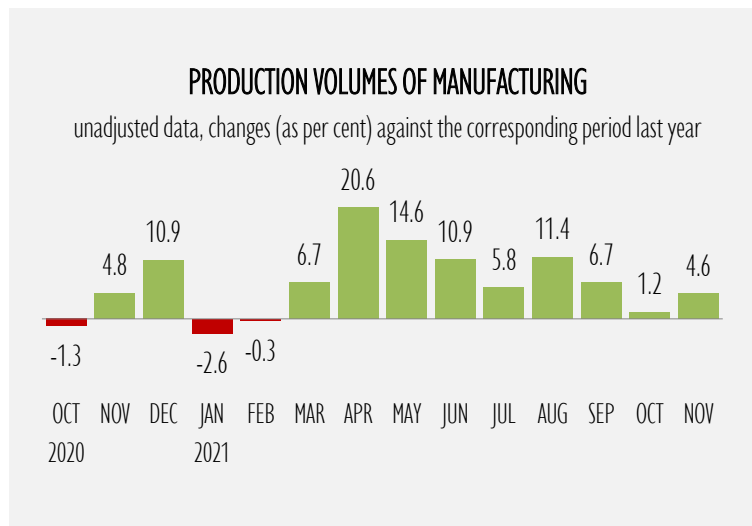


On manufacturing production output in November 2021

In November 2021, manufacturing volumes continued to increase

According to the Central Statistical Bureau (CSB), in November 2021, compared to the corresponding month last year, manufacturing output increased by 4.6% (based on unadjusted data). However, according to calendar adjusted data, the increase was more moderate - by 1.9%. Overall, in January-November 2021, the production volumes of manufacturing were by 7.4% higher than a year ago (according to unadjusted data).



In November 2021, growth on an annual basis was observed in most manufacturing sub-sectors. Manufacture of fabricated metal products (+ 16.9%) and chemicals and chemical products (+ 33.3%) grew most rapidly. Also, manufacture of motor vehicles, trailers, and semi-trailers (+ 36.4%), non-metallic minerals (+ 10.6%), and beverages (+ 27.4%) made a positive contribution to the sector's growth. The second largest manufacturing sub-sector – i.e., manufacture of food products, also increased.

In November 2021, for the second consecutive month, the largest sub-sector of manufacturing – i.e., wood processing - declined. Also, manufacture of basic metals continued to decline.

In November 2021, annual manufacturing turnover at current prices continued to grow strongly. The volumes of products sold on the domestic market increased by 16%. However, the volumes of exported products increased by 28.9%. Sales of chemicals and chemical products and furniture increased rapidly. It should be noted that despite a decline in production volumes in wood processing, due to the rise in prices, sales volumes at current prices increased by 37%.

The growth of demand in the largest Latvian sales market (i.e., the EU) allows manufacturing companies to continue to show good growth rates. At the same time, it should be noted that it will be challenging for the manufacturing industry to maintain growth in 2021, considering high energy prices, Covid-19 morbidity, and uncertainty regarding its pace of containment.