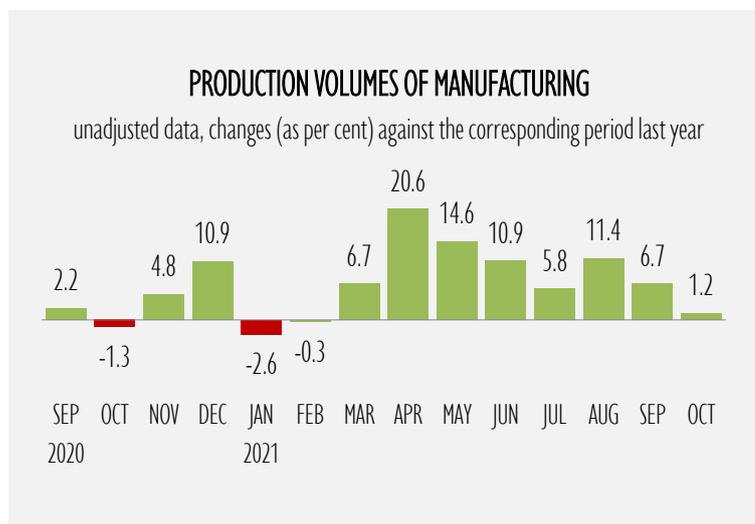


On Manufacturing Output in October 2021

In October 2021, manufacturing output increased by 1.2%

According to the Central Statistical Bureau (CSB), in October 2021, manufacturing output increased by 1.2% (unadjusted data), compared to the corresponding month last year. However, based on calendar adjusted data, manufacturing output rose by 3.9%. Overall, in January-October 2021, the volumes of manufacturing output were 7.7% higher than a year ago (according to unadjusted data).



In October 2021, annual growth was observed in most manufacturing sub-sectors. In particular, the manufacture of fabricated metal products increased by 11.5%, compared to the corresponding period last year. Also, the manufacture of chemicals and chemical products (+ 17.1%), furniture (+ 26.1%), machinery and equipment (+ 17.8%), and non-metallic mineral products made a positive contribution to the sector's growth.

However, in October 2021, the production volumes of the two largest manufacturing sub-sectors - wood processing and food industry - declined. Also, metal production has been on a decline for the tenth consecutive month.

In October 2021, manufacturing turnover at current prices continued to increase on an annual basis. The volumes of products sold on the domestic market increased by 12%. Also, the volumes of exported products rose markedly - by 20.8%. Sales of wood processing, chemical industry, and fabricated metal products increased rapidly.

The growth of demand in the largest market of Latvian goods – i.e., the EU - enables manufacturing companies to continue to show good growth indicators. Manufacturing continues to have the potential for development, especially at the expense of rising exports. However, a number of growth risks remain, primarily in terms of rising energy prices, the still high incidence of Covid-19, and the uncertainty regarding the pace of its containment.