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# IHS Markit Asia Sector PMI™

## More Asian sectors record lower output in June as regional slowdown continues

### Key findings

Only nine sectors record growth of output in June, lowest total since July 2020

Machinery & Equipment overtakes Chemicals at top of rankings

Cost inflationary pressures ease in all sectors except Technology Equipment

The latest Asia PMI™ sector data from IHS Markit indicated growth of output in only 9 out of 18 sectors in June, the lowest total since July 2020. A similar trend was evident for new business where ten sectors recorded expansion in June, down further from April's recent peak of 16.

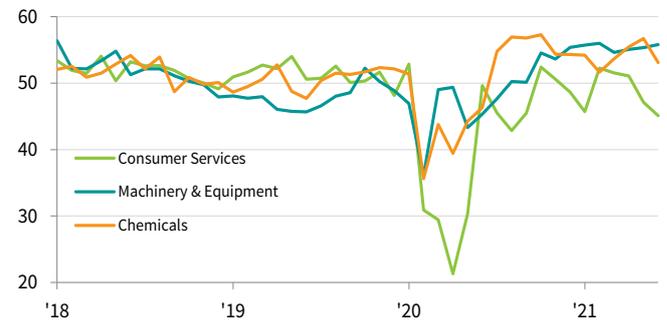
Of the sectors that registered higher output in June, only two recorded faster rates of expansion compared with May. These were Machinery & Equipment – which also topped the growth rankings overall – and Pharmaceuticals & Biotechnology. The second- and third-fastest growing sectors were Chemicals and Insurance, where growth slowed to four- and three-month lows, respectively.

Consumer Services was a notable weak spot in June, with activity falling for the second month running and at the fastest rate since August 2020. Of all 18 sectors monitored, only Construction Materials posted a sharper decline in June.

In terms of employment, nine sectors registered growth in June, down from 14 in May. The strongest rates of job creation were in Technology Equipment, Machinery & Equipment and Automobiles & Auto Parts.

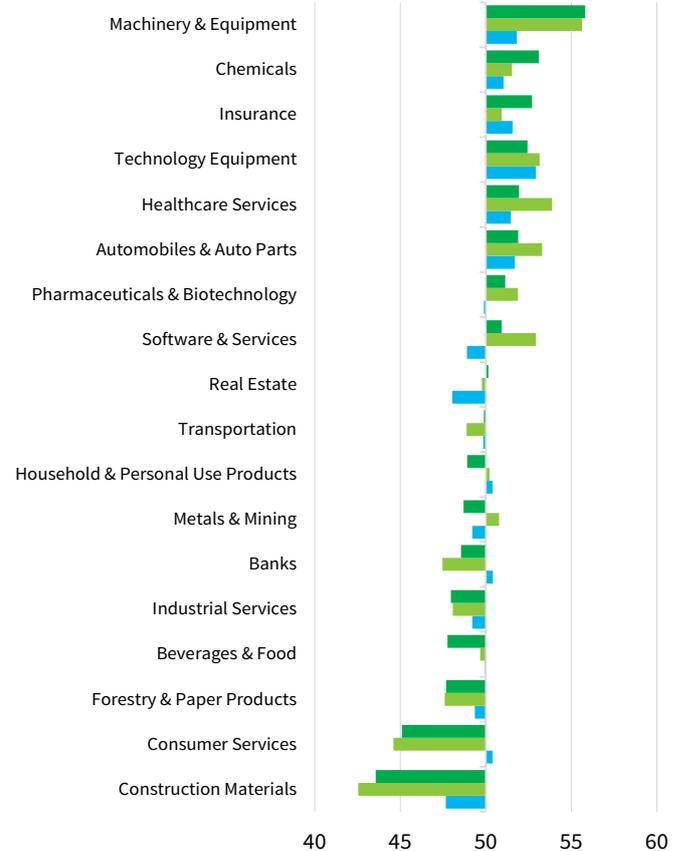
June data signalled weaker cost inflationary pressures across the Asian economy. Input price indices fell since May in all sectors except Technology Equipment, which recorded the strongest overall rise in costs. Input costs were broadly unchanged in Banks and fell slightly in Real Estate. Moreover, four sectors posted lower selling prices in June, namely Transportation, Banks, Software & Services and Pharmaceuticals & Biotechnology.

Asia Output Index  
sa, >50 = growth since previous month



Source: IHS Markit.

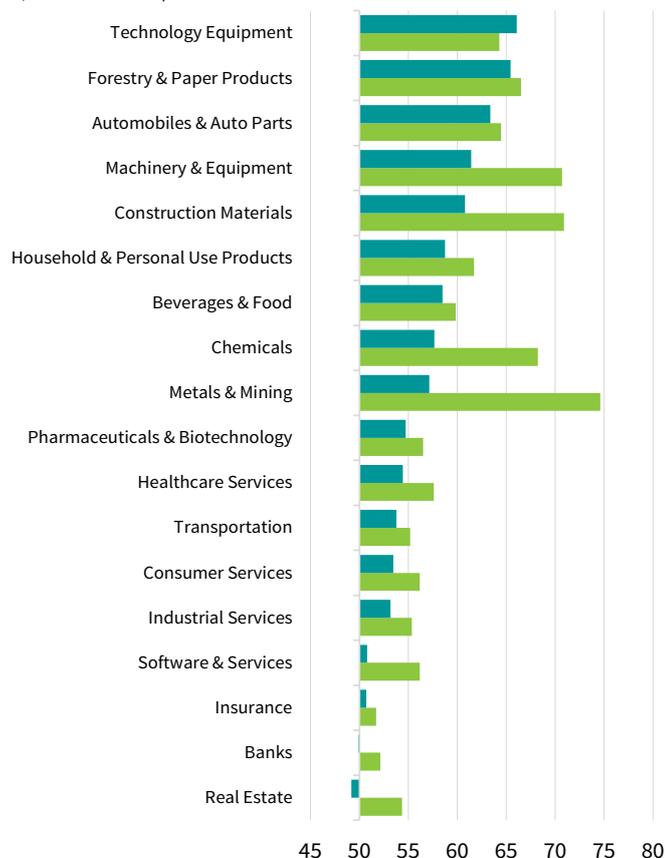
Output Index ■ / New Orders Index ■ / Employment Index ■, Jun '21  
sa, >50 = growth since previous month



Source: IHS Markit.

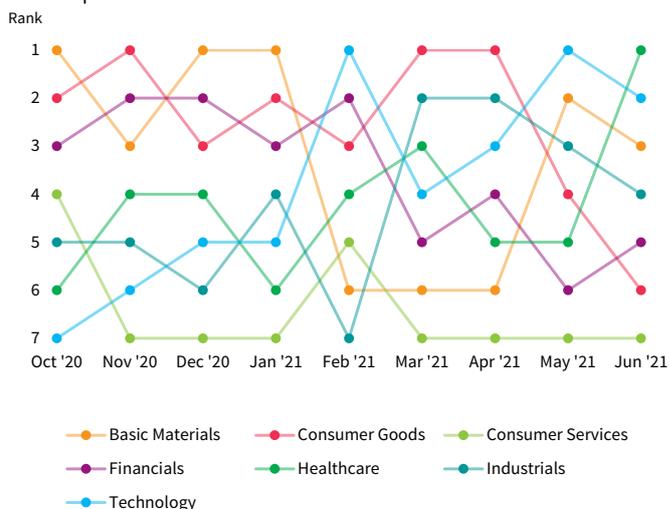
Input Prices Index, Jun '21 ■, May '21 ■

sa, >50 = inflation since previous month



Source: IHS Markit.

Asia Output Index



Source: IHS Markit.

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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](mailto:economics@ihsmarkit.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.  
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