

News Release

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S&P Global Europe Sector PMI®

Declines in output remain widespread by sector in August

Key findings

Many sectors record sharper falls in output

New orders falling more quickly than activity in majority of categories

Pockets of growth in technology and healthcare

The latest S&P Global Europe Sector PMI® indicated further declines in output and new orders across a majority of sectors in August, after accounting for seasonal factors. Only six sectors registered higher activity, the same total as in July and the joint-lowest since the first wave of the pandemic in spring 2020. Moreover, where falls in output were recorded, new business often contracted even more quickly.

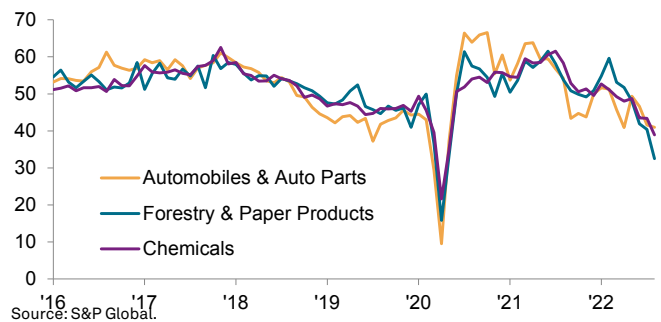
For the fourth month running, Forestry & Paper Products recorded the sharpest drop in output among the 20 sectors monitored. Moreover, the rate of decline was the sharpest since April 2020's record, and the second-fastest since the series began in 1998. Chemicals and Automobiles & Auto Parts were the next worst performers in terms of output, with both seeing steeper declines than in July. Construction & Engineering and Real Estate were the lowest-ranked non-manufacturing sectors, although the latter recorded a weaker decline than in July.

The six sectors to record higher activity in August were mainly services-related, with Technology Equipment being the only pure-manufacturing growth area. Software & Services was the fastest-growing sector for the first time since March, overtaking Pharmaceuticals & Biotechnology which slipped to fourth. Other Financials was the second-fastest growing sector, its highest position since September 2019. Growth resumed in Healthcare Services, albeit at only a modest pace, while Industrial Services (including Commercial & Professional Services) saw almost no growth in activity since July.

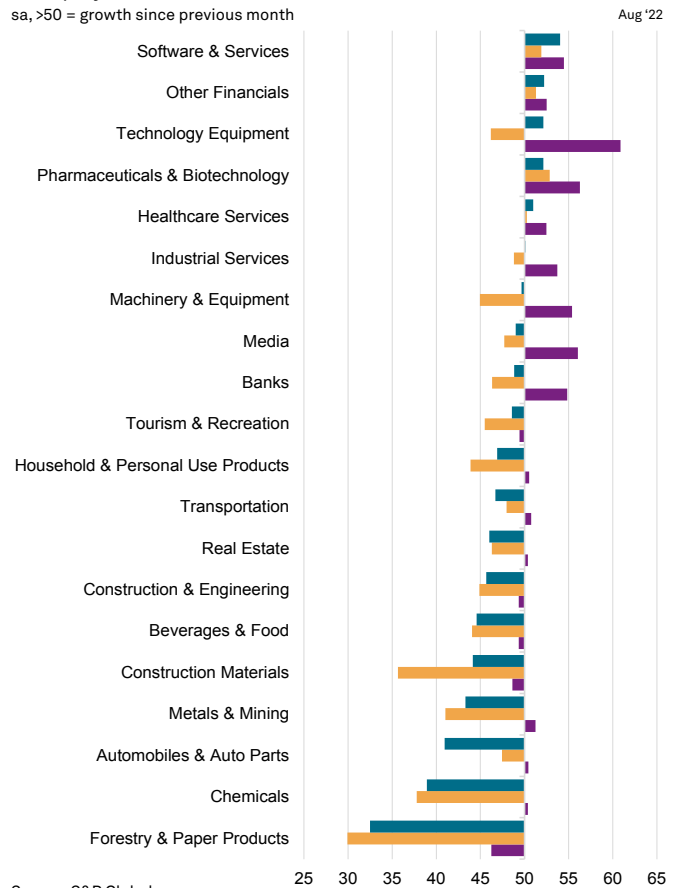
Among the 14 sectors to see falling business activity in August, most recorded even steeper declines in new business. Exceptions to this trend included Automobiles & Auto Parts, Transportation and Real Estate.

Sectors generally performed better in terms of employment in August, with 15 registering higher staffing. The fastest increase was in Technology Equipment.

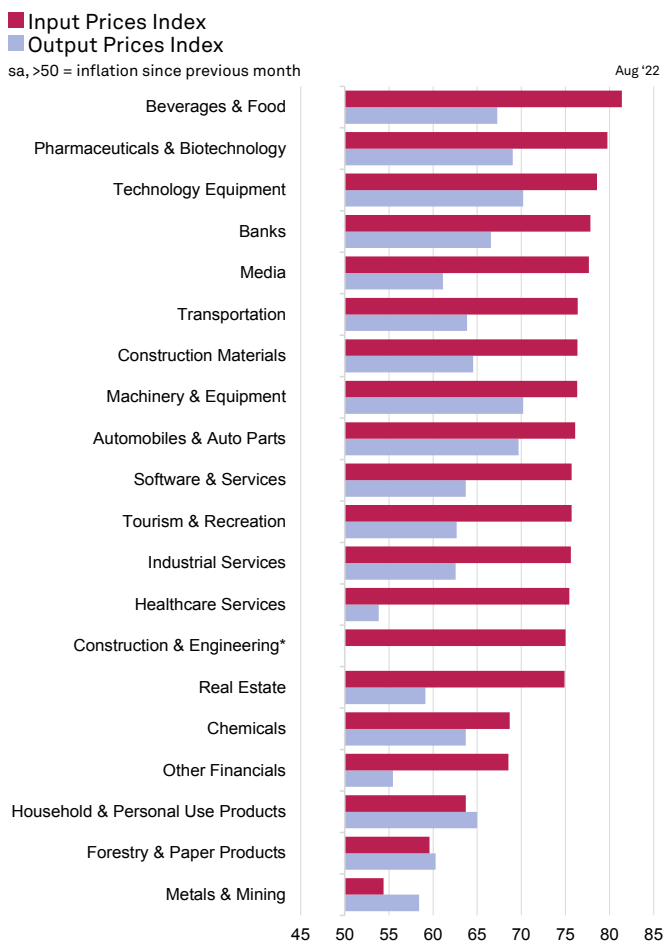
Europe Sector PMI Business Activity Index
sa, >50 = growth since previous month



■ Output Index
■ New Orders Index
■ Employment Index
sa, >50 = growth since previous month

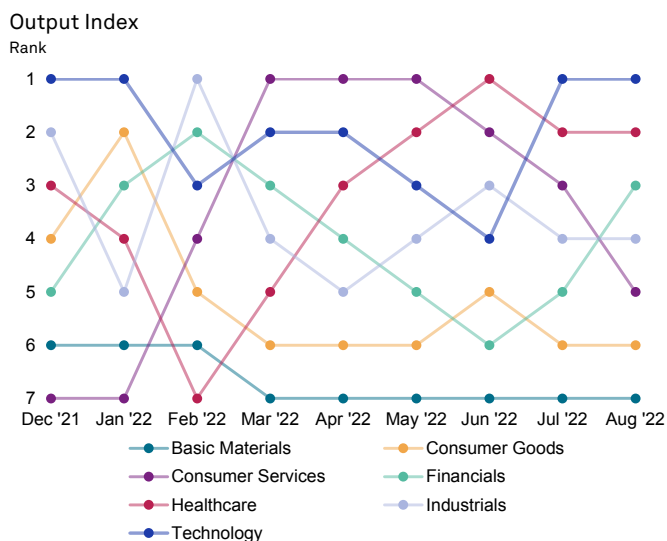


Source: S&P Global.



Source: S&P Global.

*Output Prices Index not available.



Source: S&P Global.

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Survey methodology

The S&P Global Europe Sector PMI® indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe 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.

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