

Global manufacturing

Global factory activity stagnates and payrolls fall

- **Global Manufacturing PMI sinks to 50.0 in February**
- **Employment falls for first time in five months**
- **Brazil sits at foot of rankings; Czech Republic retains top spot**

Global manufacturing performance failed to improve in February for the first time since November 2012. The [JPMorgan Global Manufacturing PMI](#) fell from 50.9 in January to 50.0, signalling no change in business conditions during the month.

Developed world manufacturing expanded at the slowest rate since May 2013 as growth waned in the US, eurozone, UK and Japan, while emerging market performance deteriorated to the greatest extent since last September.

The broad-based nature of the deterioration was indicated by only five of the 25 countries covered by the surveys reporting improved PMI readings between January and February (Poland, Mexico, Austria, France and Canada).

The global survey data depict a sector where firms continue to cut capacity in the face of weak demand and a concomitant renewed decline in global trade. Price discounting persisted as firms sought to reduce inventory levels.

Asia drags on global manufacturing

Output of the world's factories barely rose in February, showing the weakest increase for 39 months, as firms responded to a near-stalling in growth of new orders. Global exports fell back into decline for the first time in five months as the brief rally in trade seen late last year lost momentum.

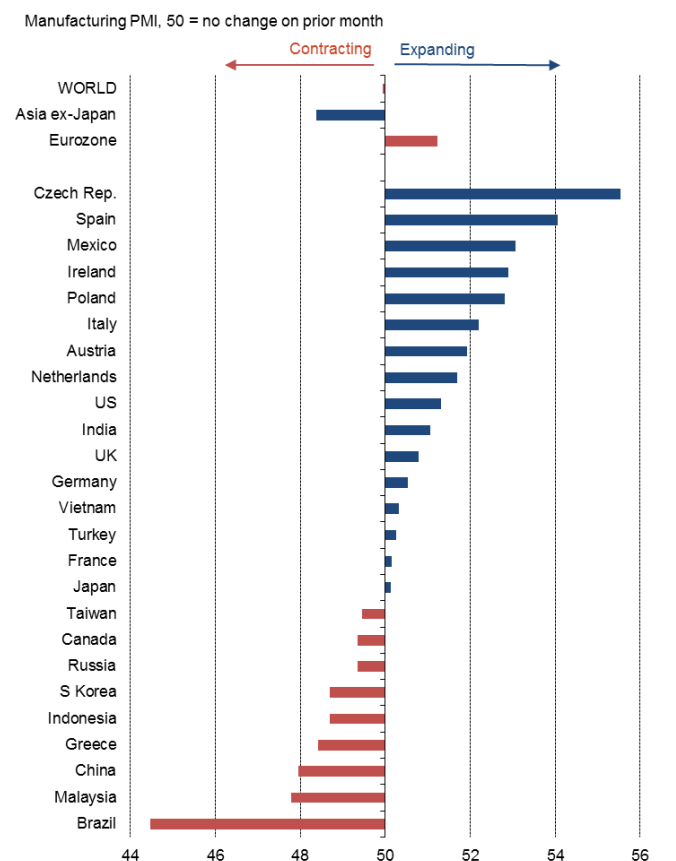
Sub-50 PMI reading – signalling outright contraction – were seen in nine countries, with Brazil recording the steepest decline by a clear margin as its downturn intensified once again.

With the Caixin China manufacturing PMI hitting a five-month low of 48.0, and downturns also recorded by Nikkei PMI data in Malaysia, Indonesia, South Korea and Taiwan, the Asia ex-Japan PMI remained firmly in negative territory at a five-month low.

Global factory output



February manufacturing PMI rankings



Japan meanwhile saw growth deteriorate, with solid expansion in January turning to near-stagnation in February.

The data therefore suggest that Asia continued to act as a major drag on global manufacturing.

Czech-led growth

Although manufacturing expanded in 16 countries, roughly one-third of these – including Japan, France, Germany and the UK – only saw modest growth. Only four of the 16 saw faster rates of expansion.

The Czech Republic once again led the growth rankings, topping the table for the seventh time in the past nine months, followed by Spain.

Some five of the top eight performers were all found in the euro area, though growth across the region as a whole slipped to a one-year low.

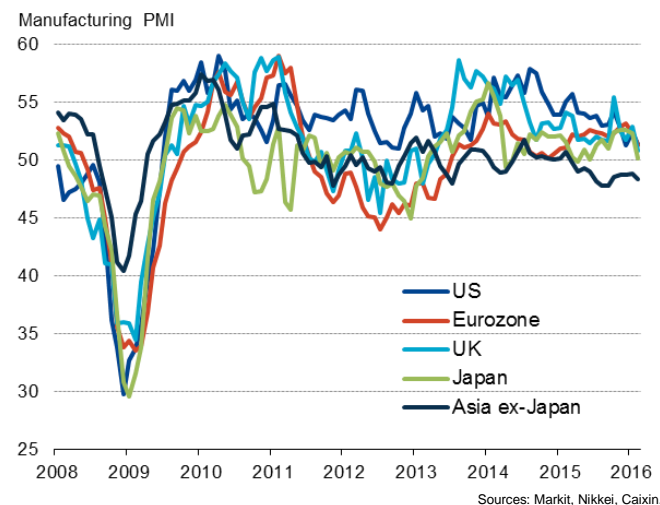
Slower rates of expansion were also seen in the US and the UK, rounding off a broad-based disappointing month for developed world economies.

Prices fall amid excess capacity

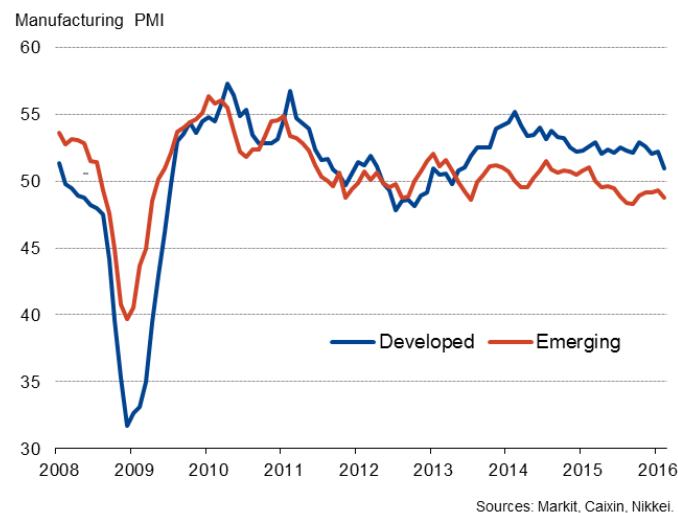
Employment in the world's factories meanwhile fell for the first time in five months as firms focused on cutting costs and reducing excess capacity. Inventories meanwhile fell at the steepest rate for 20 months as firms cleared stock of unsold goods, often via discounting. Average prices charged fell at a slightly faster rate alongside a further reduction in input prices.

The suppliers' delivery times index, higher levels of which point to a buyers' market for supplies and therefore deflationary price pressures, edged up to a 32-month high.

Asia drags on global manufacturing



Developed v emerging markets



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