

News Release

Embargoed until 0600 UTC 04 June 2025

S&P Global Russia Services PMI[®]

Stronger rise in Russian services new business in May

Key findings

Upturn in output supported by faster growth in new orders

Employment falls as business confidence sinks

Slowest rise in input costs since July 2020

Russian service providers signalled a faster expansion during May, according to the latest PMI[®] survey from S&P Global, as output and new orders rose at stronger rates. Improved demand conditions reportedly drove the upturns. Nonetheless, sufficient capacity to work through incoming new business led to broadly unchanged backlogs of work and a renewed decrease in employment. Output expectations meanwhile dipped to their lowest since July 2023.

At the same time, there were diverging trends in the survey's price indicators. Although input costs rose at a weaker and historically subdued pace, output charges were raised at a quicker rate amid accommodative demand conditions.

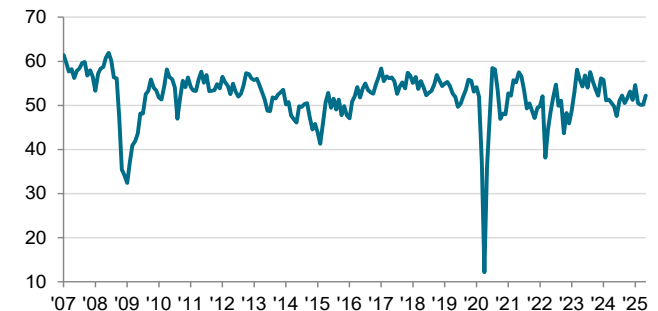
The seasonally adjusted S&P Global Russia Services PMI Business Activity Index posted at 52.2 in May, up from 50.1 in April and indicating a solid upturn in output levels at services firms. The rise in activity was the quickest since January, with companies often attributing growth to greater new order inflows and stronger demand conditions.

New business at Russian service providers increased at a solid pace in May, following broadly unchanged levels of new sales in April. The rate of growth was the quickest in four months despite being slightly weaker than the series average. Alongside new customer acquisitions and client referrals, companies highlighted an improvement in the sales environment.

That said, the outlook for output over the coming year was less upbeat in May. Although services firms foresee a rise in activity in the next 12 months, the degree of confidence slipped to the lowest in almost two years. Panellists were buoyed by hopes of strengthening demand conditions, but they raised some concerns regarding the global sales environment and uncertainty.

At the same time, service providers lowered their staffing levels. Following a slight upturn in employment in April, May data signalled the fastest drop in headcounts at firms since

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



Source: S&P Global PMI.
Data were collected 12-28 May 2025.

January 2023. Alongside sufficient capacity to work through incoming new business, companies attributed job shedding to the non-replacement of voluntary leavers.

Following a six-month sequence of accumulation, backlogs of work at Russian service providers were broadly unchanged during May. Panellists noted sufficient capacity to work through incoming new business despite a faster rise in new orders.

On the price front, average cost burdens faced by service firms increased further midway through the second quarter. Higher supplier, transportation and material costs were often listed as driving input price inflation. Nonetheless, the pace of increase eased to the slowest since July 2020 and was below the series average. Some companies suggested that favourable exchange rates had softened pressure on cost burdens.

Despite a slower increase in input costs, Russian services firms raised their selling prices at a quicker rate in May. The combination of stronger demand and the pass-through of greater costs to customers led to the fastest increase in output charges since January. The rate of inflation was historically subdued, nonetheless.

PMI[®]

by S&P Global

S&P Global Russia Composite PMI®

Fastest rise in business activity since January

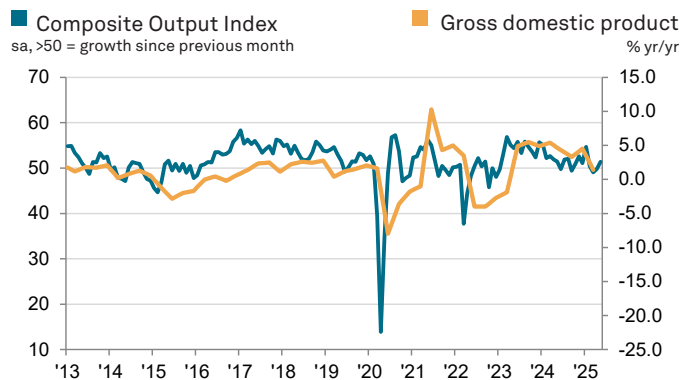
The S&P Global Russia Composite PMI Output Index* posted at 51.4 in May, up from 49.8 in April, to signal a renewed expansion in private sector business activity. The rate of growth was the quickest since the start of the year and was led by a faster rise in services output, with manufacturers seeing a fall in production levels.

New orders also returned to growth and rose at the sharpest pace in four months, amid a broad-based expansion in new business.

Although manufacturers signalled a fresh rise in employment, a renewed drop in services headcounts led to lower overall workforce numbers in May. At the same time, business confidence slipped to the weakest in two years.

Meanwhile, inflationary pressures were historically subdued in both the manufacturing and service sectors, despite diverging trends being apparent. While goods producers recorded slightly quicker increases in input costs and selling prices, services firms registered a softer rise in operating expenses. The overall pace of charge inflation accelerated to the fastest since February, however.

*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.



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

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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

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