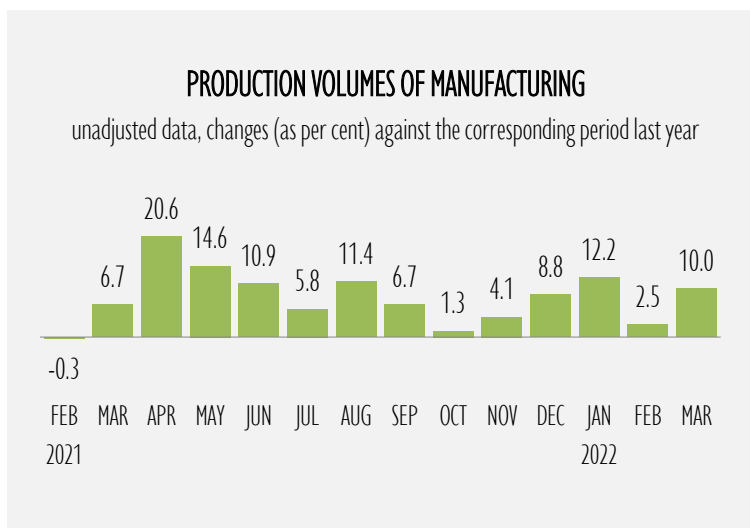


On Manufacturing Output in March 2022

Despite the difficult geopolitical situation, strong growth in manufacturing was observed

According to the Central Statistical Bureau (CSB), manufacturing output in March 2022, according to both unadjusted and calendar adjusted data, was 10% higher than a year ago. Overall, in Q1 of 2022, volumes in manufacturing were 8.3% higher than a year ago.

In March 2022, year-on-year growth was observed in most manufacturing sub-sectors. According to the contribution to the growth of the sector (compared to the corresponding period last year), the production volumes of wood processing (+ 16.7%), chemical industry (+ 20.3%), printing (+ 29.8%), non-metallic mineral products (+ 12.5%), and beverages (+ 28.2%) increased more rapidly. Metals, fabricated metal products, and cars, trailers, and semi-trailers also made a positive contribution to the sector's growth. During the year, the production volumes of paper products and electrical equipment decreased. Also, the production volumes of food products declined slightly.



In March 2022, annual turnover in manufacturing at current prices continued to increase sharply. The volumes of products sold on the domestic market increased by 25.3%. However, the volumes of exported products increased even more rapidly - by 27.4%. Sales of chemical industry, printing, non-metallic mineral products, and metal production grew markedly. Sales volumes at current prices continue to increase in the largest manufacturing sub-sector - wood processing - by 36.7%.

Further challenges to the development of manufacturing will be posed by the war in Ukraine, which could disrupt existing raw material supply chains. Also, enterprises will be heavily affected by the rising global prices for raw materials, including energy. In this situation, enterprises linked to the markets of the countries involved in the war have to look for new supply opportunities and new outlets.