

# S&P Global Flash Australia PMI®

## Australian private sector economy stabilises in April

### April 2026

Flash Australia Composite PMI Output Index: 50.1  
(Mar: 46.6)

Flash Australia Services PMI Business Activity Index: 50.3 (Mar: 46.3)

Flash Australia Manufacturing PMI: 51.0 (Mar: 49.8)

Flash Australia Manufacturing PMI Output Index: 48.2  
(Mar: 49.4)

After a month of decline in March, the start of the second quarter saw business activity levels stabilise across Australia, according to April Flash PMI® data by S&P Global. However, the recovery in activity was confined to the service sector as manufacturing output was down for a third month running.

Overall, domestic demand conditions remained soft across both broad sectors and price pressures continued to mount as war in the Middle East drove fuel costs up. Manufacturers also signalled severe supply chain disruption

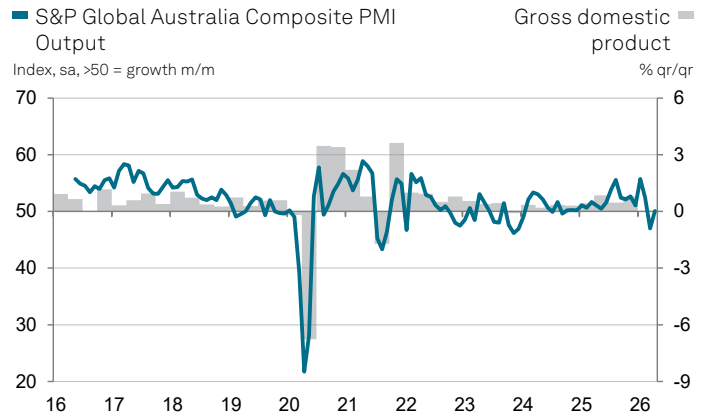
Up from 46.6 in March, the headline seasonally adjusted S&P Global Flash Australia PMI® Composite Output Index just crossed the neutral threshold in April, posting at 50.1. This reading was supported by renewed growth in services activity, but held back by a faster fall in manufacturing output.

Total new business placed at Australian businesses decreased for the second month running in April as raised levels of client uncertainty amid heightened geopolitical tensions dampened sales. While there was evidence of soft domestic demand, export orders increased again (albeit at a softer and only slight pace). Panellists reported higher sales to North America, Asia and New Zealand in particular.

Although still positive, business sentiment retreated to its lowest in almost two-and-a-half years in April, with firms concerned over the cost and demand environment. Nevertheless, there was a stronger increase in private employment at the start of the second quarter, which led firms to divert resources towards their backlogged orders.

On the price front, April saw the rate of cost inflation across the Australian private sector quicken for the third month running to its highest level since August 2022. Hikes to fuel and shipping costs frequently featured in the qualitative part of the survey as the key drivers of rising input prices. This increased burden was at least partially passed through to customers, with charge inflation at its highest in three-and-a-half years.

There were some contrasting trends between the two



Data were collected 9-21 April 2026.  
Sources: S&P Global PMI, Australian Bureau of Statistics via S&P Global Market Intelligence.  
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### Comment

Eleanor Dennison, Economist at S&P Global Market Intelligence said:

"The Australian private sector showed resilience as companies navigated challenges brought on by war in the Middle East. Despite growing price pressures and persistent weakness in domestic demand, latest data saw output stabilise following March's decline.

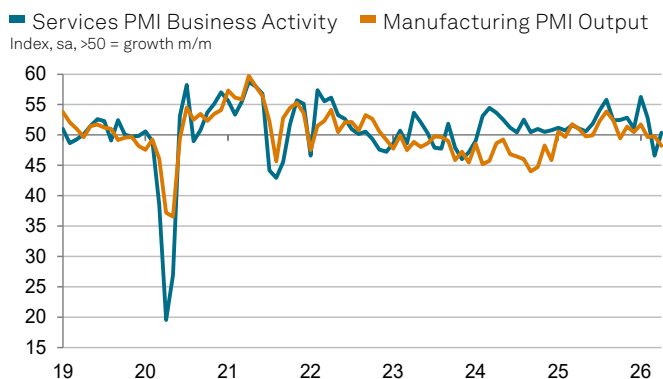
"The service economy bounced back from March, showing stability in business activity and stronger job creation, despite still reporting softness in demand and reduced confidence in the 12-month outlook.

"To understand how manufacturers are faring, we must look beneath the positive headline index print as output, new orders, employment and stocks all fell at modest rates. Manufacturing supply chains have come under intense pressure due to war in the Middle East, with lead times lengthening at the most-marked rate seen since mid-2022. Greater outlays on fuel and freight also pushed cost inflation to its highest in just under four years."

monitored sectors in April, as the services economy rebounded from March's contraction. Business activity increased only slightly, however, as the overall volume of incoming new work fell again (despite a slight increase in export business). The service sector also led the expansion in overall workforce levels.

Meanwhile, April marked a third straight monthly fall in production volumes at manufacturing plants in Australia, with the rate of contraction the strongest seen since the end of 2024. In line with output, there was a similarly modest reduction in order books signalled. Although goods producers remained in retrenchment mode, the latest declines in employment and input stocks were softer than those recorded in March.

It was supply chains and prices where manufacturers saw the greatest impact of the war in the Middle East during April. Delivery times on inputs lengthened to the strongest degree since July 2022, amid delays to international shipping routes. This subsequently pushed the headline PMI above 50.0, despite only a fractional increase in purchasing. Elevated fuel and freight costs led to a surge both cost and charge inflation, hitting 45- and 44-month highs, respectively.



Source: S&P Global PMI. ©2026 S&P Global.

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## Methodology

Final April data are published on 1 May for manufacturing and 5 May for services and composite indicators.

The S&P Global Flash Australia PMI® 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 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.

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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 0.3)

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.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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