

IHS Markit Global Sector PMI™

Tourism & Recreation moves top of global sector output rankings in June as economies reopen

Key findings

Tourism & Recreation also most optimistic sector on 12-month outlook for activity

Telecommunication Services sets record pace of expansion to move to second in global rankings

Record input price inflation in three sectors, including Technology Equipment

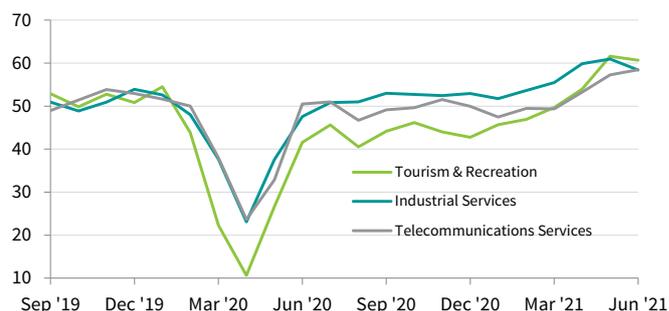
The latest Global Sector PMI™ data from IHS Markit revealed universal growth of both output and new orders across all 21 sectors monitored for the third successive month in June. Moreover, all sectors except Beverages & Food recorded higher employment.

Tourism & Recreation displaced Real Estate at the top of the output growth rankings in June. The rate of expansion in activity in the sector remained close to May's record – a trend also evident for new business – as consumer-facing businesses continued to reopen. Employment rose for the first time since January 2020, and the sector was also the most optimistic regarding the 12-month outlook among all categories monitored, with sentiment also the strongest on record (since October 2009).

Two other service-related sectors completed the top three business activity rankings in June: Telecommunication Services and Industrial Services, the former setting a new series-record expansion. The highest-ranked manufacturing sector was Machinery & Equipment, in joint-fourth place. Media was the slowest-growing global sector in June, followed by Beverages & Food.

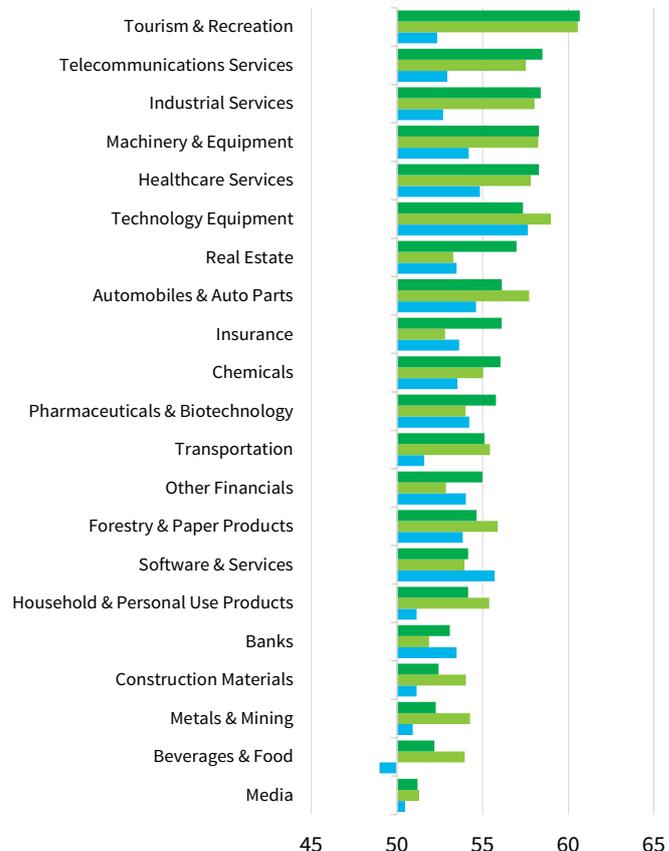
Technology Equipment registered the strongest rise in employment of all sectors monitored in June, and the sixth-fastest output growth rate. It also experienced a record lengthening in suppliers' delivery times and unprecedented input price inflation. Cost pressures in Technology Equipment were the second-highest globally in June behind Forestry & Paper Products, which also set a new survey record rate of inflation along with Construction Materials.

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



Source: IHS Markit.

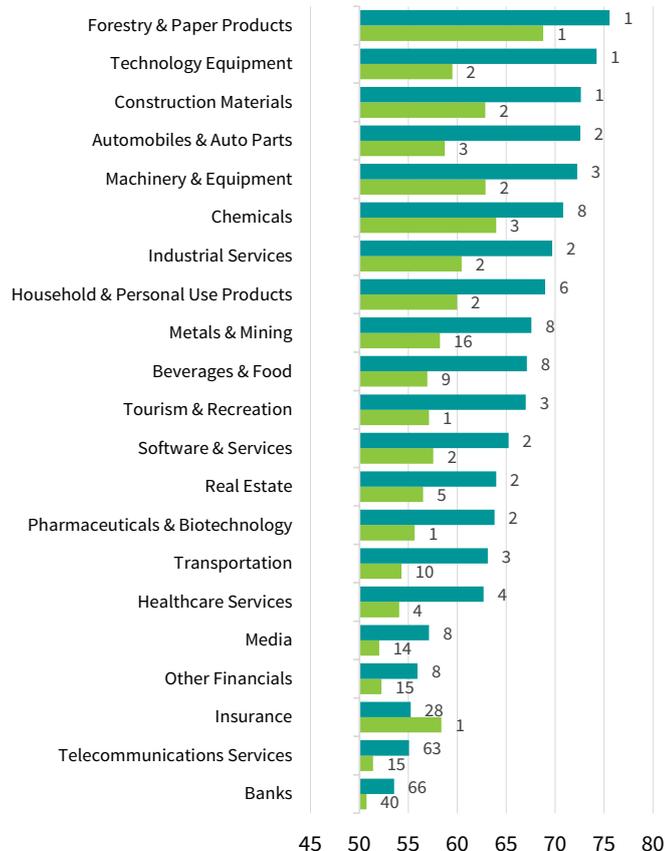
Output Index ■ / New Orders Index ■ / Employment Index ■, Jun '21
sa, >50 = growth since previous month



Source: IHS Markit.

Input Prices Index / Output Prices Index, Jun '21

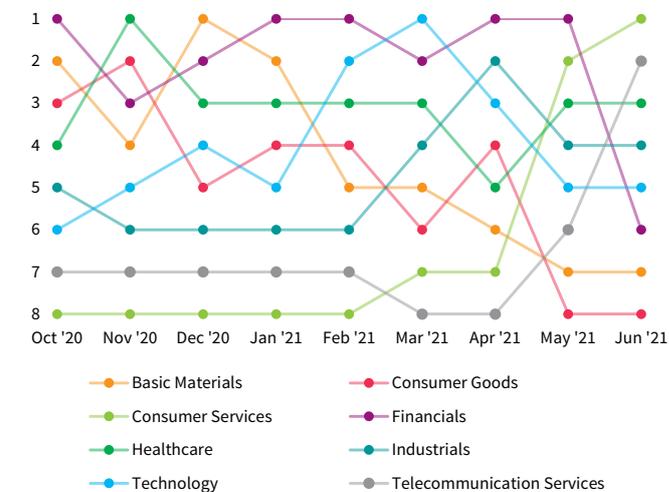
sa, >50 = inflation since previous month. Number shows series historical rank since Oct '09.



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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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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