that the index extracted from these companies' data is in line with the industrial production index of the whole country. Therefore, this index can be a good alternative for the official indicators published with a delay or have a seasonal frequency. It shows the status of monthly changes in the industry.

There are three main advantages to this index:

1. Acceptable compliance with official statistics (based on comparison of the calculated index and official statistics in previous periods)
2. The index can be updated monthly and be prepared in two weeks (after the end of the month)
3. Ability to prepare a deeper analysis on the sub-components of the production sector and do why-analysis for variations (given that this index is linked to the rich financial and economic information of TSE listed companies)



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