

News Release

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S&P Global Russia Services PMI®

Fastest rise in Russian services business activity in a year at start of 2025

Key findings

Sharper upturns in output and new business

Inflationary pressures strengthen

Business confidence picks up as job creation sustained

January data signalled a stronger expansion in business activity at Russian service providers, according to the latest PMI® survey from S&P Global. The upturn in output gathered pace amid a notable improvement in demand conditions and a sharper rise in new orders. Subsequently, firms recorded greater confidence in the outlook for output and raised their staffing levels. Nonetheless, pressure on capacity was still evident as backlogs of work rose at a solid rate.

At the same time, cost pressures intensified. Input prices rose at the quickest pace in a year, with firms also hiking their output charges at a steeper rate.

The seasonally adjusted S&P Global Russia Services PMI Business Activity Index registered 54.6 in the opening month of 2025, up notably from 51.2 in December. The latest data signalled a strong expansion in output that was the quickest in a year and elevated in the context of the series history. Greater business activity at service providers was attributed to a sustained rise in new orders and more favourable demand conditions.

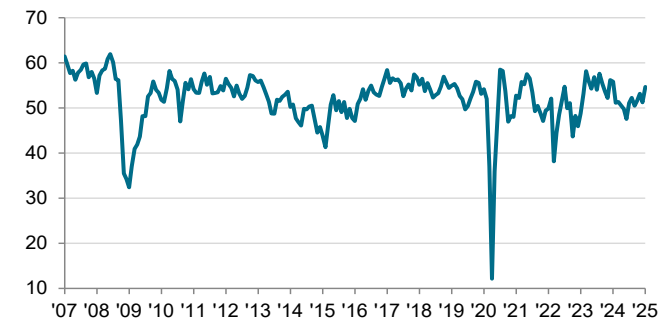
New business at services firms increased for the seventh month running in January. The pace of growth quickened to the fastest in 12 months and was solid overall. Alongside a general improvement in demand conditions, companies noted that a diversification of service lines had boost new orders.

Meanwhile, input prices rose at a substantial pace during January. Hikes in supplier and transportation costs, alongside increased wage bills, were the driving factors behind inflation, according to panellists. The rise in cost burdens was the sharpest in a year and above the long-run series average.

Firms sought to protect their margins, with a favourable demand environment enabling companies to raise their selling prices further at the start of the first quarter. The pace of increase was the joint-fastest in a year (alongside

S&P Global Russia Services Business Activity Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 09-29 January 2025.

July 2024), with firms commonly noting the pass-through of higher costs to customers.

In line with greater new business, Russian service providers recorded another round of job creation. Companies noted the addition of largely full-time workers. That said, the pace of employment growth eased from December and was only marginal overall.

Despite another round of job creation, services firms registered a third successive monthly rise in backlogs of work in January. The level of incomplete business rose at a solid pace, and one that was the second-fastest since August 2023. Pressure on capacity signalled by companies reportedly stemmed from the notable uptick in the pace of new order growth.

At the same time, service providers continued to foresee increased output in the coming year in January. The level of optimism rose to the strongest since last September. Companies were reportedly buoyed by hopes of stronger demand conditions and planned investment in new service lines and advertising.

PMI®

by S&P Global

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S&P Global Russia Composite PMI®

Private sector output growth sharpest in a year in January

The S&P Global Russia Composite PMI Output Index* posted at 54.7 at the start of 2025, up notably from 51.1 in December. The overall rate of growth was the quickest in 12 months, reflecting steeper expansions in manufacturing and service sector output.

The upturn in activity was driven by a faster rise in new orders, as demand conditions improved in both monitored sectors. The overall increase in new sales was solid and the strongest since March 2024.

Subsequently, business confidence improved, and firms expanded their workforce numbers in January. That said, the pace of job creation eased, with panellists reporting pressure on capacity as a result.

Meanwhile, cost pressures remained elevated. The pace of total input price inflation was unchanged from December, as a faster rise in services cost burdens was counterbalanced by a softer hike in manufacturing operating expenses. Nonetheless, private sector firms sought to protect margins, as selling prices increased at the sharpest rate since November 2023.

*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.

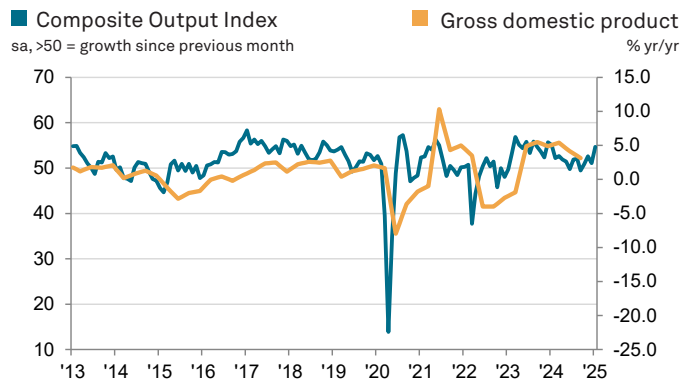
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

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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