

On Manufacturing Output in September 2021

In September 2021, manufacturing continued to grow

According to the Central Statistical Bureau (CSB), in September 2021, manufacturing output, according to unadjusted data, was 6.7% higher than a year ago. Also, based on calendar adjusted data, the increase was similar. Overall, in the first three quarters of 2021, the volumes of manufacturing output were by 8.6% higher than a year ago (according to unadjusted data).

In September 2021, similar to the previous months, annual growth was observed in almost all manufacturing sub-sectors. Compared to the corresponding month last year, the

manufacture of chemicals and chemical products (+ 39.2%), the manufacture of machinery and equipment (+ 33.3%), the manufacture of cars and trailers, and semi-trailers (+ 28.4%), and the manufacture of furniture (+ 29.6%) increased rapidly. The largest sub-sector of manufacturing – i.e., wood processing - also made a positive contribution to the growth of the sector, increasing by 1.7%. Output from other manufacturing sectors also increased.

However, in September 2021, for the ninth consecutive month, the manufacture of basic metals continued to decline (by 26.4%).

In September 2021, the annual turnover of manufacturing continued to grow rapidly at current prices. The volumes of products sold on the domestic market increased by 23%. However, the volumes of exported products rose even more rapidly - by 32.8%. Sales of chemicals and chemical products, wood and wood products, and furniture also continued to increase rapidly.

Rapid growth in demand in the EU (i.e., the largest Latvian export market) enables manufacturing companies to continue to operate with high growth rates. Manufacturing continues to have the potential for development, especially at the expense of rising exports. However, a number of risks remain prevalent, both in terms of rising energy prices and the still high incidence of Covid-19, especially the uncertainty regarding the pace of its containment.

