

# S&P Global Flash UK PMI<sup>®</sup>

## Strongest rise in UK private sector business activity since August 2024

### August 2025

Flash UK PMI Composite Output Index: 53.0  
(Jul: 51.5). 12-month high.

Flash UK Services PMI Business Activity Index: 53.6 (Jul: 51.8). 12-month high.

Flash UK Manufacturing Output Index: 49.5  
(Jul: 49.5). Unchanged.

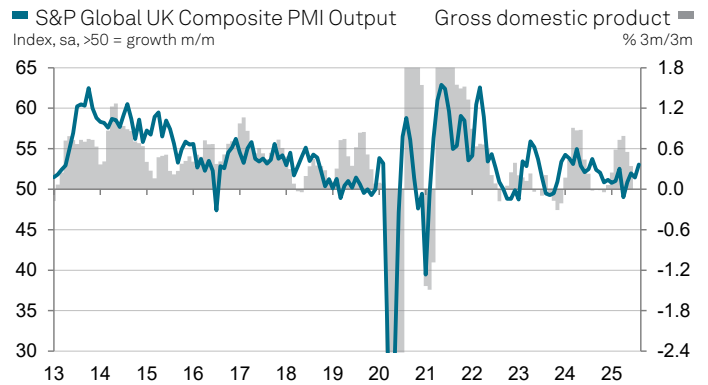
Flash UK Manufacturing PMI: 47.3  
(Jul: 48.0). 3-month low.

S&P Global Flash UK PMI<sup>®</sup> data indicated that private sector output growth accelerated to its fastest for 12 months in August, led by a solid upturn in the service economy. Moreover, new business volumes expanded at the strongest pace since October 2024. Employment was again a weak spot as total workforce numbers decreased for the eleventh month running and at a marked pace.

Input cost inflation meanwhile edged up to its highest since May. Survey respondents continued to note that suppliers had sought to pass on increased National Insurance costs. Higher payroll costs also resulted in another robust rise in prices charged by private sector firms in August, with service providers recording particularly strong inflationary pressures.

The headline seasonally adjusted S&P Global Flash UK PMI Composite Output Index posted 53.0 in August, up from 51.5 in July and above the neutral 50.0 threshold for the fourth successive month. Output growth was the strongest since August 2024, with a faster rise in service sector activity more than offsetting another marginal decline in manufacturing production. Service providers typically cited improved demand conditions, while goods producers linked lower output to a lack of new work and intense competitive pressures.

Total new work across the private sector economy returned to growth in August, following a moderate decline in July. The improvement in new order books was the strongest for 10 months and driven by the service sector. Manufacturers recorded the sharpest decline in new work since April amid ongoing reports of weak global demand in the wake of US tariff uncertainty. In contrast, service providers commented on rising sales in both domestic and export markets.



Data were collected 12-19 August 2025.

Sources: S&P Global PMI, ONS via S&P Global Market Intelligence. ©2025 S&P Global.

### Comment

Chris Williamson, Chief Business Economist at S&P Global Market Intelligence:

*"The flash UK PMI survey for August indicated that the pace of economic growth has continued to accelerate over the summer after a sluggish spring, the rate of expansion now at a one-year high. The services sector has led the expansion, but manufacturing also showed further signs of stabilising.*

*"It's evident from survey measures of order books, however, that the demand environment remains both uneven and fragile. Companies report concerns over the impact of recent government policy changes, as well as unease emanating from broader geopolitical uncertainty. Goods exports are still falling especially sharply.*

*"Payroll numbers also continue to be cut at an aggressive rate by historical standards as firms cite weak order books and concerns over rising staff costs due to the policies announced in the autumn Budget, which also contributed to persistent inflation pressures.*

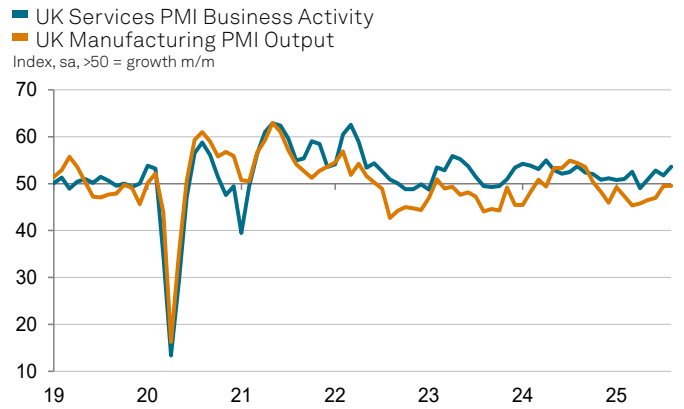
*"While the rise in business activity signalled by the PMI alongside the uplift in inflation to 3.8% in July lower the chances of further rate cuts this year, more data are required to assess both the sustainability of robust economic growth as well as the stickiness of the upturn in price pressures. Among a divided Bank of England rate setting committee, the perceived need for any future rate cuts will be very much data dependent."*

Employment decreased at a solid pace in August, with cutbacks to payroll numbers seen in both the manufacturing and service sectors. Survey respondents widely commented on cautious hiring strategies and restructuring of workforces in response to elevated cost pressures. Despite a sustained downturn in staffing levels and a renewed improvement in new order books, the latest survey data highlighted the fastest decline in backlogs of work for three months.

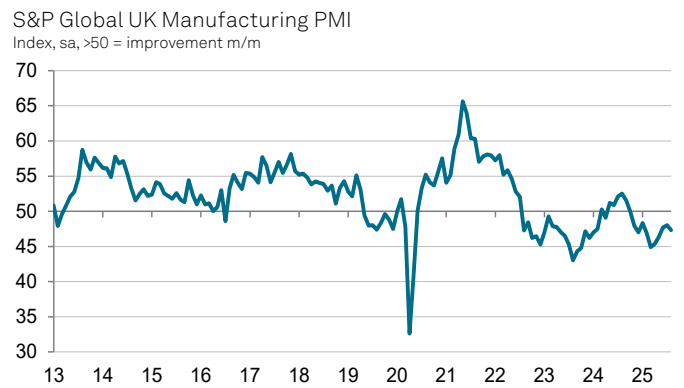
August data also indicated a sharp and accelerated rise in average cost burdens across the private sector economy. The rate of input price inflation was the highest since May, reflecting stronger cost pressures in both the manufacturing and service sectors. Survey respondents once again noted that suppliers had sought to pass on rising National Insurance payments. Some firms also commented on higher food prices and transportation bills. Higher freight costs were partly linked to longer shipping times for items sourced from Asia. Moreover, manufacturers recorded the sharpest downturn in supplier performance since December 2024 amid widespread reports of container freight delays due to disruptions at ports.

Prices charged by UK private sector companies increased at a robust pace in August. Service providers signalled the fastest pace of output charge inflation for three months. However, manufacturers indicated the slowest rise in factory gate prices since January, which was attributed to subdued demand and intense competition.

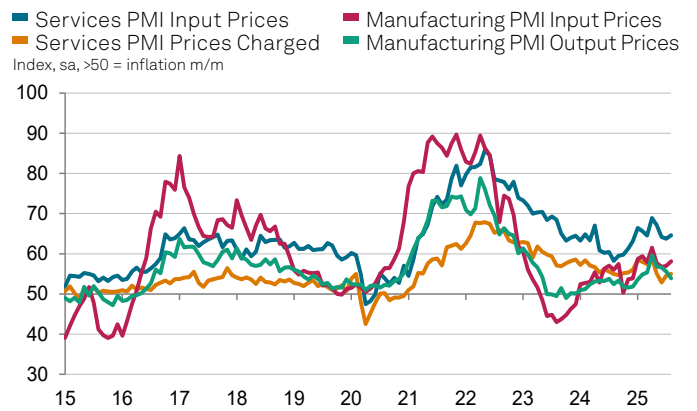
Finally, business activity expectations for the year ahead edged up to the highest since October 2024. Rising levels of optimism were seen in both the manufacturing and service sectors in August. Service providers linked growth expectations to forthcoming business investment and product diversification plans, alongside an anticipated revival in domestic consumer spending. Meanwhile, manufacturers again noted caution about the outlook for global trade due to US tariff uncertainty, but many commented on hopes of a rebound in customer demand and expected a tentative uplift in general market conditions over the next 12 months.



Source: S&P Global PMI. ©2025 S&P Global.



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## Methodology

Final August data are published on 1 September for manufacturing and 3 September for services and composite indicators.

The S&P Global Flash UK Composite PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 650 manufacturers and 650 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

**Manufacturing:** Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

**Services:** Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing 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.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

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Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.2 (absolute difference 0.6)

Services Business Activity Index = 0.2 (absolute difference 0.7)

Manufacturing PMI = 0.1 (absolute difference 0.4)

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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