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Russian Manufacturing Growth Hits 1-Year Low in August

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A worker at a combine harvester assembly facility. **Erik Romanenko / TASS**

Russia's manufacturing sector saw its slowest pace of growth in more than a year in August, a business survey published on Monday showed.

S&P Global's Purchasing Managers' Index (PMI) for Russian manufacturing fell to 52.1 last month compared to 53.6 in July. A PMI value above 50 points indicates growth, whereas anything below signifies a decline.

"The latest expansion extended the current sequence of growth that began in May 2022, but was the slowest in just over a year," S&P Global said.

New orders and employment also slowed in August, the PMI survey showed.

"Although stronger than the series average, Russian manufacturers signaled a lower degree of confidence in the year-ahead outlook for output in August," S&P Global said, adding that manufacturing firms expect investments in new product launches and advertising to attract

new customers.

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.

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