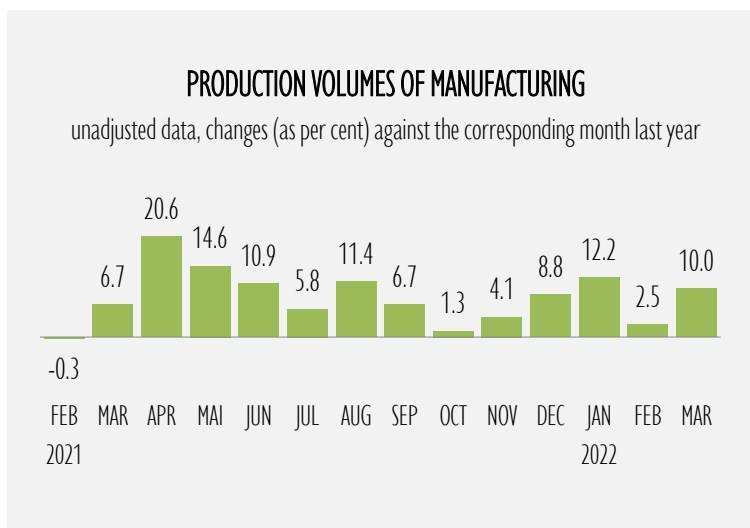


On Manufacturing Output in March 2022

Despite the difficult geopolitical situation in manufacturing, strong growth was observed in March 2022

According to the data of the Central Statistical Bureau (CSB), the output of manufacturing 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, wood processing (+ 16.7%), chemical industry (+ 20.3%), printing (+ 29.8%), manufacture of non-metallic mineral products (+ 12.5%), manufacture of beverages (+ 28.2%) increased more rapidly. Manufacture of 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, 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 increased markedly. Sales volumes at current prices continue to grow in the largest manufacturing sub-sector - wood processing – i.e., by 36%.

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