

Global Technology PMI

Technology sector gains growth momentum at start of Q3

- **Sharpest rise in business activity since February 2011**
- **Expansion driven by surge in software & services business activity**
- **Telecommunications activity down marginally**

Growth of the global technology sector accelerated sharply in July, with only consumer services recording a more marked overall expansion among the eight broad sectors monitored by PMI data.

The technology sector recorded the sharpest acceleration in **output** growth of all major groups monitored globally in July, taking it from a moderate pace of expansion in June to the fastest in close to two-and-a-half years. Behind the gain in growth momentum was a solid and accelerated rise in **new business inflows**, the sharpest since January 2011.

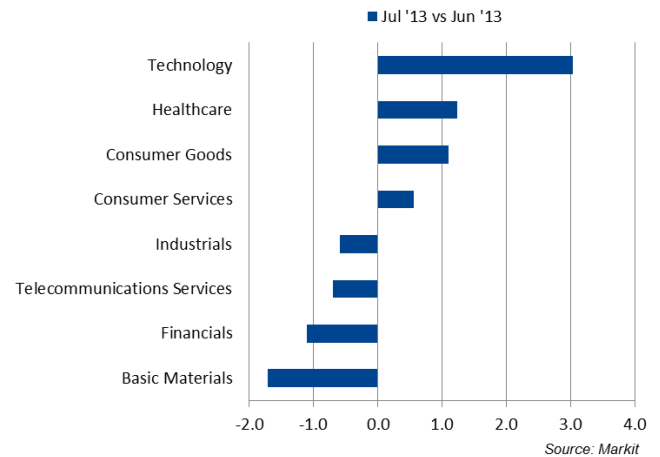
Technology-related firms meanwhile raised **employment** for the sixth time in the past seven months. A further sign of growing underlying strength in the sector was the first increase in **charges** since last October, albeit at only a marginal rate of inflation.

The broad technology group encompasses two more specifically defined sectors, **software & services** and **technology equipment**. The former drove July's upturn at the aggregate level, posting a sharp increase in business activity that was the fastest since February 2011. This contrasted with the situation in June, when growth was centred on technology equipment. July saw a marginal drop in production at technology equipment manufacturers, thereby ending a three-month sequence of expansion in the sector.

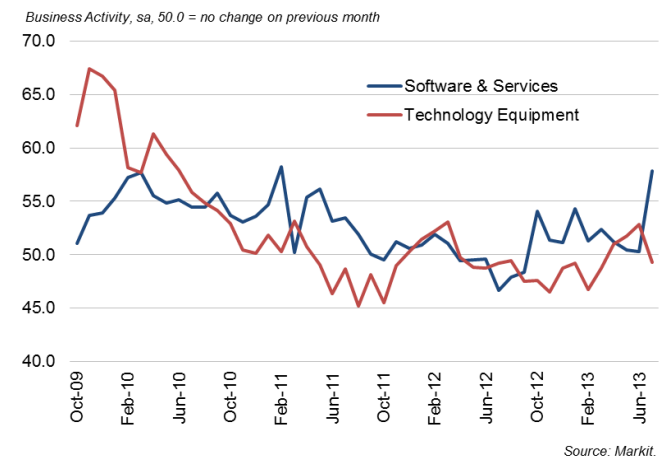
Telecommunication Services

Separate global sector from Markit meanwhile signalled a slight contraction in business activity at **telecommunication services** firms in July. This followed a marginal expansion in output in June, and

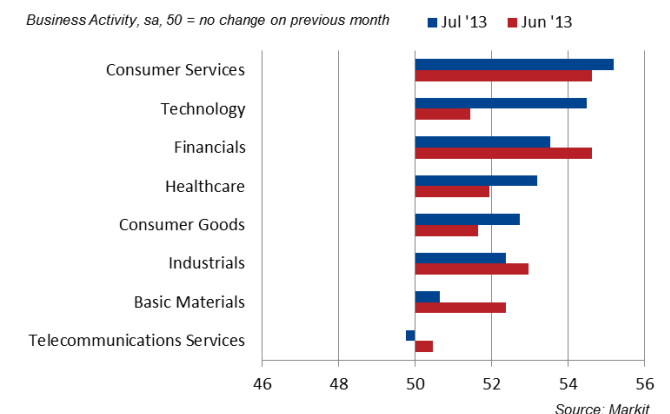
Change in Business Activity / Output Index



Growth in technology driven by software & services



Telecommunications, global growth laggard



meant that telecommunication services was at the foot of the global sector league table for the second month running.

Notes on data

Markit Global Technology PMI data are derived from Markit's worldwide manufacturing, services and whole economy PMI surveys, covering over 1,100 companies in technology equipment and software & services.

Markit Global Telecommunication Services PMI data are derived from Markit's worldwide services and whole economy PMI surveys, covering over 200 firms.

Markit Global Sector PMI data are derived from surveys of over 20,000 companies operating in 28 countries. The data are 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.

Markit 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

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