

Manufacturing Sluggish on Export Growth

By [The Moscow Times](#)

April 02, 2012

The  Moscow Times

Russian manufacturing had a "sub-par" expansion in March because of "modest" increases in new orders and output, HSBC Holdings said.

The Purchasing Managers' Index rose to 50.8 in March from 50.7 in February, HSBC said in an e-mailed statement, citing data compiled by London-based Markit Economics. A level above 50 signals an expansion, while below that shows a contraction. Russia's long-term trend level is 52.1, according to the statement.

"Growth momentum in manufacturing remained subdued despite somewhat faster output growth in March," Alexander Morozov, chief economist for Russia and the Commonwealth of Independent States at HSBC, said in the statement.

Risks to the economies of the European Union and China, which together account for about 60 percent of Russian trade, threaten to stall demand for the country's exports. New orders

from abroad returned to "sluggish growth" last month amid signs of improving consumer demand in Russia's CIS neighbors, Morozov said.

Russia exported more than 1.6 million tons of grain in March, Arkady Zlochevsky, president of the Russian Grain Union, said Monday, Interfax reported.

He said the same amount of grain should be exported in April-May of this year, bringing exports up to 26 million tons by the end of the season (June 30, 2012). This would be a record figure. "We've broken historic records for both the rate and volume of grain exports," Zlochevsky said.

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