

On Manufacturing Production Output in December 2020 and 2020

In December 2020, manufacturing output continued to grow on an annual basis; overall, in 2020, a decline of 0.9% has been observed.

According to the Central Statistical Bureau (CSB), based on unadjusted data, in December 2020, manufacturing output was 10.9% higher than a year ago. However, according to calendar adjusted data, manufacturing output increased by 5.1%. It should be noted that in November and December 2020, the largest monthly increases on an annual basis has been observed.

Following the Covid-19 crisis, most sectors of the economy are gradually returning to growth. In December 2020, the largest growth on an annual basis in the last ten years was observed in the largest sub-sector of manufacturing – i.e., wood processing (by 23.4%). The production of furniture (+ 30.9%), cars and trailers (+ 22.6%), and non-metallic mineral products (+ 9.9%) also made a positive contribution to the growth of the sector. Production volumes also increased slightly in the second largest sub-sector of manufacturing – i.e., food production.

On the other hand, in December 2020, negative trends in manufacturing, as has been observed throughout 2020, were recorded in the production of beverages (-11.2%) and textiles (-13.2%). Also, chemical production declined.

Overall, in 2020, the volumes of manufacturing output, according to unadjusted data, were 0.9% lower than a year ago. It was significantly affected by factors related to the onset of the Covid-19 pandemic in the 2nd quarter of 2020. During this period, most manufacturing sub-sectors decreased, with a significant decline in the manufacture of motor vehicles and trailers, metals, fabricated metal products, and beverages.

In December 2020, manufacturing turnover at current prices increased markedly - by 18.8%. The volumes of products sold on the domestic market increased by 6.2%, whereas the volumes of exported products rose by 26.7%.

As in the overall economy, the outlook for manufacturing in 2021 remains highly uncertain. Evidently, producers have been able to adapt to the current situation; however, new outbreaks of the epidemic and measures to limit the spread of the virus may also hamper the manufacturing at the beginning of the year. It is anticipated that with the end of the 2nd wave of the pandemic, the manufacturing has the potential for more rapid growth, especially at the expense of increasing export volumes. Also, it is expected that in 2021 the growth rate of manufacturing could reach 4%, thus exceeding the overall economic growth.

