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# IHS Markit Myanmar Manufacturing PMI™

## Modest improvement in operating conditions in September

### Key findings

Output and new orders rise at solid rates...

... but production growth softens to six-month low

Pace of input price inflation eases to slowest since March

Manufacturers in Myanmar remained on a growth footing in September, although the latest improvement in overall operating conditions was the joint-lowest in eight months. Order book volumes rose solidly, with the rate of growth accelerating from August. In contrast, September saw a softer increase in production. Output rose at the softest rate since March. Workforce numbers continued to rise in September, with the rate of job creation accelerating to the fastest in four months. Meanwhile, input price inflation eased to a six-month low.

The seasonally adjusted Myanmar Manufacturing Purchasing Managers' Index™ (PMI™) was unchanged from August at 52.0 in September, signalling a modest improvement in the health of the Myanmar manufacturing sector. Moreover, the latest reading remained above the series average. The latest quarterly average (52.3), however, signalled a relatively subdued improvement in the sector, and was the lowest seen so far this year.

A key contributing factor to the modest improvement in operating conditions was a further increase in order book volumes. Growth of new business quickened from that seen in August to a solid rate, and was above the series average.

Output growth, on the other hand, eased to the slowest rate in six months. That said, firms linked the solid increase to greater new order volumes and efforts to clear backlogs.

On the price front, input price inflation eased to the slowest rate seen since March. The rate of increase was relatively muted. Firms commonly linked increases to raw material shortages and greater electricity costs. Average prices charged by firms rose modestly, with the rate of inflation quickening to the fastest since November 2018.

Workforce expansion continued during September, with the

*continued...*

Myanmar Manufacturing PMI  
sa, >50 = improvement since previous month



Source: IHS Markit.

### Comment

Commenting on the latest survey results, Lewis Cooper, Economist at IHS Markit, said:

*"September's headline PMI figure, signalled another modest improvement in overall business conditions in Myanmar.*

*"Positively, both output and new orders saw a solid increase, with the rise in order book volumes quickening from August. That said, the rate of output growth eased to a six-month low, as manufacturers' expectations towards the next 12 months dipped.*

*"Supplier shortages continued to weigh on purchasing growth, with pre-production stocks falling as firms sought to bridge the gap and sustain production."*

rate of job creation accelerating to the quickest in four months. Employment growth was moderate overall. At the same time, the level of outstanding business declined, as has been the case in every month since June 2016. The rate of backlog depletion slowed slightly, but was solid overall.

Meanwhile, supplier performance continued to deteriorate, extending the current sequence of longer delivery times to over two years. The extent to which delivery times lengthened was greater than in August.

Latest data highlighted a slower rate of growth in input buying amid raw material shortages. Purchasing activity rose only marginally, and at the weakest pace since January. Stocks of purchases fell for the fourth successive month in September. That said, the rate of decline in pre-production inventories eased to the slowest in three months.

Stocks of finished goods continued to be depleted in September, with the fall in post-production inventories remaining sharp.

Finally, expectations surrounding output over the next 12 months were relatively subdued in September. The level of positive sentiment fell to its lowest in five months. Panellists linked positive sentiment to planned investment and business expansions.

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### Methodology

The IHS Markit Myanmar Manufacturing PMI™ is compiled by IHS Markit from responses to monthly questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. 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.

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.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

September 2019 data were collected 12-20 September 2019.

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. To learn more go to [ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html).