

IHS Markit Global Sector PMI™

Healthcare Services moves top of global sector rankings in August as Tourism & Recreation slows

Key findings

Healthcare Services tops output growth rankings for first time since November 2020

Pharmaceuticals & Biotechnology moves up ten places in table to second

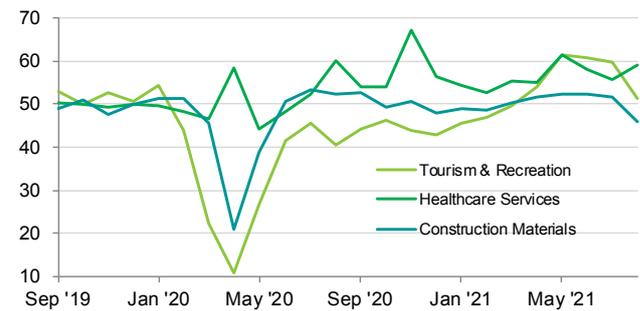
Tourism & Recreation drops to fifteenth, having topped rankings in June and July

The latest Global Sector PMI™ data from IHS Markit revealed growth of output across 17 out of 21 sectors monitored in August, the lowest total since February and following universal growth throughout the previous four months. Moreover, of the sectors to record expansion, 11 registered slower rates of increase than in July.

The top-five ranked sectors in August were all services-related, led by the two Healthcare sectors: Healthcare Services and Pharmaceuticals & Biotechnology. Healthcare Services topped the rankings for the first time since November 2020, and the fifth time since the pandemic began. The other sectors in the top five rankings were all constituents of the Financials group: Insurance, Banks and Other Financials. Technology Equipment and Machinery & Equipment were the fastest-growing manufacturing sectors in sixth and seventh, respectively, although both saw growth rates slow since July.

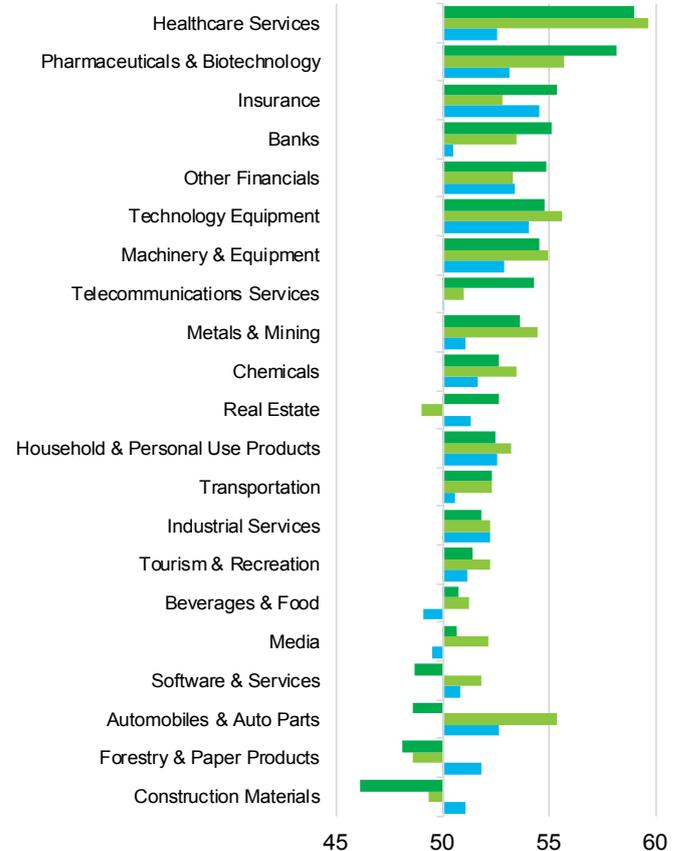
Three of the four sectors to record lower output in August were located in manufacturing, namely Construction Materials, Forestry & Paper Products and Automobiles & Auto Parts. The latter ranked nineteenth overall, a marked turnaround since the second half of 2020 when the sector was consistently ranked in the top three global sectors. The only non-manufacturing sector to post a decline in output was Software & Services, where business activity fell for the first time since January. In terms of new business, three sectors registered declines in August: Forestry & Paper Products, Real Estate and Construction Materials.

Global Business Activity Index
sa, >50 = growth since previous month



Source: IHS Markit.

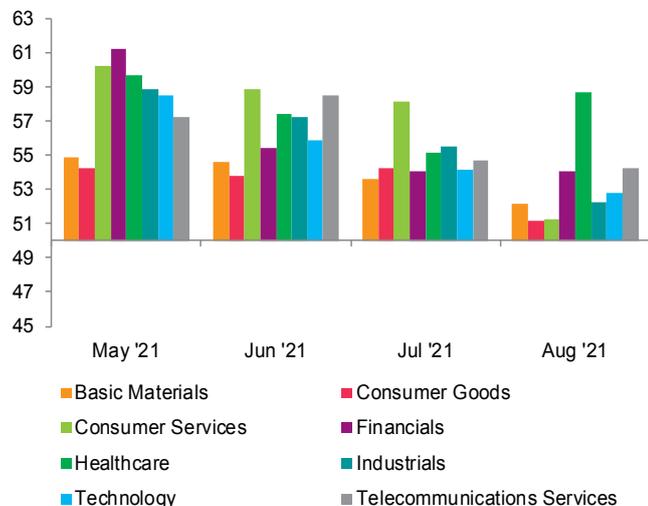
Output Index ■ / New Orders Index ■ / Employment Index ■, Aug '21
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

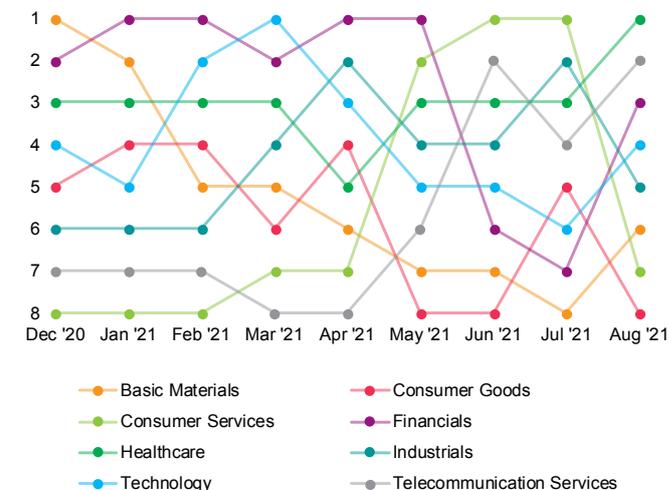
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index

Rank



Source: IHS Markit.

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Methodology

The IHS Markit Global Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's global PMI survey panels, covering over 27,000 private sector companies in more than 40 countries.

IHS Markit 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.

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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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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. ihsmarkit.com/products/pmi.html

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