

News Release

Embargoed until 0600 UTC 04 December 2024

S&P Global Russia Services PMI[®]

Russian business activity growth fastest since January

Key findings

Sharper rise in new orders supports output growth

Inflationary pressures ease slightly

Rate of job creation slowest in nine months

November saw a solid upturn in business activity at Russian service sector firms, according to the latest PMI[®] survey from S&P Global. Stronger client demand and a faster rise in new orders helped support the expansion in output, with business confidence also ticking up. Despite a renewed rise in backlogs of work, companies recorded a softer rate of job creation.

Meanwhile, input costs and output charges rose at strong rates, but slightly more slowly than the month before.

The seasonally adjusted S&P Global Russia Services PMI Business Activity Index registered 53.2 in November, up from 51.6 in October. The latest reading signalled a second successive monthly acceleration in the pace of output growth, with the upturn solid overall and the steepest since January.

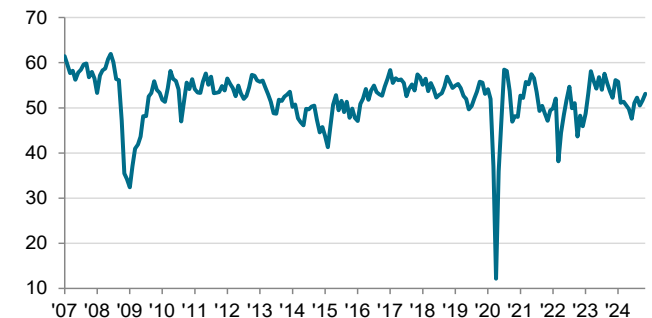
Driving the rise in business activity was a faster increase in new orders, with companies often noting stronger demand conditions. Nevertheless, the pace of business activity growth was softer than the long-run series average.

Contributing to the expansion in output was a fifth successive monthly rise in new business at Russian service providers. November data indicated a quicker increase in new orders, with the pace of growth the sharpest since March. Alongside a more favourable sales environment, panellists stated that the upturn stemmed from the release of new service lines.

On the price front, service sector firms recorded another marked increase in cost burdens midway through the fourth quarter. The rise in input prices was linked to higher supplier, transportation and wage costs, with some also mentioning that unfavourable exchange rate movements pushed purchase prices up. The rate of cost inflation eased fractionally from October and was slower than the series trend, however.

S&P Global Russia Services Business Activity Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 12-27 November 2024.

Although new business growth quickened, firms moderated the pace of increase in selling prices during November. The rate of charge inflation was solid and broadly in line with the long-run series average, despite easing to the weakest for three months. Service providers raised output prices in a bid to pass through higher input costs to customers.

At the same time, service sector firms recorded a sixteenth consecutive monthly rise in employment. Staffing levels increased amid the hiring of temporary and full-time workers. Nonetheless, the pace of job creation softened to the slowest since February.

Despite further expansion in employment, service providers registered renewed pressure on capacity, as backlogs of work rose for the first time in eight months. The increase in incomplete business, which reportedly stemmed from a sharper uptick in new orders, was only marginal, however.

Finally, November data signalled an improvement in business confidence at Russian services firms. Companies were more upbeat in their expectations for output in the coming year compared to October. Anecdotal evidence attributed optimism to hopes of strengthening demand conditions and investment in new service lines.

PMI[®]

by S&P Global

© 2024 S&P Global

S&P Global Russia Composite PMI®

Fastest expansion in Russian private sector output since March

The S&P Global Russia Composite PMI Output Index* posted at 52.6 in November, up from 50.9 in October, to signal a solid and accelerated upturn in private sector business activity. The expansion was the second in as many months and was broad-based by sector.

A renewed rise in manufacturing new orders and a quicker increase in services new business led to the sharpest growth in total new sales since April.

Although goods producers cut workforce numbers slightly, a further rise in services employment supported an overall increase in staffing levels in November. Backlogs of work were broadly unchanged, as a fall in manufacturing work-in-hand contrasted with a renewed upturn at service sector firms.

Meanwhile, input price inflation ticked higher at private sector firms, with cost burdens rising at the quickest pace in four months. Although historically elevated, the rate of increase in selling prices ticked down from October's nine-month high.

*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.

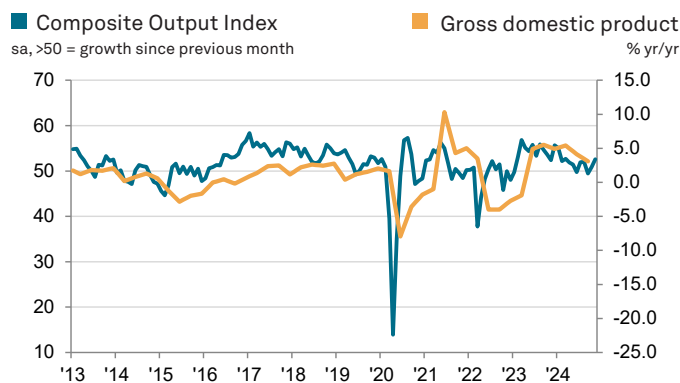
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

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 trade marks or registered trade marks of S&P Global Inc 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.



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

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](#).

About S&P Global

S&P Global (NYSE:SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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