

News Release

Embargoed until 0830 HKT (0030 UTC) 6 March 2023

S&P Global Asia Sector PMI™

Consumer Services activity continues to lead growth in February

Key findings

More sectors report growth in February

Consumer Services lead the upturn for the second month running

New orders rise across all sectors, bar two

The latest S&P Global Asia Sector PMI™ data signalled an improvement in all broad sectors in February, led by Consumer Services which saw a record expansion in activity for the second consecutive month. Healthcare, Technology and Basic Materials all returned to growth.

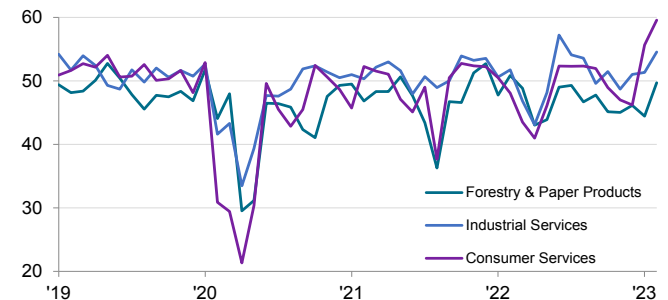
A majority of sectors recorded an increase in output in February. The pace of growth was sharpest for Consumer Services, followed by Transportation, which posted the second-fastest incline on record. Notably, six of the 18 sectors registered renewed expansions in production, with most of these having been in decline since the third quarter of 2022. On the other side of the spectrum, output continued to fall in Construction Materials, Insurance and Forestry & Paper Products, with the former two indicating a quicker pace of reduction. However, Forestry & Paper Products reported the softest decline in output in the current 12-month period of contraction.

Nearly all of the 18 monitored sectors, bar two, signalled a rise in new orders mid-way through the first quarter, of which eight sectors recorded a fresh increase. Expansions in new orders resulted in a greater degree of hiring, with 13 of the 18 sectors increasing their intake of workers, up from two in January. Consumer Services led the upturn in employment for the second month running.

The latest Asia Sector PMI™ data also pointed to a mixed cost environment in February. Consumer Services registered the sharpest uptick in costs for the second straight month, compared with only a marginal rise in Real Estate. Notably, cost pressures eased in ten of the 18 sectors since January. Meanwhile, charges levied rose in 13 of the 18 sectors, while four sectors registered a fresh reduction in their prices.

Asia Sector PMI Business Activity Index

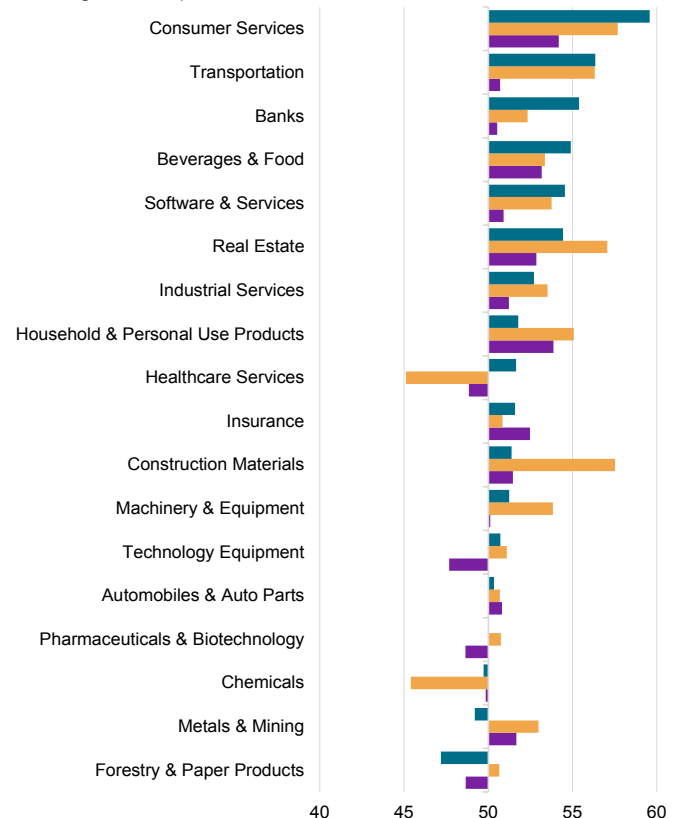
sa, >50 = growth since previous month



Source: S&P Global.

Output Index
New Orders Index
Employment Index

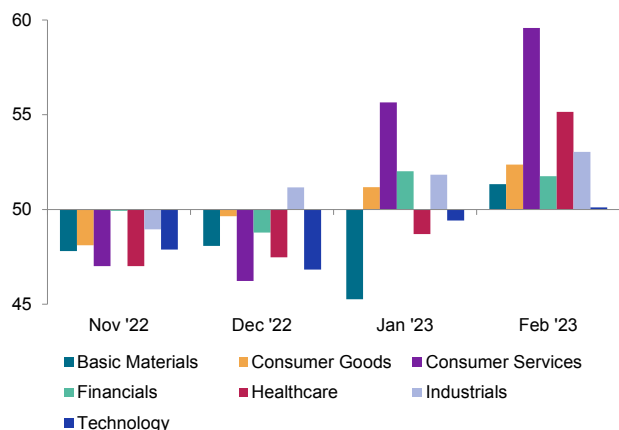
sa, >50 = growth since previous month



Source: S&P Global.

Output Index

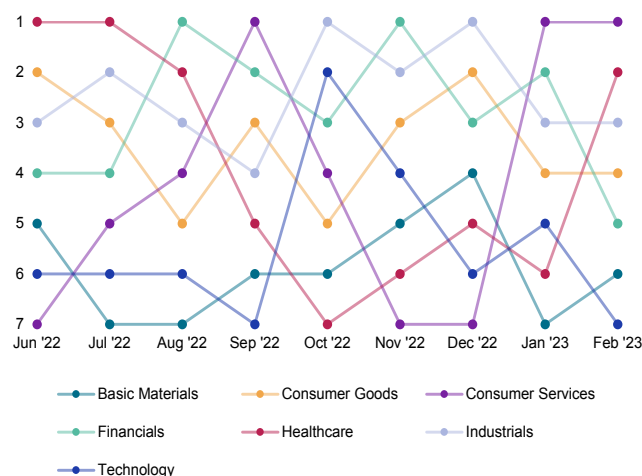
sa, >50 = growth since previous month



Source: S&P Global.

Output Index

Rank



Source: S&P Global.

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Survey methodology

The S&P Global Asia Sector PMI™ indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's Asian PMI survey panels, covering over 6,000 private sector companies in 13 regions.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Asia Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

About PMI

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. ihsmarkit.com/products/pmi.html.

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