

# News Release

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## S&P Global Brazil Services PMI<sup>®</sup>

### Services activity and new business fall at slower rates

#### Key findings

Softer decline in sales pushes output closer to stabilisation

Business sentiment improves on July's 61-month low

Cost inflation ticks higher

After signalling a sharper downturn in July, the PMI<sup>®</sup> data for August indicated that a softer deterioration in demand curbed contractions in new business intakes and output. Companies were also more optimistic towards growth prospects, but a lack of new work sparked another round of job shedding.

On the price front, an intensification of input cost inflation contrasted with a weaker upturn in output charges.

The S&P Global PMI<sup>®</sup> Brazil Services Business Activity Index – which is based on a single question asking how the level of business activity compares with the situation the month before – rose from 46.3 in July to 49.3 in August. This signalled a further, albeit softer and only marginal, decline in output.

When explaining the fall in business activity, survey participants remarked on a lack of incoming new orders. Sales decreased for the fifth consecutive month, albeit at a moderate pace that was softer than in July. According to firms, demand retrenchment and fierce competition dampened sales at their units.

Both business activity and new orders decreased in each of the four broad areas of the service economy monitored by the survey. With regards to the former, the quickest drop was noted in the Finance & Insurance segment. Meanwhile, Transport, Information & Communication companies recorded the fastest contraction in sales.

Services firms foresee greater output levels over the course of the coming 12 months, with optimism largely pinned on hopes of better demand trends. Changes in legislation, investment, new partnerships and planned events also featured in the qualitative part of the survey as growth opportunities. The overall level of confidence rose from July, though remained below the series average.

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



Source: S&P Global PMI.

Data were collected 12-26 August 2025.

#### Comment

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said:

*"Despite the persistent challenges faced by Brazilian private sector companies, it was encouraging to see that August survey data indicated less severe declines in business activity and new orders. This trend is particularly evident within the service economy, which has the potential to mitigate some of the more pronounced weaknesses stemming from manufacturing.*

*"However, businesses are grappling with the pressing need to maintain competitive pricing in the face of sharp rises in input costs. This situation not only poses risks to already fragile consumer demand but also complicates monetary policy decisions moving forward.*

*"Moreover, several factors – including high borrowing costs, sustained inflation, a scarcity of new business and US tariff policy – suggest that Brazilian companies may continue to encounter significant hurdles as we approach the end of 2025."*

PMI<sup>®</sup>

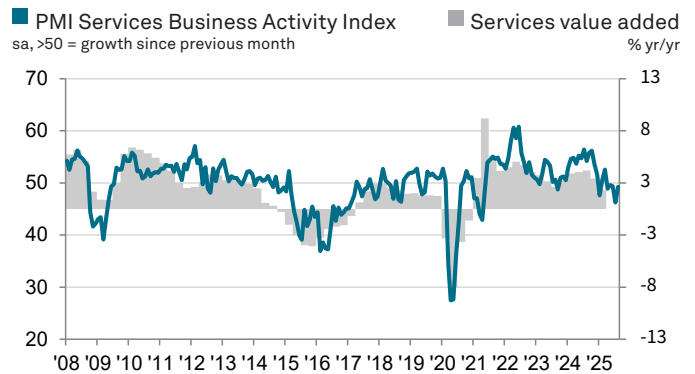
by S&P Global

Despite upbeat growth projections, Brazilian service providers continued to shed jobs in August. Although moderate, the latest contraction in employment was the quickest seen in nearly four-and-a-half years. Panellists associated the fall with cost-cutting measures and reduced workloads.

Amid reports of greater tax burdens, list price adjustments among vendors, unfavourable exchange rates and union agreements, operating expenses increased again in August. Moreover, the rate of input cost inflation was sharp, faster than in July and well above its long-run average.

Some companies opted to pass part of their additional expenses on to clients by lifting selling charges, but a few firms were prevented from doing so by competitive conditions. Collectively, output prices rose at a historically marked pace that was nevertheless softer than in July.

At the sub-sector level, the fastest increase in cost burdens was registered in Consumer Services. Meanwhile, Finance & Insurance firms signalled the quickest upturn in selling charges.



Sources: S&P Global PMI, IBGE via S&P Global Market Intelligence.

## S&P Global Brazil Composite PMI®

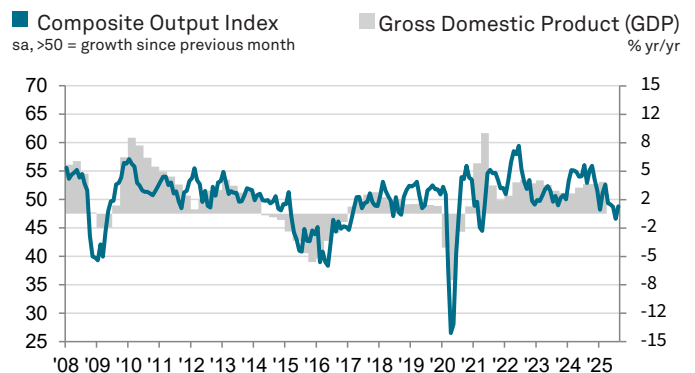
### Downturn in private sector output softens

August data showed that a lack of incoming new business continued to restrict output levels across Brazil's private sector. At 48.8, the S&P Global Brazil Composite PMI® Output Index\* indicated a fifth successive reduction. Rising from 46.6 in July, however, the latest figure signalled a softer and only slight pace of contraction. The slowdown was centred on the service economy.

While service providers also noted a weaker drop in sales, goods producers posted the steepest reduction in nearly two-and-a-half years. At the composite level, new business decreased at a moderate pace that was less pronounced than in July.

Aggregate employment fell for the second month in a row, amid broad-based reductions at goods producers and service providers. The rate of job shedding was moderate, though the fastest in over four years.

Cost pressures across the private sector ticked higher in August, while selling charges rose at a slower pace. In both cases, inflation rates were higher in the service economy.

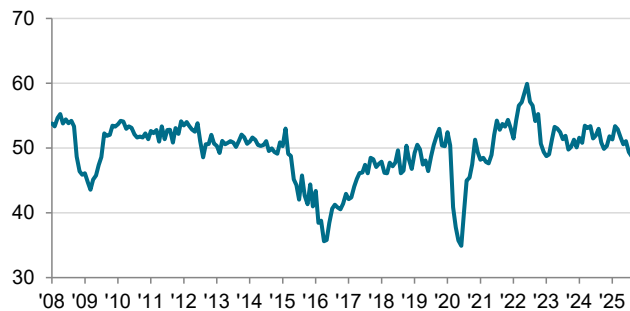


Sources: S&P Global PMI, IBGE via S&P Global Market Intelligence.

\*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.

**Brazil Services PMI Employment Index**

sa, >50 = growth since previous month



Source: S&P Global PMI.

**Brazil Services PMI Input Prices Index**

sa, >50 = inflation since previous month



Source: S&P Global PMI.

**Survey methodology**

The S&P Global Brazil Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 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 March 2007.

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](mailto:economics@spglobal.com).

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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

**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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

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