

LSM grows by 4.85% YoY in February

Petroleum products, automobiles and chemicals among major contributors

- Large-scale manufacturing (LSM) continued on a positive trajectory in February, with 4.85% growth compared to the same month last year. Cumulatively speaking, 8MFY21 LSM growth now stands at 7.45% YoY. On MoM basis, there was a minor decline of 4.15%, however, this is typical, given fewer working days in February.
- Among LSM heavy-weights, top performers for the month on YoY basis were (1) coke & petroleum products (43%), (2) Automobiles (26%), (3) Chemicals (15%) and (4) Pharmaceuticals (11%). Growth in the Food, beverages & tobacco category was relatively lower at 3% compared to 8MFY21 growth of 16% YoY, whereas this category remains the largest contributor to LSM growth in the cumulative period.
- Thankfully, the categories which witnessed declines during the month were those with significantly lower weight in the LSM index, such as electronics, leather, engineering and rubber products.
- We reiterate that from next month, LSM growth is expected to accelerate owing to the low base effect created by the lockdown last year, whereas the risk of the third wave could create a dampener to manufacturing activity.

Large Scale Manufacturing (LSM)

	Adjusted Weight	YoY change	
		Feb-21	8MFY21
Textile	29.7%	2.95%	2.69%
Food, beverages & tobacco	17.6%	3.45%	15.75%
Coke & petroleum products	7.8%	42.66%	7.94%
Iron & steel products	7.7%	-3.52%	-1.39%
Non-metallic mineral products	7.6%	10.82%	20.77%
Automobiles	6.6%	26.00%	14.66%
Fertilizers	6.3%	-2.62%	5.66%
Pharmaceuticals	5.2%	10.55%	12.09%
Paper & board	3.3%	-5.24%	-1.07%
Electronics	2.8%	-20.58%	-24.36%
Chemicals	2.4%	15.47%	10.83%
Leather products	1.2%	-31.69%	-40.49%
Wood products	0.8%	51.19%	-51.30%
Engineering products	0.6%	-22.95%	-29.62%
Rubber products	0.4%	-44.78%	-10.73%
Total	100.0%	4.85%	7.45%

Source: PBS, SBP

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