

# S&P Global Flash Australia PMI®

## Private sector output declines at quickest pace in ten months

### Key findings, November:

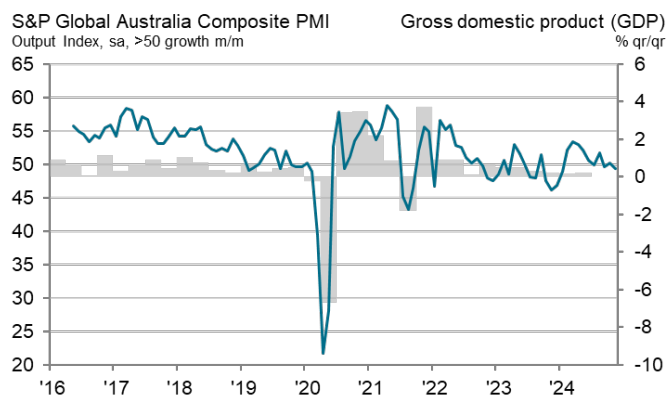
Flash Australia PMI Composite Output Index<sup>(1)</sup>: 49.4 (Oct: 50.2). 10-month low.

Flash Australia Services PMI Business Activity Index<sup>(2)</sup>: 49.6 (Oct: 51.0). 10-month low.

Flash Australia Manufacturing Output Index<sup>(3)</sup>: 47.9 (Oct: 44.7). 6-month high.

Flash Australia Manufacturing PMI<sup>(4)</sup>: 49.4 (Oct: 47.3). 6-month high.

Data were collected 11-19 November 2024.



Business activity in Australia's private sector declined midway through the final quarter of 2024 as services activity joined manufacturing output in contraction. The reduction in activity coincided with a slowdown in new business growth while external demand remained subdued. Australian firms therefore raised staffing levels at only a marginal pace as spare capacity remained evident. Despite the softening of conditions, sentiment improved as confidence reached a 15-month high in November.

Turning to prices, Australian businesses opted to raise output prices at a slower rate in November as input cost inflation eased.

At 49.4 in November, the headline seasonally adjusted **S&P Global Flash Australia PMI Composite Output Index** was down from 50.2 in October and the lowest for ten months. The index signalled a slight contraction in private sector output for the second time in the past three months.

The renewed fall in **business activity** reflected a first reduction in services activity for ten months and a sustained contraction in manufacturing. Survey data revealed that services new business growth slowed after having been solid at the start of the fourth quarter, thereby leading to the drop in services activity. Manufacturing output meanwhile completed two years of continuous monthly declines, albeit with the latest reduction the softest in six months.

With the slowdown in services new business expansion and manufacturing new orders falling again, overall **new business** growth decelerated from October. The modest increase was driven by domestic demand as **new export business** fell for a third successive month and across both the manufacturing and service sectors.

**Backlogs of work** depleted again in November to suggest a lack of pressure on business capacity. The rate at which the volume of unfinished work declined was the quickest since July with goods producers clearing their backlogged work at a quicker pace compared to service providers. Consequent of the lowering of capacity pressures, Australian businesses **hired additional staff** at a slower pace in November. The rate of job creation was marginal and below the series average.

Price pressures meanwhile eased in the Australian private sector in the penultimate month of the year. Average **input prices** rose at the slowest pace in just over four years as the rate of manufacturing cost inflation fell to the lowest since June 2023. Australian manufacturers mentioned a reduction in costs across some raw materials such as for grains and aluminium.

Businesses also raised **selling prices** at a softer pace in November. The rate of output price inflation was the joint-lowest in nearly four years, matched only by September's rate of price increase. Sector data showed that manufacturing output prices rose only fractionally, registering the smallest increase since August 2020. Services charge inflation also slowed during the month. According to survey respondents, the softening of selling price inflation reflected the easing of cost pressures and also private sector businesses' intent to support sales by partially absorbing cost increases.

Finally, **business confidence** in Australia's service sector remained subdued below the long-run average in November. That said, optimism levels rose to the highest since August 2023 with firms expressing hopes

## News release

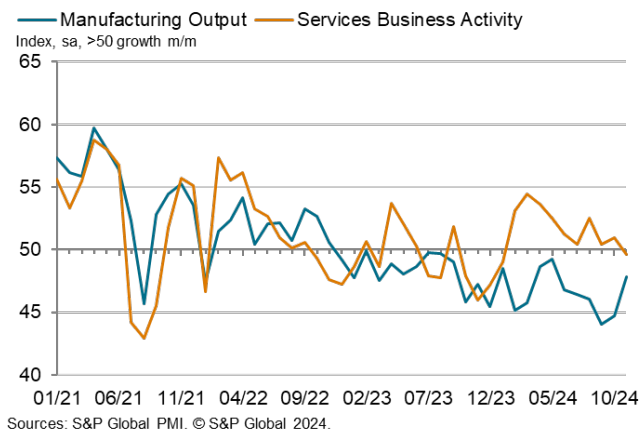
for better economic growth in the year ahead alongside lower interest rates and increased business development efforts.

Commenting on the flash PMI data, **Jingyi Pan**, Economics Associate Director at S&P Global Market Intelligence said:

*“The November S&P Global Flash Australia PMI posted the lowest reading since January, bringing the fourth-quarter average thus far below that of the prior quarter. While manufacturing output remained in contraction, it is the slowdown in the key services sector that will be worth monitoring heading into the end of the year.*

*“The downturn in business activity and easing of capacity pressure had notably also led to a slowdown in job additions in November with the rate of employment growth sliding further below the long-run average. At the same time, selling price inflation eased as businesses remained cautious with raising charges.*

*“The slowing employment growth trend and softer output prices are supportive of the outlook for lower interest rates in 2024, the latter having been key in supporting business optimism in the latest survey period.”*



## Contact

Jingyi Pan  
Economics Associate Director  
S&P Global Market Intelligence  
T: +65 6439 6022  
[jingyi.pan@spglobal.com](mailto:jingyi.pan@spglobal.com)

SungHa Park  
Corporate Communications  
S&P Global Market Intelligence  
T: +81 3 6262 1757  
[sungha.park@spglobal.com](mailto:sungha.park@spglobal.com)

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

## Notes to editors

Final November data are published on 2 December for manufacturing and 4 December for services and composite indicators.

The S&P Global Flash Australia PMI<sup>®</sup> is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

**Manufacturing:** Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

**Services:** Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not

## News release

comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing 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.

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

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.1 (absolute difference 0.5)

Services Business Activity Index = 0.1 (absolute difference 0.6)

Manufacturing PMI = 0.1 (absolute difference 0.4)

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global. Please contact [economics@spglobal.com](mailto:economics@spglobal.com).

### Notes

1. The Composite Output *PMI* is a weighted average of the Manufacturing Output Index and the Services Business Activity Index.
2. The Services Business Activity Index is the direct equivalent of the Manufacturing Output Index, based on the survey question "Is the level of business activity at your company higher, the same or lower than one month ago?"
3. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"
4. The Manufacturing *PMI* is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.

## 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.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2024 S&P Global Ltd. All rights reserved. [www.spglobal.com](http://www.spglobal.com)

## PMI by S&P Global

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

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 or licensed to 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.

# PMI®

by **S&P Global**