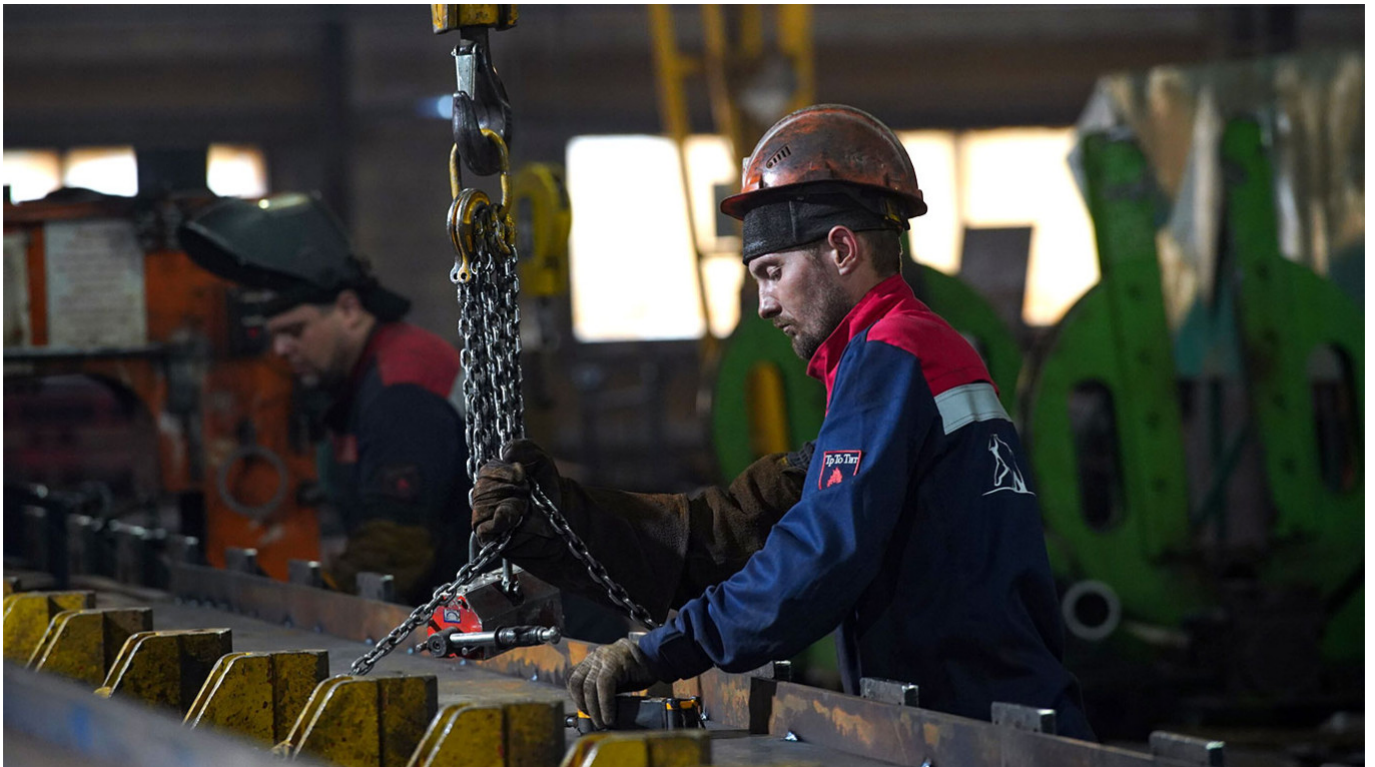


Russia Sees Manufacturing Jobs Surge in May

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Tonar machine building plant in the Moscow region. **Alexander Avilov / Moskva News Agency**

Russia's manufacturing sector saw near-record employment growth in May, according to a [new report](#) from S&P Global, as an already tight labor market struggles to meet the surge in demand for workers.

S&P Global's Purchasing Managers' Index (PMI) for Russian manufacturing rose to 54.4 last month compared to 54.3 in April. A PMI value above 50 points indicates growth, whereas anything below signifies a decline.

"Output growth strengthened amid sustained and robust customer demand, which drove the upturn in new orders," the report read. "The sharp rise in new business led firms to expand capacity, as the pace of job creation accelerated to the second-fastest on record."

According to S&P Global, manufacturing job growth last month was the sharpest since September 1997, when Russia's economy began to slowly improve after the government ran huge deficits in the previous years to fund the First Chechen War.

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“Employment growth stemmed in part from a third successive monthly uptick in backlogs of work,” the S&P Global report read, noting that business confidence slipped to a nine-month low despite the improvements in job creation.

“Nonetheless, the level of optimism still signaled historically upbeat expectations regarding future output,” it added.

Russia’s manufacturing sector has continued to grow despite Western sanctions in response to the full-scale invasion of Ukraine, largely driven by economic activity in the defense industry. Military spending is [expected](#) to account for 40% of government spending this year.

But the boom in defense production, combined with the “partial” mobilization of some 300,000 army reservists, has created widespread labor shortages, which has [supercharged](#) wage growth.

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