

IHS Markit Asia Sector PMI™

Only five sectors expand output in August

Key findings

Pharmaceuticals & Biotechnology ahead of three financial sub-sectors in growth rankings

Machinery & Equipment the only other sector to record higher output in August

Marked declines in Forestry & Paper Products, Consumer Services and Construction Materials

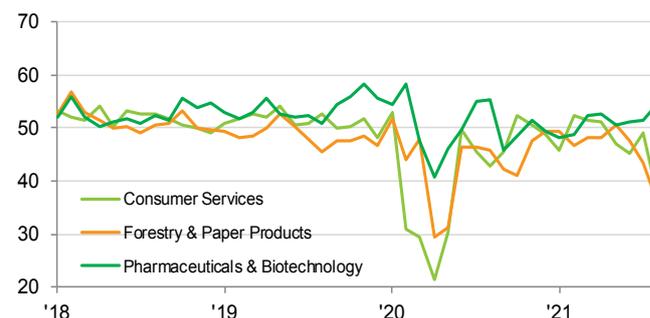
The latest Asia PMI™ sector data from IHS Markit indicated growth of output in only five out of 18 sectors monitored in August, the lowest total since June 2020 and down from a recent peak of 16 in April. Moreover, only seven sectors registered new order growth, down from 13 in July, while eight sectors added jobs in August.

The strongest rate of output expansion in August was in Pharmaceuticals & Biotechnology, which posted growth for the sixth month running and at the fastest rate since August 2020. The next three highest-ranked sectors were all located in the Financials group, namely Insurance, Real Estate and Banks. The only other sector in Asia to record growth in August was Machinery & Equipment, where production increased for the thirteenth month running, albeit at the weakest rate since September 2020.

The fastest rates of decline were seen in Forestry & Paper Products, Consumer Services and Construction Materials, respectively, which all posted the strongest contractions since mid-2020. These sectors also registered the fastest declines in new orders. Healthcare Services and Software & Services were also poor-performing service sectors, with the latter posting the first contraction in activity since December 2020.

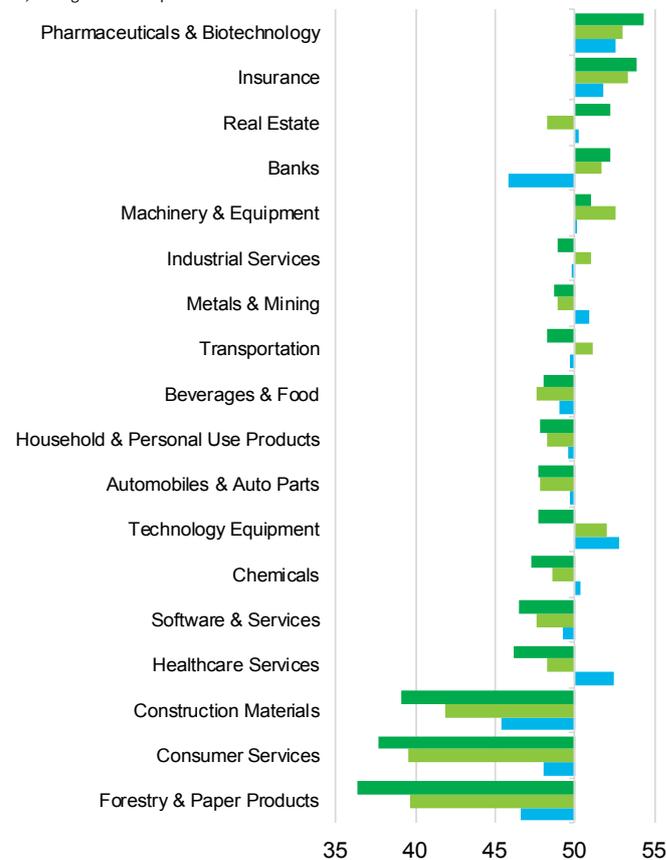
Among the seven broad sectors monitored, Consumer Services posted by far the sharpest decline in August, followed by Technology, Basic Materials and Consumer Goods, respectively. Financials was the only broad sector to register growth, which accelerated to a four-month high.

Asia Output 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.

Asia Output Index

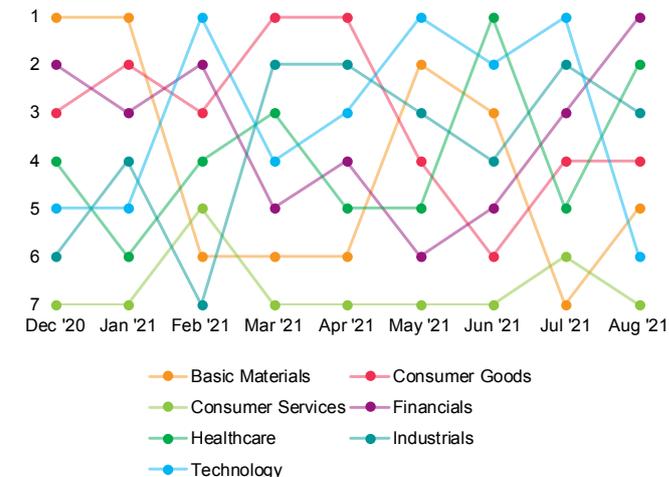
sa, >50 = growth since previous month



Source: IHS Markit.

Asia Output Index

Rank



Source: IHS Markit.

Contact

Chris Williamson
 Chief Business Economist
 IHS Markit
 T: ++44-20-7260-2329
chris.williamson@ihsmarkit.com

Trevor Balchin
 Economics Director
 IHS Markit
 T: +44-1491-461-065
trevor.balchin@ihsmarkit.com

Joanna Vickers
 Corporate Communications
 IHS Markit
 T: +44207-260-2234
joanna.vickers@ihsmarkit.com

Methodology

The IHS Markit Asia Sector PMI™ indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's Asian PMI survey panels, covering over 6,000 private sector companies in 13 regions.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Asia Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology 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.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit 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 IHS Markit 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. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.

About IHS Markit

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.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2021 IHS Markit Ltd. All rights reserved.

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

If you prefer not to receive news releases from IHS Markit, please email joanna.vickers@ihsmarkit.com. To read our privacy policy, click here.