

Global Beverages & Food PMI

Global food output growth at post-crisis high in May

- Fastest rise in food output since global sector data began in October 2009
- Beverages sector in decline
- Food input prices rise sharply

The latest Markit Global Sector PMI™ data indicated that output in the global food industry rose sharply in May, and at a faster rate than all other sectors monitored by the survey. In contrast, beverages output fell during the month, with the sector ranked bottom globally.

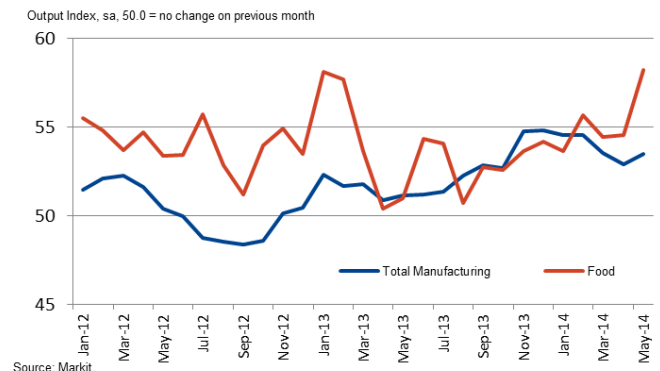
The **Global Food Output Index** registered 58.2 in May, the highest since the series began in October 2009 and indicative of strong growth in production. That compared with the Global Manufacturing Output Index posting at 53.5 in the latest period. In contrast, the **Global Beverages Output Index** fell to 47.8, indicating the fastest rate of decline in drinks production since April 2013.

Data on **new business** underlined the divergence between the two sectors in May. New orders at food producers increased at a series-record rate, while no change was indicated in the beverages sector. As was the case for output, the food manufacturing sector was the top-ranked global sector in terms of new order inflows in May.

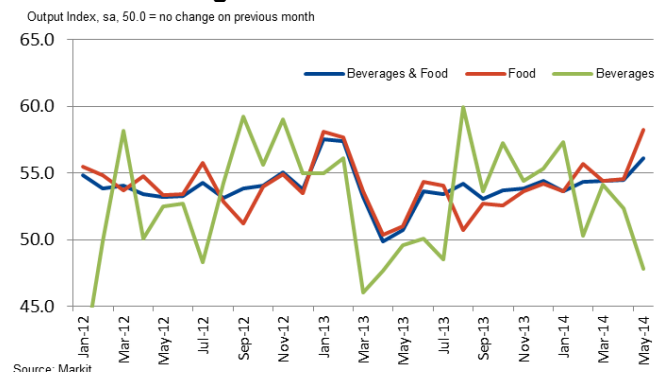
Similarly, **purchasing activity** increased at a series-record pace in food manufacturing, but declined for the third time in four months at drinks firms. Divergent trends were also evident for **stocks of purchases** and **backlogs of work**.

Global food producers faced the steepest increase in their **input prices** since October 2012 in May. Moreover, the sector registered the highest rate of input price inflation of all global sectors monitored. In contrast, input prices for beverages companies rose only modestly, having previously fallen three times in the first four months of 2014.

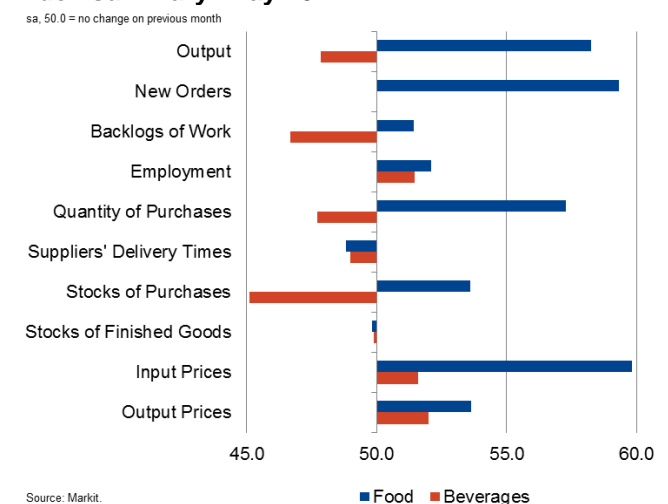
Food & drink vs total manufacturing



Food vs Beverages



Index summary: May 2014



Notes on data

Markit Global Beverages & Food PMI data are derived from surveys of over 1,700 companies operating in 28 major economies. The data are typically released on the fifth working day (UK) of each month at 0930 UK time.

The Global Sector PMI data provide corporate planners and decision makers, economic analysts, policy makers and investors with a powerful and unique database with which to monitor business cycles by industry. Sector trends over time can be tracked as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The data create powerful insight into sector profitability and provide tools for investment strategy and asset allocation. Corporate users are able to examine trends within industry sectors, to help industry forecasting and inventory planning. The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for eight major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services; and a further 26 sectors and subsectors of those groups.

Detailed historical global sector data are available via a subscription from Markit, and datasets are also available for Europe. For further information please contact economics@markit.com.

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Global Sector PMI structure

Groups

- Sectors
- Subsectors

Basic Materials

- Chemicals
- Resources
 - Forestry & Paper Products
 - Metals & Mining

Consumer Goods

- Automobiles & Auto Parts
- Beverages & Food
 - Food
 - Beverages
- Household & Personal Use Products

Consumer Services

- Media
- Tourism & Recreation

Financials

- Banks
- Insurance
- Other Financials
- Real Estate

Healthcare

- Healthcare Services
- Pharmaceuticals & Biotechnology

Industrials

- Industrial Goods
 - Machinery & Equipment
 - Construction Materials
- Industrial Services
 - Commercial & Professional Services
 - General Industrials
- Transportation

Technology

- Technology Equipment
- Software & Services

Telecommunication Services