

# News Release

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## S&P Global Sector PMI®

### Service sectors show main signs of strength in December

#### Key findings

Financials activity returns to growth

Manufacturing sectors continue to make job cuts

Input cost inflation remains widespread while some sectors reduce selling prices

The latest S&P Global Sector PMI® indicated that more sectors recorded output growth than a contraction for a second month in a row. While activity growth often emanated from service sectors, some manufacturing sectors showed signs of recovery in December. In addition, sectors posting a rise in new orders outweighed those recording a decline for the first time in the fourth quarter.

Basic Materials remained under pressure in December as Metals & Mining and Forestry & Paper Products both signalled accelerated and solid declines. At the other end of the rankings, Insurance, Pharmaceuticals & Biotechnology and Software & Services were the top three performing sectors in terms of activity in December. Insurance led the way, posting the fastest expansion in five months. More broadly, after being the worst performer in November, Financials recorded the second-highest Output Index in December amid a renewed rise in activity.

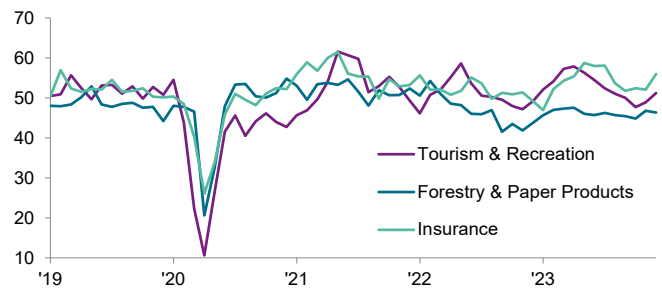
Elsewhere, Tourism & Recreation saw a return to growth for both activity and new orders in December, having signalled two consecutive months of decline. That said, the respective rates of increase for were only marginal.

Job shedding remained firmly on the agenda during the final month of 2023 given that three times as many sectors posted job cuts compared to those hiring. Although all manufacturing sectors saw payroll numbers fall, some weakness was also apparent in service sectors. Construction Materials was the worst performing in terms of employment, registering the quickest rate of job cuts in three-and-a-half years. Meanwhile, for the fifth month running Software & Services recorded the most pronounced workforce expansion.

Inflationary pressures remained persistent during the final month of the year. All sectors recorded increased input costs, excluding Chemicals. Although selling price inflation was also widespread, some sectors registered output price cuts, particularly across Basic Materials sectors.

Global Sector PMI Business Activity Index

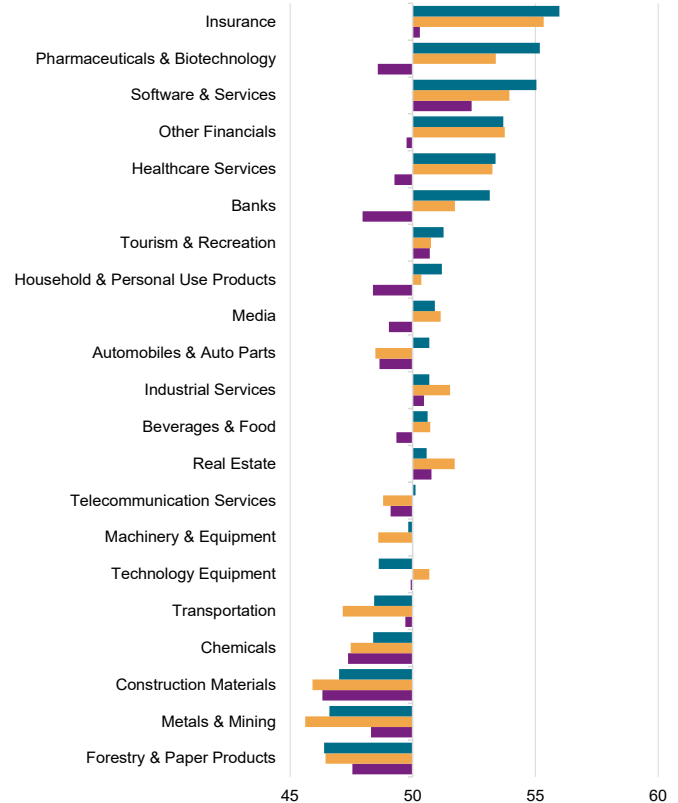
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index  
New Orders Index  
Employment Index

sa, >50 = growth since previous month

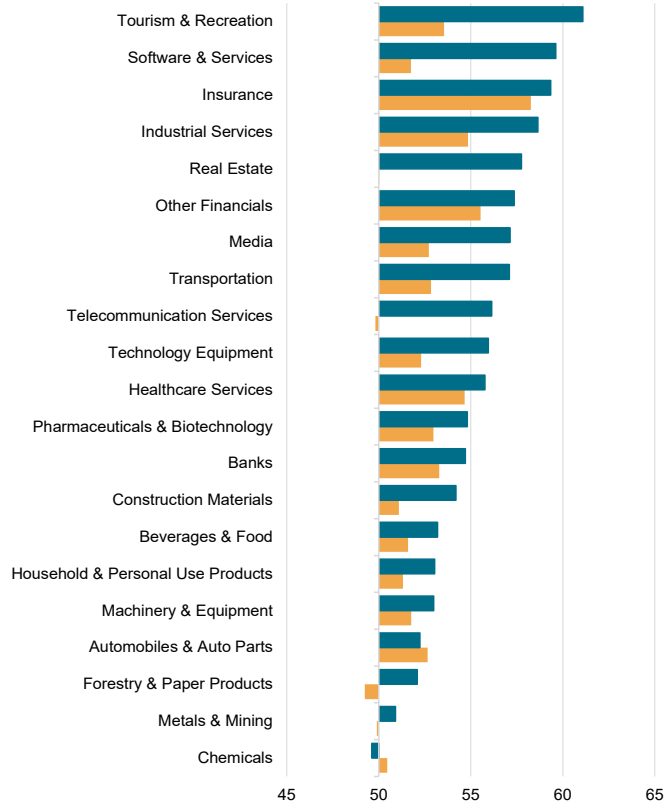


Source: S&P Global PMI.

Price Indices

■ Input Costs ■ Output Charges

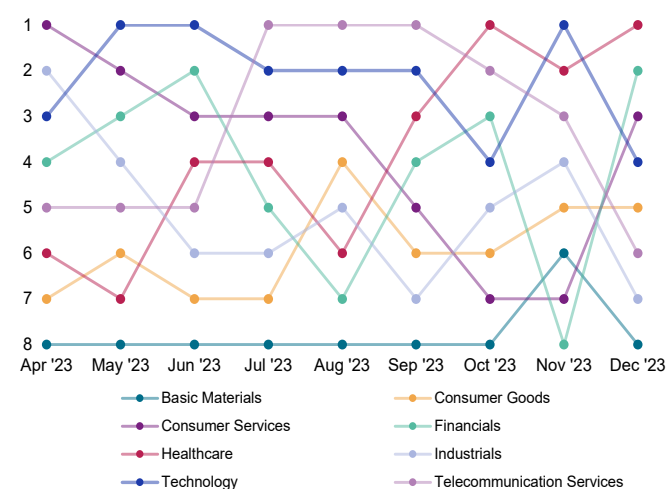
sa, >50 = inflation since previous month



Source: S&P Global PMI.

Output Index

Rank



Source: S&P Global PMI.

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Survey methodology

The S&P Global 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@spglobal.com](mailto:economics@spglobal.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. [spglobal.com/products/pmi.html](https://spglobal.com/products/pmi.html)

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