

February Factory Output Highest in 3 Years

By [The Moscow Times](#)

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Manufacturing output grew at the fastest pace in three years last month, reaching its highest level since January 2008, on stronger domestic demand.

The Purchasing Managers' Index rose to 55.2, from 53.5 in January, HSBC Holdings said in a report Tuesday, citing data compiled by Markit Economics, a financial information services company. The survey-based index indicates a contraction when below 50 and growth with a figure above 50.

"The volume of new work taken by Russian manufacturers rose at the sharpest rate since March 2008," according to the report.

The increases suggest that industrial output may continue to surge after unexpectedly accelerating in January. Manufacturers such as AvtoVAZ led the advance as they restocked inventories to meet growing local demand.

Price increases for manufacturers' inputs and finished products showed "slight easing," falling to four-month lows, the report said. Companies cited higher prices for metals and refined oil products, as well as general energy costs.

The Central Bank cited "high inflationary pressures" as the main reason for its unexpected decision to increase its three main interest rates on Monday. Inflation was an annual 9.6 percent in January.

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