

# News Release

Embargoed until 0930 BST (0830 UTC) 7 September 2023

## S&P Global Sector PMI™

### More sectors see output decline than expand in August

#### Key findings

Manufacturing weakness spreads to services

Signs of cost pressures picking back up

Employment remains resilient

The latest S&P Global Sector PMI™ signalled that more categories posted a monthly drop in output in August (11) than recorded a rise (10), the first time this has been the case since the opening month of 2023. Manufacturing remained the main source of declining output, but there were also signs of weakness in some services categories.

The steepest contractions in output were again recorded in the wider Basic Materials category. In particular, Metals & Mining and Forestry & Paper Products posted sharp and accelerated falls in production amid marked falls in new orders.

Meanwhile, both Banks and Real Estate signalled the sharpest reductions in activity since the turn of the year and Healthcare Services dipped into contraction for the first time in six months.

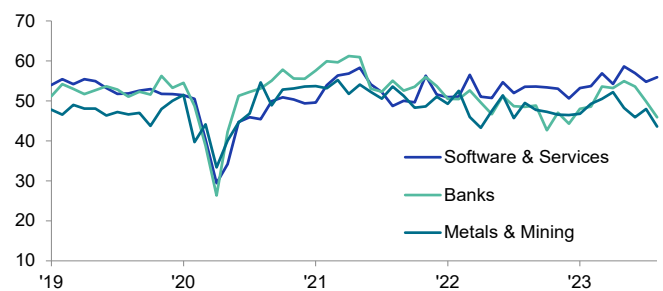
At the other end of the scale, Software & Services and Telecommunication Services registered the steepest expansions in activity, with both seeing stronger increases than in July. A note of caution was signalled, however, by new order growth in the Software & Services sector continuing to ease from the marked rates seen in the second quarter and slowing to a seven-month low.

Software & Services posted the fastest rise in workforce numbers in August, and despite the generally more downbeat picture for demand and activity seen more widely, employment remained resilient across most sectors. Only three of the 21 categories covered posted a reduction in staffing levels.

There were some signs of cost pressures regaining some strength, with renewed increases seen in Chemicals, Automobiles & Auto Parts, Household & Personal Use Products, Machinery & Equipment and Construction Materials. Forestry & Paper Products and Metals & Mining were the only two sectors to post a reduction in cost burdens and selling prices.

Global Sector PMI Business Activity Index

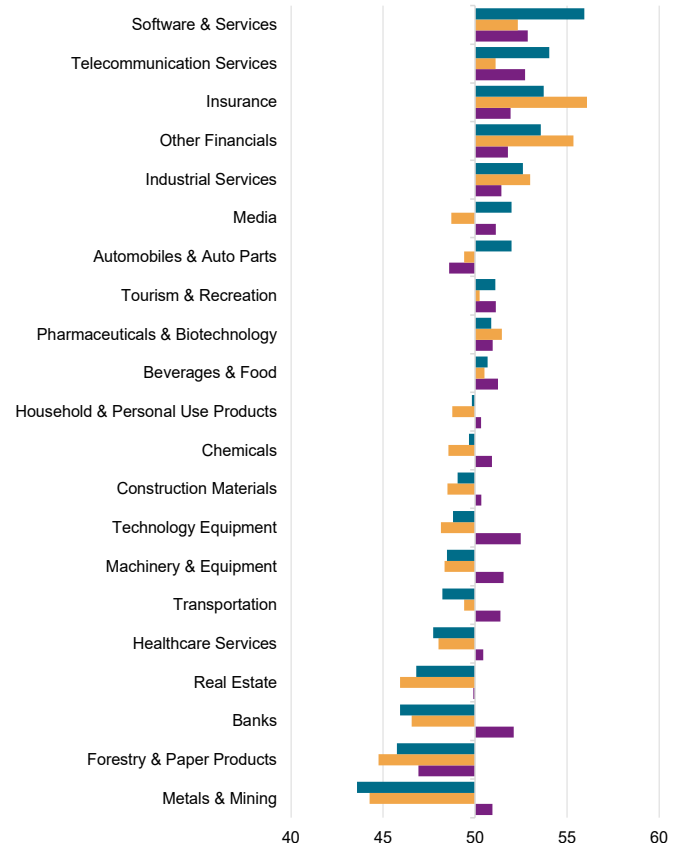
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index  
New Orders Index  
Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

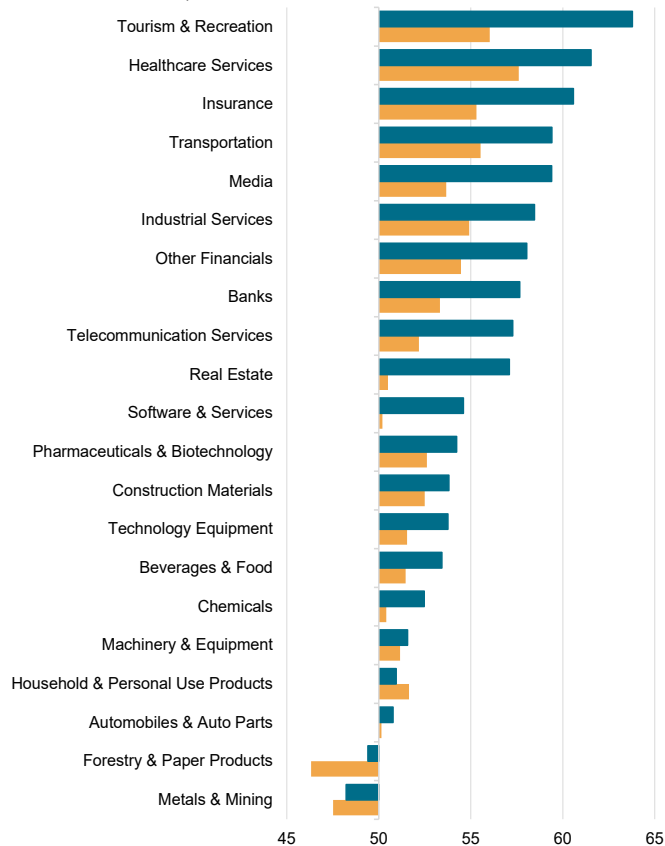
PMI™

by S&P Global

Price Indices

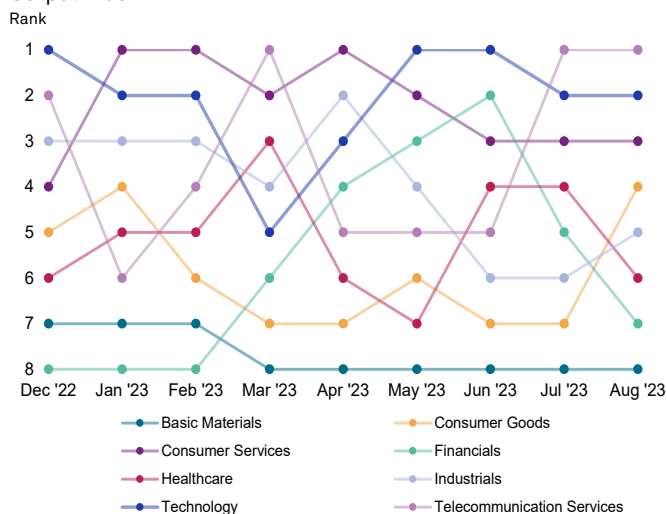
■ Input Costs ■ Output Charges

sa, >50 = inflation since previous month



Source: S&P Global PMI.

Output Index



Source: S&P Global PMI.

Contact

Chris Williamson  
 Chief Business Economist  
 S&P Global Market Intelligence  
 T: +44-20-7260-2329  
[chris.williamson@spglobal.com](mailto:chris.williamson@spglobal.com)

Katherine Smith  
 Corporate Communications  
 S&P Global Market Intelligence  
 T: +1 (781) 301-9311  
[katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com)

Andrew Harker  
 Economics Director  
 S&P Global Market Intelligence  
 T: +44-1491-461-016  
[andrew.harker@spglobal.com](mailto:andrew.harker@spglobal.com)

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

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](mailto: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](https://ihsmarkit.com/products/pmi.html).

About S&P Global

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. [www.spglobal.com](http://www.spglobal.com).

Disclaimer

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 registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited 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.