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## IHS MARKIT GLOBAL SECTOR PMI™

### Output falls across all sectors in May, albeit at generally slower rates

#### KEY FINDINGS

Output indices mostly rise from record April lows but still indicate marked reductions in activity

Tourism & recreation again sees fastest rate of decline, followed by transportation

Healthcare services posts slowest decline in activity, but still a record drop for the sector

Global Sector PMI indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's global PMI survey panels. 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.

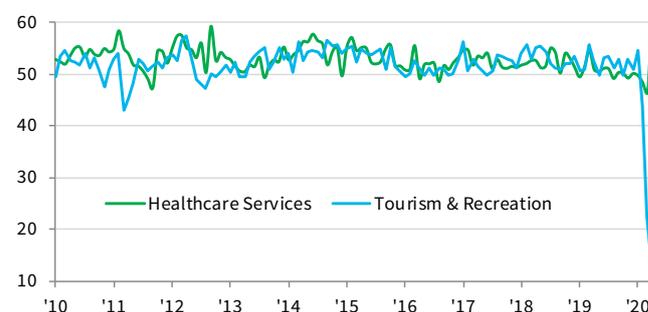
The ongoing lockdowns across the globe to combat the coronavirus disease 2019 (COVID-19) pandemic continued to severely restrict all sectors monitored in May. With the exception of **healthcare services**, which suffered a record fall in activity following April's strong increase, all sectors recorded either the second- or third-fastest rates of decline in output since the global data were first compiled in October 2009.

The fastest overall rate of contraction was again in **tourism & recreation**, despite a 16-point rebound in its Business Activity Index since April's nadir of 10.6. **Transportation** registered the second-fastest drop in activity of all sectors. The two healthcare sectors – healthcare services and **pharmaceuticals & biotechnology** – registered the slowest declines in May, followed by **beverages & food**.

In terms of output over the next 12 months, 11 sectors anticipate growth, including **chemicals, forestry & paper products, automobiles & auto parts, beverages & food, household & personal use products, banks, other financials, pharmaceuticals & biotechnology, construction materials, technology equipment and software & services**.

Global Business Activity Index

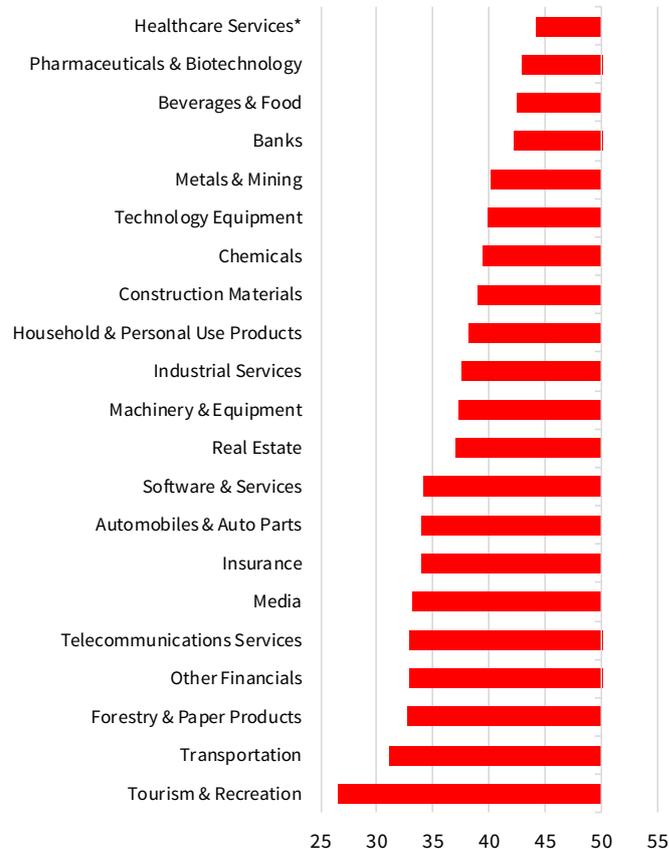
sa, >50 = growth since previous month



Source: IHS Markit.

Global Output Index, May '20

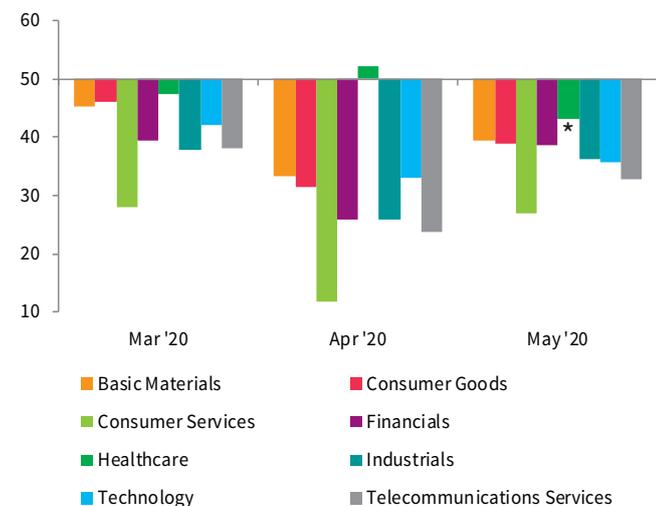
sa, >50 = growth since previous month \* = record low (since Oct '09)



Source: IHS Markit.

Global Output Index

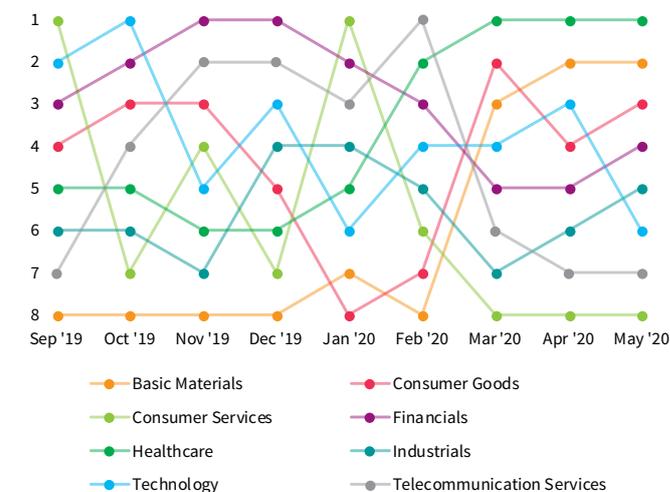
sa, >50 = growth since previous month \* = record low (since Oct '09)



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](mailto:economics@ihsmarkit.com).

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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.

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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](https://ihsmarkit.com/products/pmi.html)

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