

News Release

Embargoed until 0600 UTC 01 June 2023

S&P Global Russia Manufacturing PMI[®]

Output growth strengthens amid faster rise in new orders

Key findings

Output expansion quickest for six months

Sharpest rise in employment since November 2000

Cost pressures build

Russian manufacturing firms indicated a stronger improvement in the health of the sector during May, according to the latest PMI[®] data from S&P Global. Overall growth was supported by faster expansions in output and new orders, with employment rising at the sharpest pace for 22-and-a-half years. Hiring activity and business confidence was buoyed by further anticipated increases in new orders, with firms also stepping up their purchasing activity in line with greater production requirements.

At the same time, the rate of cost inflation gained further momentum and accelerated to the fastest pace since April 2022. Although manufacturers hiked their selling prices again, the pace of increase softened from April.

The seasonally adjusted S&P Global Russia Manufacturing Purchasing Managers' Index[™] (PMI[®]) posted 53.5 in May, up from 52.6 in April, to signal a solid upturn in operating conditions at Russian manufacturing firms. The latest improvement was the fastest for three months and stronger than the series average.

Output expanded across the Russian manufacturing sector for the tenth month running in May. The upturn in production was strong overall, with the rate of growth accelerating to the joint-fastest since March 2019. Where an increase in output was noted, firms linked this to greater demand conditions and a further uptick in new order inflows.

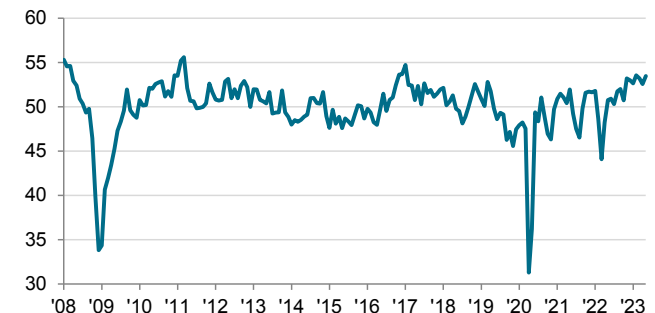
New sales rose again midway through the second quarter, as demand conditions strengthened and companies took on new customers. The rate of increase in new orders quickened from April and was among the sharpest in just over four years.

In contrast, new export orders returned to contraction territory in May, following a slight expansion in April. Manufacturers suggested that challenging demand conditions in key export markets hampered new export sales. The rate of decline was only marginal, however, and much slower than those seen earlier in 2023.

On the price front, Russian goods producers saw a further acceleration in the pace of input cost inflation during May. Hikes in supplier prices and unfavourable exchange rate

Russia Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global.

Data were collected 12-24 May 2023.

movements reportedly drove the latest uptick, with cost burdens rising at the steepest rate for just over a year.

Nonetheless, in an effort to boost sales, firms sought to price their goods competitively, with the rate of charge inflation easing in May. The rise in selling prices was solid overall but slower than that seen in April. Where output charges increased, however, firms linked this to the pass-through of greater operating expenses to customers.

Meanwhile, stronger client demand and a further rise in new orders spurred a marked increase in employment. The rate of job creation was the steepest since November 2000 as firms adjusted their workforce numbers upward amid greater production requirements.

Increased staffing numbers help support another decrease in backlogs of work in May. The level of work-in-hand fell at a solid pace that was the quickest since October 2022.

In line with greater new order inflows, Russian manufacturers increased their input purchasing activity at a stronger rate. The rise in input buying was the fastest for four months and steep overall. Nonetheless, pre-production inventories were depleted as delivery delays were extended further. Post-production inventories also fell as firms sought to supplement output with current stocks of finished goods.

Although the degree of confidence among Russian manufacturers slipped in May, firms were upbeat in their expectations for output over the coming year. Planned investment in new products and hopes of further upticks in demand supported optimism. The level of positive sentiment was stronger than the series average.

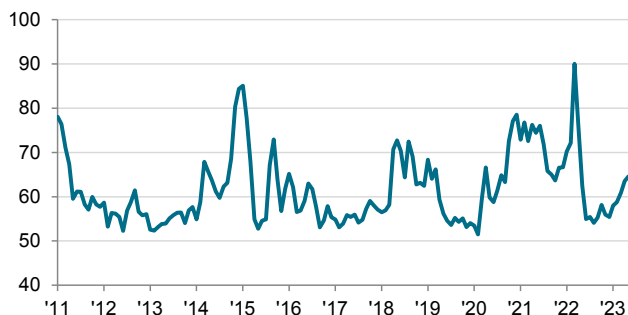
PMI[®]

by S&P Global

© 2023 S&P Global

PMI Input Prices Index

sa, >50 = inflation since previous month



Sources: S&P Global.

Contact

Sabrina Mayeen
Corporate Communications
S&P Global Market Intelligence
T: +44 (0)-7967-447030
sabrina.mayeen@spglobal.com

If you prefer not to receive news releases from S&P Global, please email katherine.smith@spglobal.com. To read our privacy policy, click [here](#).

Survey methodology

The S&P Global Russia Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in September 1997.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. 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.

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.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.