CHARTS OF THE WEEK

9–13 October 2023

The decline in manufacturing output continued in August, with the year-on-year decline more pronounced in the more energy-intensive sectors. The current account surplus increased further in August, with the decline in the goods trade deficit being the largest contributor to the increase over the past year. The value of construction work put in place in recent months has fluctuated around the level reached at the beginning of the year and remains well above that of the previous year.

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| Production volume in manufacturing, August 2023 |  |
|  | **Manufacturing output further contracted in August.** After a decline in the second quarter, output in less technology-intensive industries and medium-high technology industries continued to fall on average in July and August. After growth in the first half of the year, output in high-technology industries also declined in the summer months, with output in the first eight months higher than a year earlier, while it was lower in all other industry groups. On average, total manufacturing output in the first eight months was 3.5% lower year-on-year. The year-on-year decline was more pronounced in the more energy-intensive industries, with the largest drop (by almost one quarter) in the chemical industry.Companies do not expect production activity to pick up until the end of the year, which is attributed to insufficient (mainly foreign) demand and an uncertain economic situation. |

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| Current account of the balance of payments, August 2023  |  |
|  | **The current account turned into a surplus again in August.** In the last 12 months it amounted to EUR 2.1 billion, compared to a deficit of EUR 356.1 million in the previous 12-month period. The main contributor to this change was the goods trade balance, as imports of goods declined while exports of goods stagnated. The surplus in services also continued to grow, especially in trade in transport and travel services. Primary and secondary income also contributed to the improvement of the current account balance. The primary income deficit decreased year-on-year, mainly due to higher subsidies from the EU budget for the agricultural and fisheries policies. Payments to the EU budget from customs duties were also lower. The lower secondary income deficit was arising from lower net outflows of private sector transfers. |

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| Activity in construction, August 2023  |  |
|  | **According to data on the value of construction work put in place, construction activity increased in August and remained significantly higher than last year.** After high growth in the value of construction work at the beginning of the year, activity fluctuated around the level reached in the following months. In the first eight months, it was on average 22% higher than the same period last year. In this comparison, activity was higher in all three segments covered by the statistics: most markedly in specialised construction (up 36%), followed by civil engineering and building construction (up 20% and 16% respectively). Some other data, however, point to much lower growth in construction activity. Data on the value of industrial production in two activities traditionally strongly linked to construction do not point to such high growth. Production in other mining and quarrying was 4% lower in the first eight months of the year, while it was 11% lower in the manufacture of other non-metallic mineral products. |

