

# News Release

Embargoed until 0930 GMT (0930 UTC) 6 January 2023

## S&P Global Sector PMI™

### Global Real Estate activity down at sharpest pace since opening wave of COVID-19 pandemic

#### Key findings

Real Estate remains worst performer in December

Signs of stabilisation in Tourism & Recreation

Pharmaceuticals & Biotechnology leads growth

The latest S&P Global Sector PMI™ data pointed to reductions in activity across a range of sectors at the end of 2022 as demand conditions deteriorated. Most categories continued to see employment increase, however.

As has been the case in recent months, the Real Estate sector was the worst performer in December, seeing a sharp decline in activity that was the fastest since April 2020. The fall was on the back of a further steep contraction in new orders. With financial conditions remaining challenging, Banks also recorded a marked drop in activity.

In all, 14 of the 21 monitored sectors saw output decrease in the final month of 2022. Some of the sharpest reductions were in the Forestry & Paper Products, Construction Materials and Chemicals categories.

Automobiles & Auto Parts remained in contraction, but rates of decline in output and new orders softened. Meanwhile, stocks of purchases and finished goods fell at the fastest rates in 20 and 15 months respectively as firms looked to scale back inventory holdings.

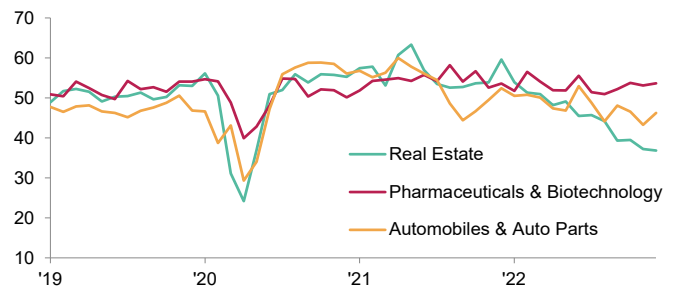
Despite demand and activity weakness, most sectors raised staffing levels. The sharpest increase in employment was in Pharmaceuticals & Biotechnology, which also led growth of activity. Output in the sector has now expanded on a monthly basis throughout the past two-and-a-half years.

Tourism & Recreation activity showed signs of stabilisation, falling only marginally as new business decreased at a softer pace. Firms in the sector kept employment broadly unchanged.

While all sectors posted a rise in output prices in December, rates of inflation varied markedly depending on the pricing power among firms. Charges were up only marginally in Real Estate and Forestry & Paper Products, but increased sharply in Industrial Services and Technology Equipment.

Global Sector PMI Business Activity Index

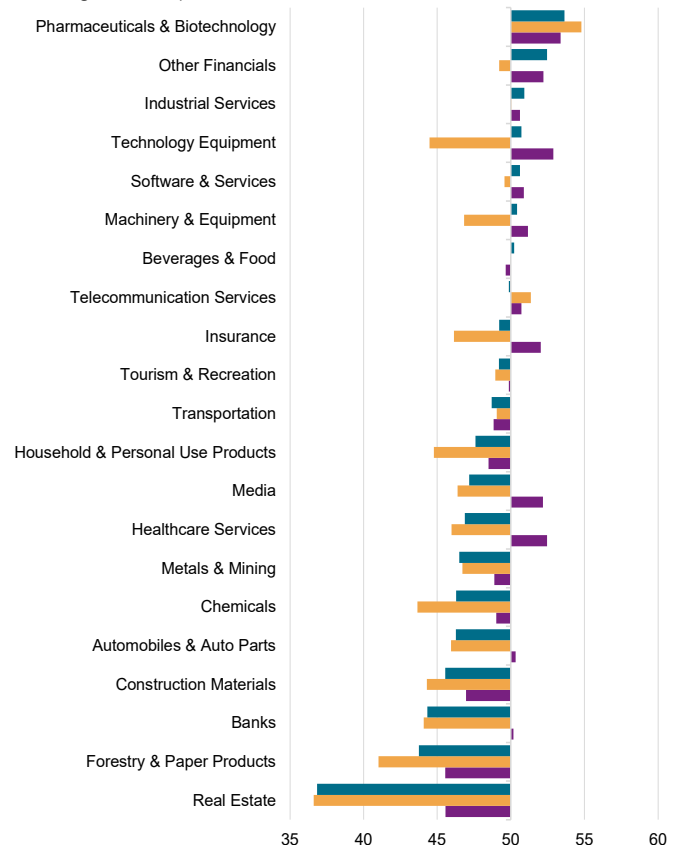
sa, >50 = growth since previous month



Source: S&P Global.

Output Index  
New Orders Index  
Employment Index

sa, >50 = growth since previous month

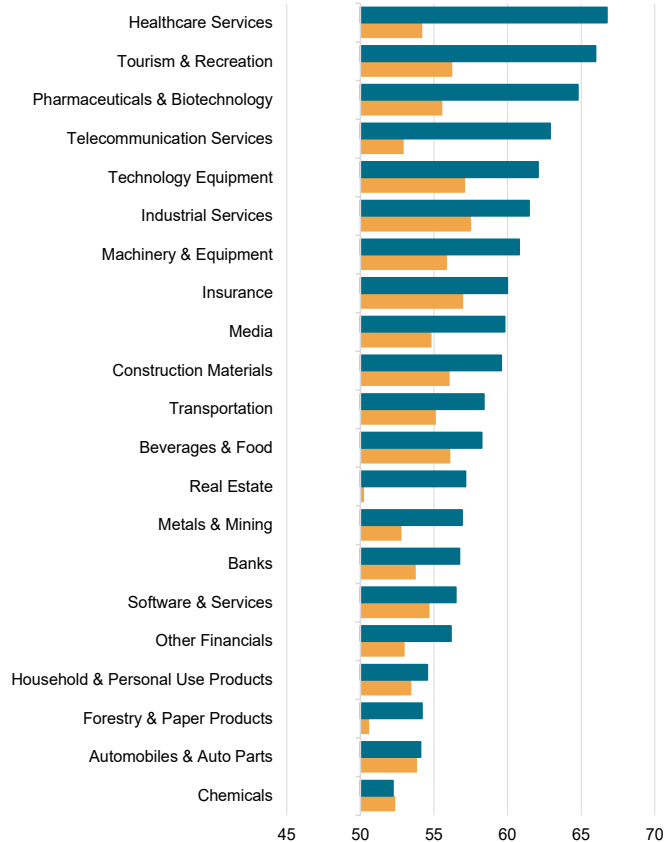


Source: S&P Global.

Price Indices

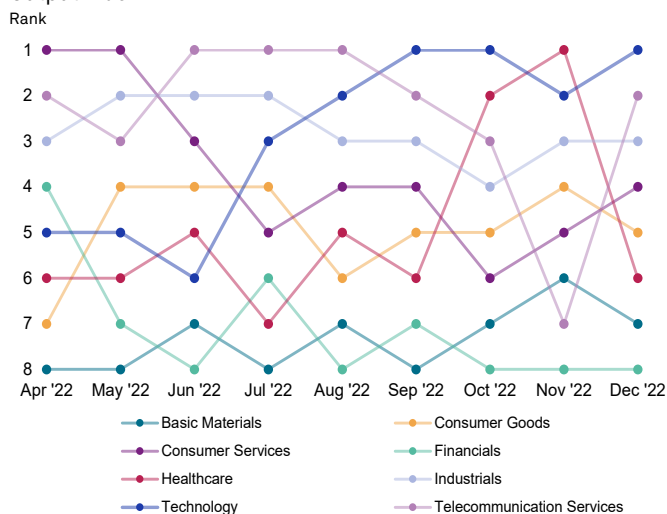
■ Input Costs ■ Output Charges

sa, >50 = inflation since previous month



Source: S&P Global.

Output Index



Source: S&P Global.

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Survey methodology

The S&P Global Sector PMI™ indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's global PMI survey panels, covering over 27,000 private sector companies in more than 40 countries.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Global Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services 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](mailto: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](https://ihsmarkit.com/products/pmi.html).

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