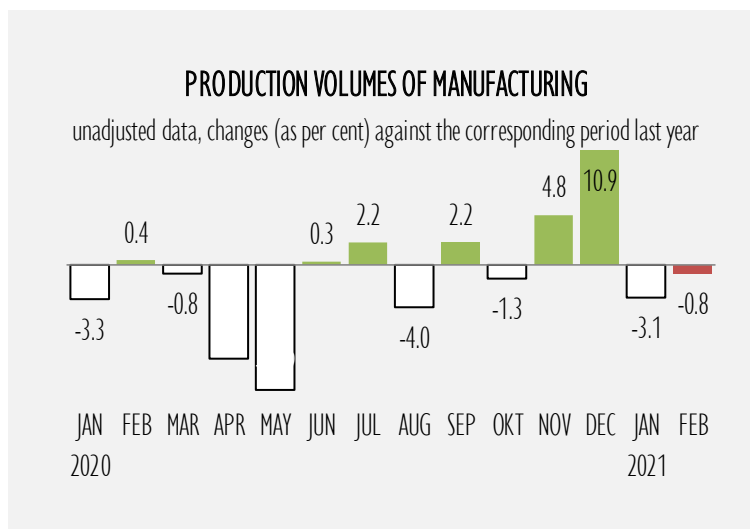


On Manufacturing Output in February 2021

In February 2021, manufacturing output contracted slightly on an annual basis

According to the data of the Central Statistical Bureau (CSB), according to unadjusted data, manufacturing output in February 2021 was 0.8% lower than a year ago. However, based on calendar adjusted data, output increased by 0.8%.

"Despite the protracted effects of the pandemic, the manufacturing continues to grow. However, amidst the first months of 2021, the situation remains variant across sectors - some sectors are performing better (i.e., wood processing and the chemical industry), whereas other sectors (i.e., the manufacture of food and beverages), prevail less encouraging. Although in February 2021 production volumes were slightly lower than a year ago, the decrease was comparatively minor, compared to January 2021. The key for the growth of manufacturing remain export opportunities."



In February 2021, the largest manufacturing sub-sector (i.e., wood processing) by 2.3%. The chemical industry (+ 10%), clothing (+ 22%), and the manufacture of machinery and equipment (+ 9.4%) also made a significant positive contribution to the sector's growth. Production volumes also increased in other manufacturing sub-sectors.

On the other hand, in February 2021, negative trends prevailed in the second largest sub-sector of manufacturing (i.e., food production) (-7.5%). For the second consecutive month a decline in the manufacture of beverages (-36.6%), fabricated metal products (-10.5%), non-metallic minerals (-10.7%), and metals (-19.7%) was observed.

Overall, in January-February 2021, manufacturing output was 1.9% lower than a year ago (according to unadjusted data).

In February 2021, annual manufacturing turnover at current prices increased. The volumes of products sold in the domestic market and the volumes of exported products increased by 2.1% and 4.5%, respectively.

Although producers have been able to adapt to the current situation, new outbreaks of the epidemic and measures to limit the spread of the virus are hampering the growth of the manufacturing. Economic activity in the manufacturing is expected to gradually increase as the epidemiological situation improves. Manufacturing has a potential for growth, especially at the expense of rising exports.