

News Release

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S&P Global Russia Services PMI®

Renewed fall in Russian services business activity in June

Key findings

Output tips back into contraction as new order growth slows

Inflationary pressures soften notably

Business confidence lowest for almost two years

The Russian service sector dipped into contraction territory at the end of the second quarter, according to the latest PMI® survey from S&P Global. The fall in business activity was the first for a year, as slower new order growth pushed companies to adjust their output levels down. Moreover, businesses cut their workforce numbers again as expectations for the year-ahead outlook slid to the weakest since July 2023.

Meanwhile, input prices and output charges increased at historically subdued rates. The latest rises in costs and charges were the slowest since May 2020 and January 2021, respectively.

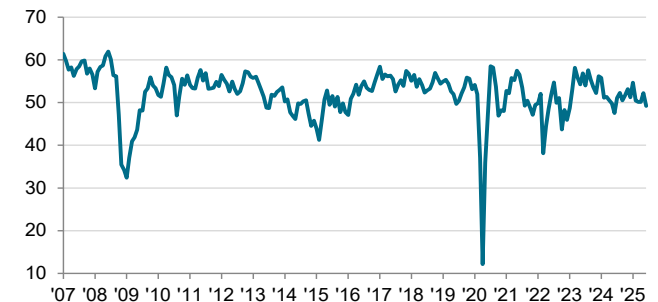
At 49.2 in June, the seasonally adjusted S&P Global Russia Services PMI Business Activity Index was down from 52.2 in May and signalled a renewed decrease in output levels at Russian service providers. The fall brought to an end an 11-month sequence of expansion, with surveyed firms suggesting that historically muted client demand and a slower rise in new sales weighed on business activity.

Although new orders continued to rise at Russian service sector firms in June, the pace of growth lost momentum. The rate of expansion was only slight overall and well below the long-run series average. In cases where new sales did increase, this was linked by companies to customer referrals and competitive pricing.

On the price front, input costs faced by services businesses increased again, but at the slowest rate in just over five years. Higher operating expenses were attributed to greater supplier prices and a rise in wage bills. That said, some companies stated that costs had fallen amid efforts by suppliers to drive new sales.

In line with a slower uptick in input costs, firms moderated their own price increases in June. Output charges continued to rise, but the pace of inflation was the weakest for almost four-and-a-half years.

S&P Global Russia Services Business Activity Index
sa, >50 = growth since previous month



Source: S&P Global PMI.
Data were collected 12-26 June 2025.

June data signalled back-to-back contractions in employment at services firms. That said, the rate of job shedding eased from that seen in May and was only marginal. Companies often noted that lower staffing levels were due to the non-replacement of voluntary leavers.

Russian service providers recorded an eighth consecutive monthly increase in backlogs of work at the end of the second quarter. Anecdotal evidence suggested that greater levels of incomplete business were due to a sustained expansion in new orders. Moreover, the pace of growth in work-in-hand was the quickest in four months.

Despite a further rise in new business, the loss of momentum in client demand contributed to a lower degree of optimism in the outlook for output over the coming year in June. The level of confidence dipped to the lowest since July 2023 and was below the series average. Although firms hoped that new client wins and greater customer referrals would buoy activity, they expressed concerns regarding headwinds to the sales environment.

S&P Global Russia Composite PMI®

Private sector business activity dips back into contraction territory in June

The S&P Global Russia Composite PMI Output Index* posted at 48.5 in June, down from 51.4 in May. The latest data signalled a renewed decline in business activity, as both manufacturers and service providers recorded lower output levels.

Moreover, private sector new order intakes fell, as a decrease in manufacturing sales coincided with a slower upturn in services new business. The overall decline was only slight, but it was the fastest since March.

Meanwhile, employment continued to contract, with private sector firms seeing the sharpest fall in headcounts since December 2022. Backlogs of work, however, were accumulated in June. A quicker rise in services outstanding business outweighed a solid drop in manufacturing work-in-hand.

At the same time, inflationary pressures at manufacturers and service providers eased. Input costs and output charges rose at the slowest rates since November 2019 and July 2020, respectively.

*Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

Survey methodology

The S&P Global Russia Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 250 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in October 2001.

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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services 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 figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

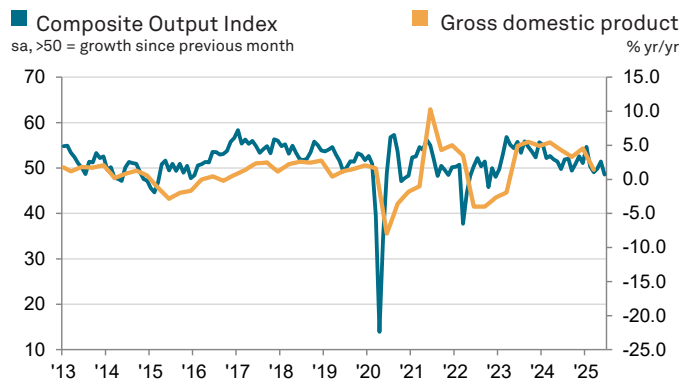
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

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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. www.spglobal.com/marketintelligence/en/mi/products/pmi