

# Global manufacturing

## Manufacturing stagnates in broad-based slowdown

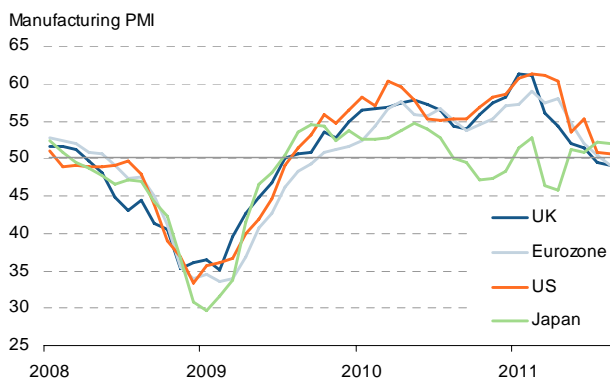
- **PMI at 50.1 in August**
- **Most developed nations either stagnate or contract**
- **Emerging markets also weaken as global trade flows decline**

The JPMorgan Global Manufacturing PMI fell from 50.7 in July to 50.1 in August. The near-stagnation signalled by the index was the worst performance since the recovery began two years ago and represents a big turnaround in the growth profile of the manufacturing sector compared to the post-recession peak of 57.4 seen in February.

The PMI surveys show rates of growth to have deteriorated dramatically in manufacturing sectors in most countries since earlier this year, with stagnation or contraction generally indicated in August.

A near eleven-point fall in the US index over the past six months points to a loss of momentum of a speed and scale that has rarely been seen in the history of the survey. Similar steep falls were replicated in many other developed countries, including the UK, Germany, France and Italy, illustrating the speed with which global business conditions have changed in recent months.

### Developed world manufacturing

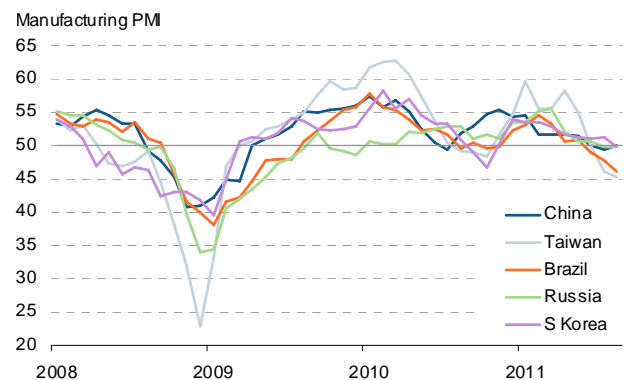


Sources: Markit, ISM.

At the same time that growth has collapsed in the West, Asian economies are also struggling. China's PMI has

now been below 50 for two successive months, as has the Russian index, while Brazil has seen a gathering pace of contraction.

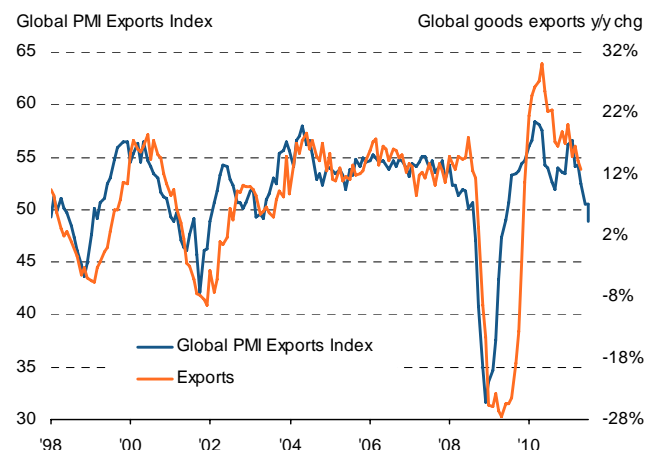
### Emerging market manufacturing



Sources: Markit, HSBC.

Hopes of a much-needed boost to global manufacturing from a revival in Japan were dealt a blow when the PMI edged lower in August, and export sales declined. Elsewhere in Asia, manufacturing PMIs signalled contraction in South Korea and Taiwan – the latter dropping especially steeply – in a further sign that global trade flows continued to dry up. The Global PMI's New Export Orders Index signalled a drop in worldwide trade flows for the first time since June 2009.

### Global goods exports



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## Chris Williamson

### Chief Economist

Markit

Tel: +44 207 260 2329

Email: [chris.williamson@markit.com](mailto:chris.williamson@markit.com)

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