

# News Release

Embargoed until 0945 HKT (0145 UTC) 6 January 2025

## S&P Global Asia Sector PMI®

### Banks ends 2024 as top performing sector

#### Key findings

Banks are at the forefront of activity growth among the 18 monitored Asian sectors

Growth in activity restricted to only 11 categories

Software & Services sector experiences a decline for the first time in two years

2024 ended on a somewhat subdued note in Asia, with activity growth confined to only 11 out of the 18 sectors monitored, a decrease from 15 in the previous month, according to the latest S&P Global Asia Sector PMI® data. That said, among those sectors, two-thirds achieved historically strong growth rates.

Banks emerged as the standout performer in December, leading the upturn by a healthy margin. The rate of growth quickened on the month to the most pronounced since March 2023, and signalled a rapid expansion. Additionally, this increase was robust enough to compensate for the cooldown in Insurance activity growth and a fresh, but slight dip in Real Estate output. Consequently, the all-encompassing Financials category rose in the rankings to become the top performing broad sector.

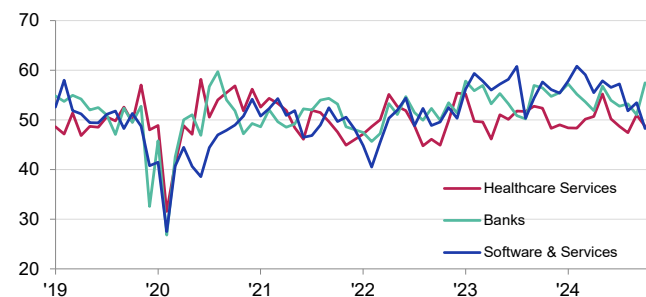
In contrast, a renewed and solid decline in activity within the Software & Services sector positioned it at the bottom of the rankings table. Activity fell for the first time in two years, and at the strongest pace since May 2022. This recent performance marked a significant shift from the robust growth observed since 2023, during which the sector frequently led the pack.

Despite an increase in the number of sectors reducing their output in December, the demand landscape remained stable, with again 13 out of the 18 monitored sectors registering an increase in new orders. Continued demand trends enabled a greater number of sectors to participate in recruitment activities, resulting in job creation in 11 tracked sectors, the highest level recorded in the final quarter of 2024.

Regarding prices, all sectors except for Metals & Mining experienced an increase in cost burdens. However, charges were raised in only 13 of the monitored segments, with the rates of charge inflation generally moderating. This indicated that businesses were wary to pass increased costs on to clients in an effort to attract new business.

Asia Sector PMI Business Activity Index

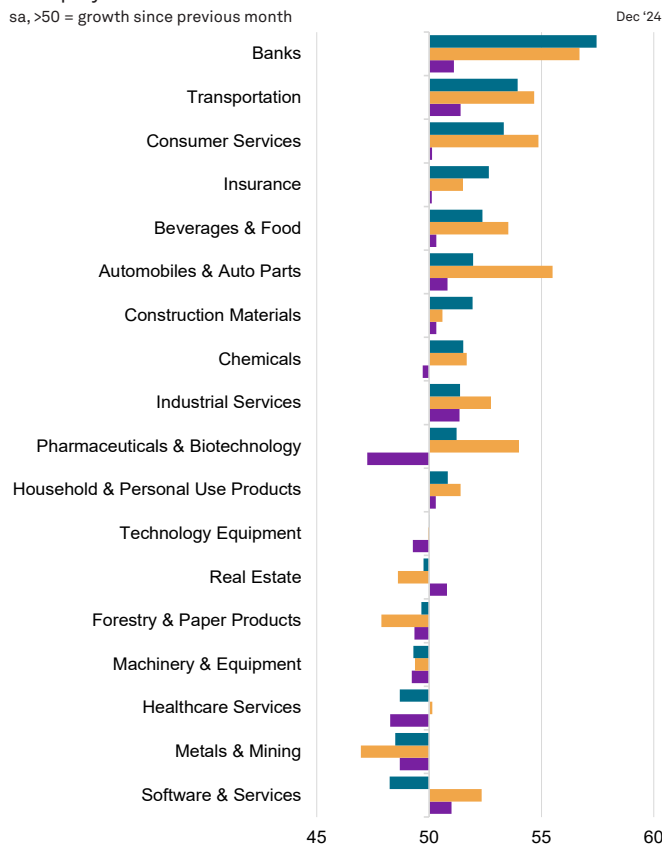
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index  
New Orders Index  
Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

PMI®

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Output Index

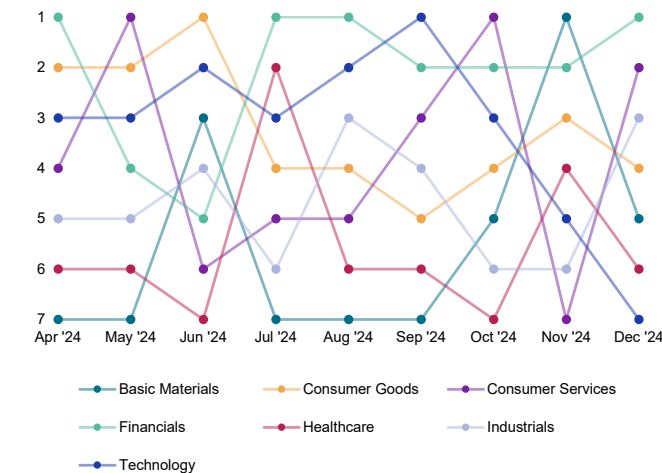
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index

Rank



Source: S&P Global PMI.

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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 Asian private sector companies.

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@spglobal.com](mailto:economics@spglobal.com).

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