Consumer services remains worst-hit sector as COVID-19 pandemic continues

KEY FINDINGS

Consumer services sinks deeper into contraction territory in April
Financials move down the rankings as Banks and Real Estate weigh on the sector
Unprecedented drop in automotive sector production

Asia Sector PMI indices are compiled 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 countries.

According to the IHS Markit Asia Sector PMI™ for April, each of the seven broad categories recorded sharper contractions in output when compared to March. Consumer Services continued to be the worst-affected sector by the coronavirus disease 2019 (COVID-19) outbreak and the associated measures to stem the spread, with business activity here falling considerably quicker than in any other sector.

Financials moved down the rankings to second bottom as stronger declines in output at Banks and Real Estate businesses weighed on the sector as a whole. Consumer Goods also recorded a stronger fall in production during April. All three component sub-sectors, Automobile & Auto Parts, Household & Personal Use Products and Food & Beverages all registered steeper declines, with autos leading the broad-based downturn.

Having been one of the most resilient sectors during the COVID-19 pandemic, output in the Healthcare sector fell sharply during April. Both Healthcare Services and Pharmaceuticals & Biotechnology registered faster contractions when compared to March.

Elsewhere, the weakest decline was seen at Machinery & Equipment companies.
IHS Markit Asia Sector PMI™

Output Index, Apr '20

sa, >50 = growth since previous month

Source: IHS Markit.

Output Index

sa, >50 = growth since previous month (quarterly average)

Source: IHS Markit.

CONTACT

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

Joe Hayes
Economist
IHS Markit
T: +44 1491 461 006
joseph.hayes@ihsmarkit.com

Katherine Smith
Corporate Communications
IHS Markit
+1 781 301 9311
katherine.smith@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 countries.

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 and 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.

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.

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 © 2020 IHS Markit Ltd. All rights reserved.

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.

© 2020 IHS Markit