

# Manufacturing Growth Stagnant in December

By [The Moscow Times](#)

December 27, 2012

**The  Moscow Times**

Domestic manufacturing growth ran out of steam in December, dragged down by weaker rises in new orders and production, a survey showed on Thursday, suggesting the economy is slowing down.

The HSBC purchasing managers' index's headline reading fell to 50.0 points — the exact point separating expansion from contraction — from 52.2 the previous month.

"Stabilization, not stagnation — this is how we interpret the results ... over-production was blamed for why factory output was so weak in December. Therefore, producers were adjusting for softer Russian economic growth," said Artyom Biryukov, economist for Russia and CIS at HSBC.

The economy is expected to grow 3.2 percent in 2013, down from 3.6 percent estimated for 2012, due to weaker exports, tightened budget expenditures and a more cautious

consumer spending, a Reuters poll showed on Monday.

The PMI index for new export orders fell to its lowest point in more than two years, leading to a near-stagnation in output growth.

The data comes after a pick-up in manufacturing activity in November, when growth in industrial production strengthened to 1.9 percent year-on-year in November, ending a downtrend dating back to August.

"Resumption of stronger growth is still on the agenda, as we estimate moderate stock levels in the manufacturing sector," Biryukov added.

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