News Release

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S&P Global Sector PMI™

Basic Materials firms see output fall in July

Key findings

Declines seen across Basic Materials firms

Real Estate activity continues to fall sharply

Growth in Tourism & Recreation slows to six-month low

The latest S&P Global Sector PMI™ data pointed to growing signs of weakness across the global economy at the start of the third quarter. Of the 21 sectors covered, 12 posted an increase in output during July, while nine signalled a decrease. There were widespread declines in the Basic Materials category as commodity prices came under pressure, while rising interest rates continued to hamper demand in the Real Estate sector.

Within Basic Materials, decreases in production were seen in the Chemicals, Forestry & Paper Products and Metals & Mining sectors. In fact, Metals & Mining posted the joint-fastest reduction in output of all the sectors covered. Meanwhile, the category was the only one to record a drop in input costs during July.

Equalling the decline in Metals & Mining activity was that seen in Real Estate as interest rate rises in a range of countries dampened demand. Activity was down for the fourth month running as new orders fell sharply. Banks also posted a reduction in activity during the month.

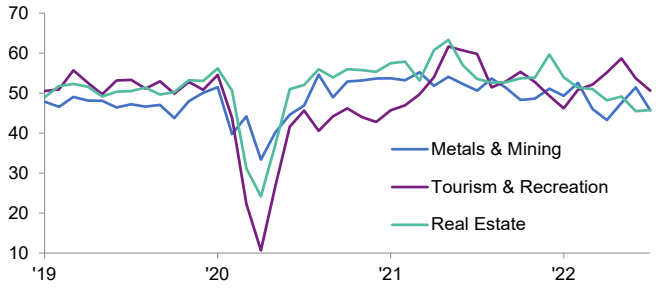
There were growing signs that the post-COVID strength in Consumer Services has faded. Media activity was down for the first time in the year-to-date, while the pace of expansion in Tourism & Recreation slowed to the weakest in the current six-month sequence of growth as new orders rose only marginally.

Tourism & Recreation posted the joint-fastest rise in input costs, however, equal with that seen in Beverages & Food where the pace of inflation remained elevated despite easing. Beverages & Food production rose solidly, but at a softer pace than in June.

Insurance was one of the best-performing categories at the start of the third quarter, and signalled the strongest expansion in employment of those covered in response to solid increases in activity and new business. Overall, 16 of the 21 sectors posted a rise in workforce numbers.

Global Sector PMI Business Activity Index

sa, >50 = growth since previous month



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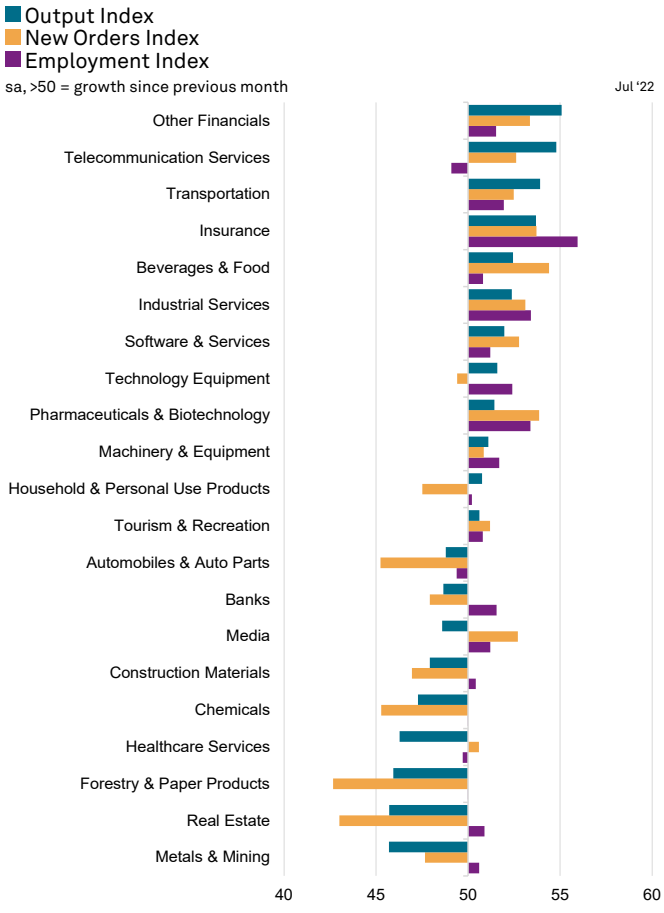

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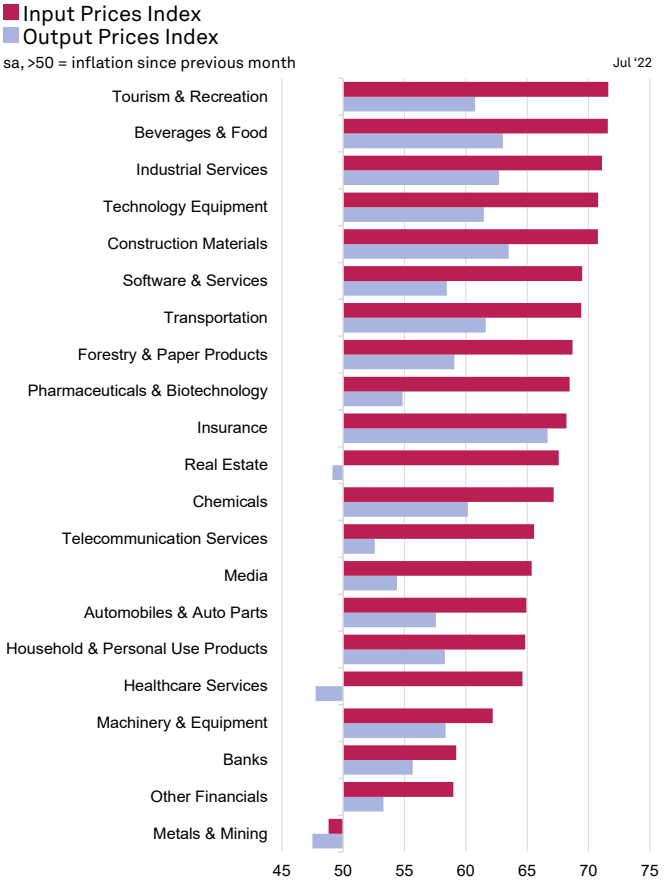

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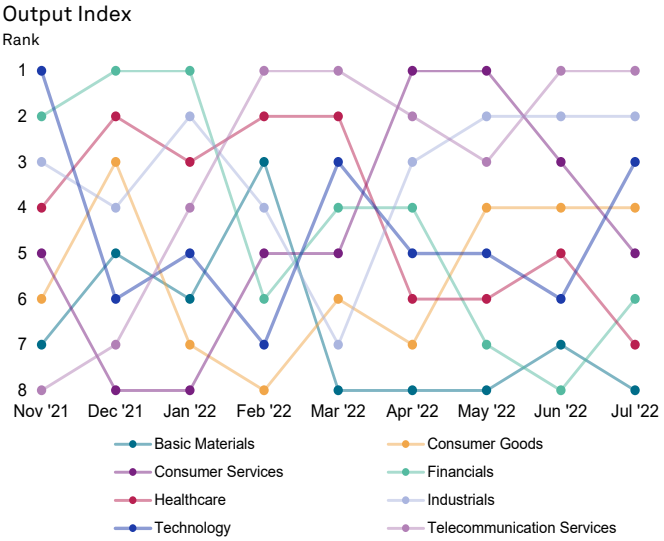

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Survey methodology

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@ihsmarkit.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. ihsmarkit.com/products/pmi.html.

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