

On Manufacturing Output in July 2021

In July 2021, the growth on an annual basis in manufacturing endured

According to the data of the Central Statistical Bureau (CSB), based on unadjusted data, in July 2021, manufacturing output was 5.1% higher than a year ago. Also, according to calendar adjusted data, manufacturing output rose by 7.9%. Overall, in January-July 2021, the volumes of manufacturing output were by 8.3% higher than a year ago (according to unadjusted data).

In July 2021, as in the previous three months, growth on an annual basis was observed in most manufacturing sub-sectors. Manufacture of fabricated metal products (+ 17.5%), chemicals and

chemical products (+ 28.6%) and cars and trailers, and semi-trailers (+ 31.8%) grew rapidly. Other manufacturing sub-sectors also made a significant positive contribution to the sector's growth. However, the largest manufacturing sub-sectors (i.e., wood processing) grew moderately (+ 0.2%).

On the other hand, in July 2021, negative trends in manufacturing were observed in the second largest sub-sector (i.e., food industry), as the production volumes declined by 3.3%. For the sixth consecutive month, metal production declined (by 25.5%).

In July 2021, manufacturing turnover on an annual basis at current prices grew rapidly. The volumes of products sold on the domestic market increased by 23.2%. However, the volumes of exported products increased at a slightly higher rate - by 23.7%. Sales of wood and wood products, as well as chemicals and chemical products, grew particularly fast.

Stable demand in the largest Latvian export market (i.e., the EU) enables manufacturing companies to maintain positive growth rates. Manufacturing continues to have the potential for development, especially at the expense of growing exports. However, risks associated with new strains of the virus and their impact on the processes in the global economy remain elevated.

