

# Nikkei Flash Japan Manufacturing PMI<sup>®</sup>

## Weaker growth of manufacturing sector in July

### Key points:

- Flash Japan Manufacturing PMI<sup>®</sup> down to eight-month low of 52.2 in July (52.4 in June)
- Flash Manufacturing Output Index at 51.4 (52.2 in June). Weakest growth for 10 months
- Export orders stagnate

Data collected 12 – 20 July.

Today sees the latest public release of the **Nikkei Flash Japan Manufacturing Purchasing Managers' Index™ (PMI<sup>®</sup>)**. Published on a monthly basis approximately one week before final PMI data are released, this makes the PMI the earliest available indicator of manufacturing sector operating conditions in Japan. The estimate is typically based on approximately 85%–90% of total PMI survey responses each month and is designed to provide an accurate indication of final PMI data.

### Flash Japan Manufacturing PMI<sup>®</sup> Summary

PMI	Increase, slower rate
Output	Increase, slower rate
New Orders	Increase, slower rate
New Export Orders	No change
Employment	Increase, faster rate
Backlogs of Work	Decrease, change of direction
Output Prices	Increase, slower rate
Input Prices	Increase, slower rate
Stocks of Purchases	Decrease, change of direction
Stocks of Finished Goods	Decrease, change of direction
Quantity of Purchases	Increase, slower rate
Suppliers' Delivery Times	Lengthened, faster rate
Future Expectations	Positive, stronger optimism

### Comment:

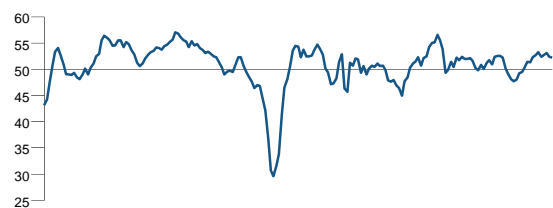
Commenting on the Japanese Manufacturing PMI survey data, **Paul Smith**, Senior Economist at IHS Markit, which compiles the survey, said:

*“July’s survey data indicated a further easing of growth in both orders and output from May’s recent highs. The slowdown was driven by stagnation in export orders, amid reports of weaker demand from South East Asia markets.”*

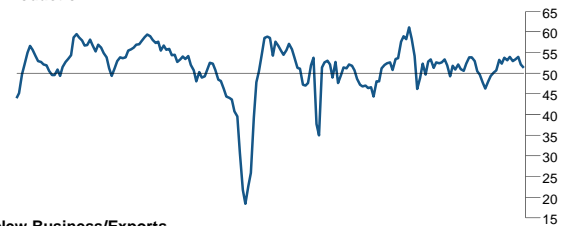
*“Nonetheless, the sector continues to add jobs, with employment growth remaining amongst the best since the financial crisis, whilst optimism hit its highest level in five years of data collection.”*

### Nikkei Flash Japan Manufacturing PMI

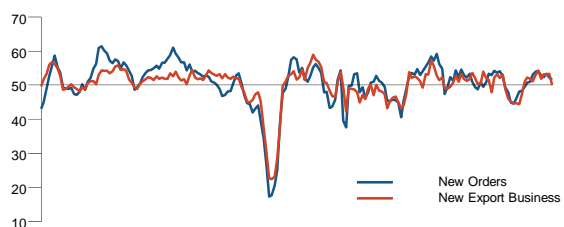
sa, 50 = no change on previous month  
Purchasing Managers' Index (PMI)



Production



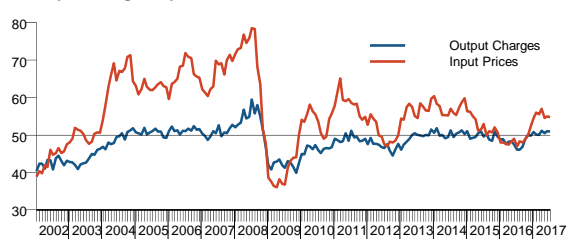
New Business/Exports



Employment/Backlogs of Work



Output Charges/Input Prices



-Ends

Sources: Nikkei, IHS Markit

## Nikkei Flash Japan Manufacturing PMI<sup>®</sup> is sponsored by

Nikkei is a media organization with newspaper publishing at its core. Our flagship daily newspaper, The Nikkei, has approximately three million subscribers. Nikkei's multi-platform media distribution also includes online, broadcast and magazines.

The Nikkei marks its 140th anniversary this year. Since our founding in 1876 as the Chugai Bukka Shimpō (Domestic and Foreign Prices News), we have consistently provided high-quality reporting while maintaining fairness and impartiality. The Nikkei brand has become synonymous with trustworthiness at home and abroad.

Nikkei Inc. offers a range of media platforms to satisfy the diverse needs of our readers. At the core of these services is The Nikkei which has a circulation of approximately three million. Adding further depth to our offerings are our premium content and strong digital technology. The number of paying subscribers to the Nikkei Online Edition, which was launched in 2010, has surpassed 400,000. Our fee-based online services have one of the largest readerships in the world among newspaper publishers. Five years after its creation, the online edition is set to evolve from a medium for providing news to readers into a tool that helps people advance their careers.

In 2013, we kicked off the Nikkei Asian Review, an English-language news service provided both online and as a weekly print magazine. The following year, we established an Editorial Headquarters for Asia in Bangkok to deepen our coverage of Asian economic news. In addition, we doubled the number of reporters stationed in Asia outside Japan. 2014 also saw the launch of Nikkei Group Asia Pte., a new company in Singapore tasked with spreading the Nikkei brand in the region. Our goal is to make Nikkei the leading media voice in Asia.

<http://www.nikkei.co.jp/nikkeiinfo/en/>

## ASIAN REVIEW <http://asia.nikkei.com/>

**INTRODUCING THE ONLY BUSINESS PUBLICATION THAT BRINGS YOU INSIGHTS ABOUT ASIA, FROM THE INSIDE OUT**

With more reporters and contributors across the region than any other business publication, only Nikkei Asian Review can give you a view of business in Asia from the inside.

Stay abreast of the latest news, analysis and insights with a subscription to Nikkei Asian Review – available in print, online, and on your mobile and tablet device.



**Asia300:**

Providing extensive coverage of over 300 leading companies in 11 countries and regions in Asia. Nikkei Asian Review aims to build the largest hub for Asian corporate news through enhanced reporting backed by large database of business and financial information on companies in the region.



**JAPAN UPDATE:**

Keeping you up-to-date with business and news from Japan.



**VIEWPOINTS:**

Bringing views of leading minds on Asia from around the world, including our column "Tea Leaves" written by some of our best writers.



**POLITICS & ECONOMY:**

Looking at fiscal and monetary policy, international affairs and more



**MARKETS:**

Deep analysis if the markets, with detailed industry news to keep you abreast of some of the fastest growing sectors in the region.



**Video:**

Watch analysts explain our articles, catch interviews with top executives.



**Print Edition:**

Weekly delivery of the best content from Nikkei Asian Review to your home or office

**For further information, please contact:**

**Markit (About PMI and its comment)**

Paul Smith, Senior Economist  
 Telephone 44 1491 461 038  
 Email [paul.smith@ihsmarkit.com](mailto:paul.smith@ihsmarkit.com)

Jerrine Chia, Marketing and Communications  
 Telephone 65 6922 4239  
 Email [jerrine.chia@ihsmarkit.com](mailto:jerrine.chia@ihsmarkit.com)

Bernard Aw, Economist  
 Telephone 65 6922 4226  
 E-mail [bernard.aw@ihsmarkit.com](mailto:bernard.aw@ihsmarkit.com)

**Nikkei inc. (About Nikkei)**

Ken Chiba, Deputy General Manager, Public Relations Office  
 Atsushi Kubota, Manager, Public Relations Office  
 Telephone 81 3 6256 7115  
 Email [koho@nex.nikkei.co.jp](mailto:koho@nex.nikkei.co.jp)

**Note to Editors:**

Final July data are published on August 1<sup>st</sup>.

The Nikkei Japan Manufacturing PMI<sup>®</sup> is based on data compiled from monthly replies to questionnaires sent to purchasing executives in over 400 industrial companies. The panel is stratified by Standard Industrial Classification (SIC) group, based on the industry contribution to GDP. The manufacturing sector is divided into the following 8 broad categories: Basic Metals, Chemicals & Plastics, Electrical & Optical, Food & Drink, Mechanical Engineering, Textiles & Clothing, Timber & Paper, and Transport. The **flash** estimate is based on around 85% of total PMI survey responses each month and is designed to provide an accurate advance indication of the final PMI data.

The average differences between the flash and final PMI index values (final minus flash) since comparisons were first available in January 2008 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias)

Index	Average difference	Average difference in absolute terms
Japan Manufacturing PMI <sup>(1)</sup>	0.0	0.3
Japan Manufacturing Output Index <sup>(2)</sup>	0.0	0.5

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'. Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

**Notes**

1. The Manufacturing PMI is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.
2. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"

**About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))**

IHS Markit (Nasdaq: 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 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2017 IHS Markit Ltd. All rights reserved.

**About PMI**

*Purchasing Managers' Index*<sup>™</sup> (PMI<sup>®</sup>) surveys are now available for over 30 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 [www.markit.com/economics/pmi](http://www.markit.com/economics/pmi).

The intellectual property rights to the Nikkei Japan Manufacturing PMI<sup>®</sup> 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<sup>™</sup> and PMI<sup>®</sup> 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.

If you prefer not to receive news releases from IHS Markit, please email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com). To read our privacy policy, [click here](#).