

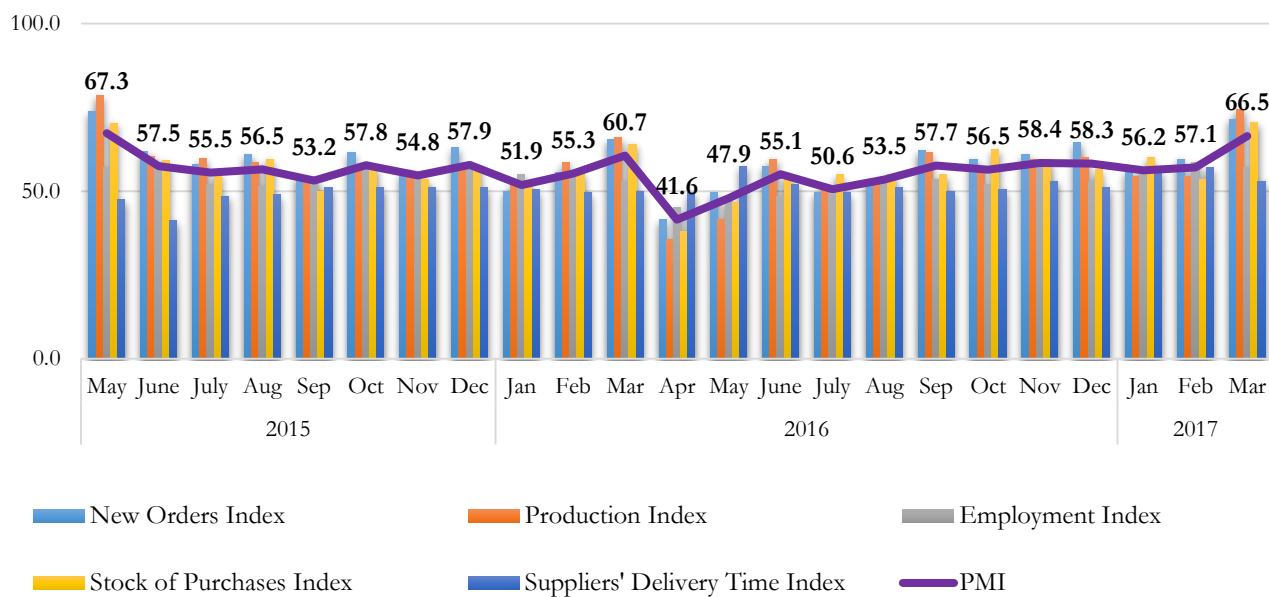
RESULTS OF PMI MANUFACTURING AND PMI SERVICES INDICES

KEY POINTS:

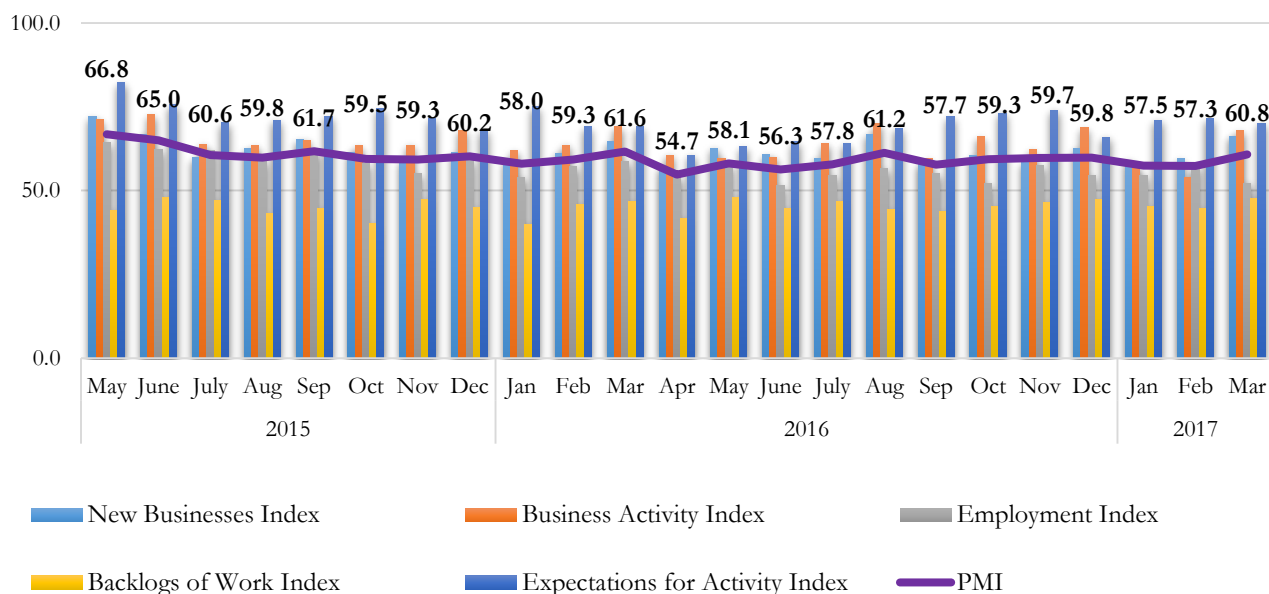
- The Manufacturing sector PMI** recorded 66.5 in March which is an increase of 9.4 index points compared to February 2017. This indicates that the manufacturing activities continued to expand in March 2017, largely attributable to increasing orders and manufacturing activities due to new year seasonal demand as reflected through increased in New Orders and Production sub-indices. Stock of Purchases increased with accumulated stock and rectification of delivery delays which witnessed during last month. However, Suppliers' Delivery Time indicated a decline with normalising supply arrangements especially from China after their new year period. The Employment sub-index also dropped slightly compared to the previous month. Overall data points to an expansion where all the sub-indices are above the neutral 50.0 threshold. The expectations for activities indicated a moderation for the next three months.
- The Services Sector PMI** recorded 60.8 index points in March from 57.3 index points in February 2017. The increase in PMI over the last month's value indicates that economic activities in the Services sector expanded at a higher rate in March 2017 compared to the previous month. The expansion in Services sector was supported by expansions in New Businesses and Business Activity. Employment and Expectations for Activity decelerated in March compared to February 2017 while Backlogs of Work declined at a slower rate. Prices Charged which is not taken into consideration in PMI compilation process, increased at a moderated pace in March 2017 compared to the previous month. Future Labour Cost, as measured by Expectations for Labour Cost, increased in March 2017.

	Y\M	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>PMI Manufacturing</b>	<b>2015</b>	n.a.	n.a.	n.a.	n.a.	67.3	57.5	55.5	56.5	53.2	57.8	54.8	57.9
	<b>2016</b>	51.9	55.3	60.7	41.6	47.9	55.1	50.6	53.5	57.7	56.5	58.4	58.3
	<b>2017</b>	56.2	57.1	66.5	-	-	-	-	-	-	-	-	-
<b>PMI Services</b>	<b>2015</b>	n.a.	n.a.	n.a.	n.a.	66.8	65.0	60.6	59.8	61.7	59.5	59.3	60.2
	<b>2016</b>	58.0	59.3	61.6	54.7	58.1	56.3	57.8	61.2	57.7	59.3	59.7	59.8
	<b>2017</b>	57.5	57.3	60.8	-	-	-	-	-	-	-	-	-

## PMI Manufacturing



## PMI Services



## Technical Note:

### **The Index**

PMI is calculated as a 'Diffusion Index', where it takes values between 0 and 100.

PMI=50            sector remained neutral on month-on-month basis

PMI>50           sector is generally expanding on month-on-month basis

PMI<50           sector is generally declining on month-on-month basis

### **Sample**

The sampling frame was based on a list of large companies located in the Western province obtained from the EPF Department. Samples for Manufacturing and Services activities were selected based on the GDP sectoral share, with a minimum target of 100 responses for each month.

### **Definitions of Variables**

Employment                : Number of staff working for the organization

Stock of purchases        : Raw materials purchased and kept in a warehouse to be used for production

Supplier Delivery Time    : Time lag between order placement and delivery by the supplier

Backlogs of Work         : Uncompleted orders due to increased flow of business activity

Other variables are self-explanatory.