

Global manufacturing

UK heads growth rankings as global manufacturing upturn hits 27-month high

- **Global manufacturing PMI edges up to 27-month high in September**
- **Growth generally led by developed markets**
- **UK heads growth table for fourth month running, but eurozone countries lead export growth rankings**

The worldwide manufacturing economy saw a modest upturn in the pace of expansion in September, rounding off the best quarter for just over two years, according to [PMI data](#).

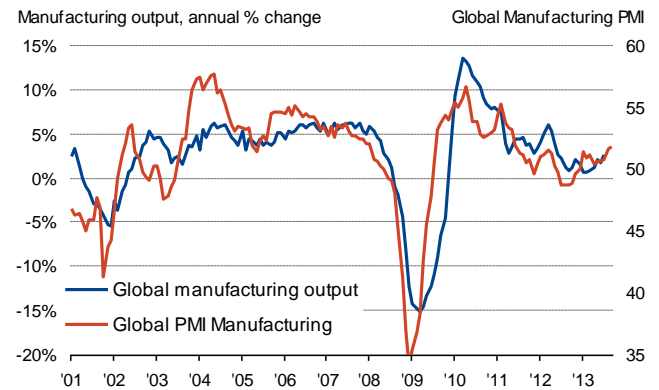
The JPMorgan Global Manufacturing PMI, produced by Markit, rose slightly from 51.6 in August to 51.8 in September – its highest since June 2011. Although improving, the survey data was nonetheless roughly consistent with annual growth of global manufacturing output picking up to just 3% at the end of the third quarter.

Encouraging news also came from the New Exports Orders Index, which indicated the most noteworthy increase in global trade since May 2011. Somewhat surprisingly, the export growth rankings were led by eurozone countries, with Spain reporting the largest monthly increase in new export orders of all countries surveyed in September. This was followed by Ireland, Italy and the Netherlands. In contrast, India saw the steepest drop in exports of all countries covered by the PMIs.

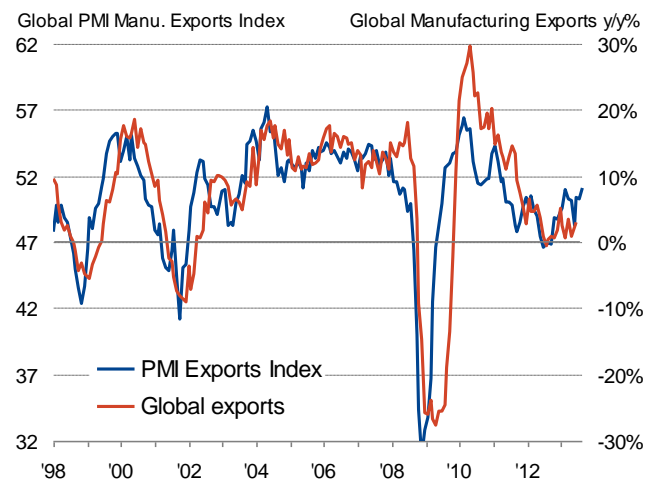
Developed world upturn

The developed countries collectively saw manufacturing conditions improve for the ninth successive month, with the PMI falling only slightly from August's 27-month peak. The fastest growth was seen in the UK, which led the worldwide growth rankings for the fourth successive month, despite the PMI falling slightly from August's 30-month high.

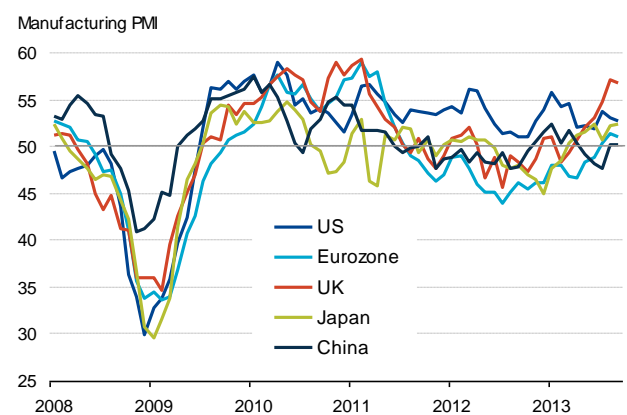
Global manufacturing output



Global trade



UK manufacturing growth outstrips peers



In addition to the surging growth reported in the UK, business conditions continued to improve in the US, eurozone and Japan. However, it was only the latter that saw growth accelerate in September.

The Eurozone PMI came in above the 50.0 no-change mark for a third successive month in September. Although down slightly from August, and signalling only a weak pace of expansion, the PMI nevertheless rounded off the best quarter for over two years.

The PMI fell to a three-month low in the US and likewise signalled only a modest manufacturing expansion. However, the upturn has nonetheless strengthened between the second and third quarters.

Japan's headline index meanwhile hit a two-and-a-half year high, suggesting that the country's manufacturing recovery continued to gain ground in September.

Emerging markets stagnate

The emerging markets meanwhile generally saw a stagnation of business conditions in September.

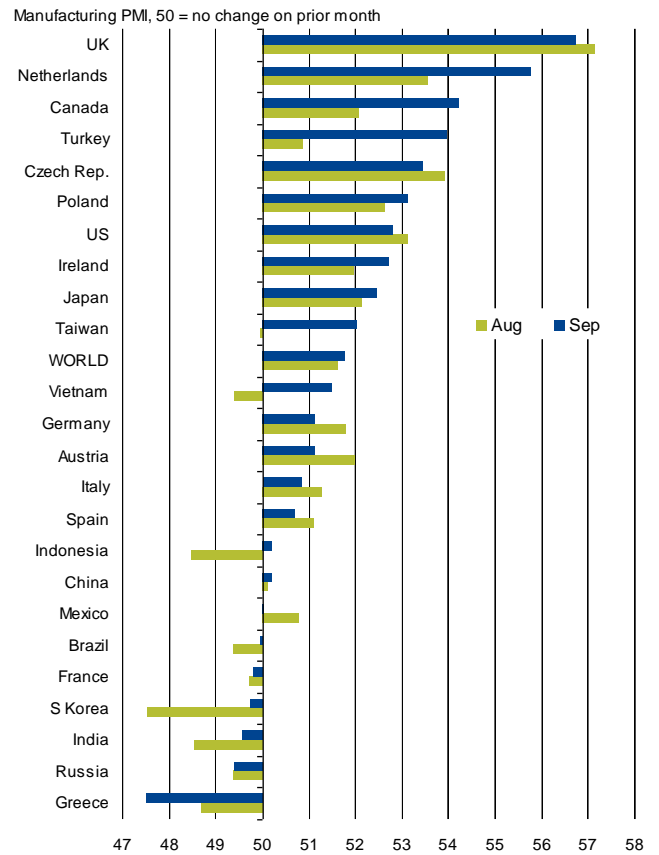
China saw manufacturing stabilise with the PMI coming in just above the 50.0 no-change threshold for a second successive month, buoyed by a return to growth of exports. Meanwhile, Taiwan saw the strongest improvement in business conditions for 18 months, also driven by exports.

In contrast, PMIs for Russia, India, Brazil and South Korea all came in marginally below the 50.0 mark, linked to on-going downturns in export orders.

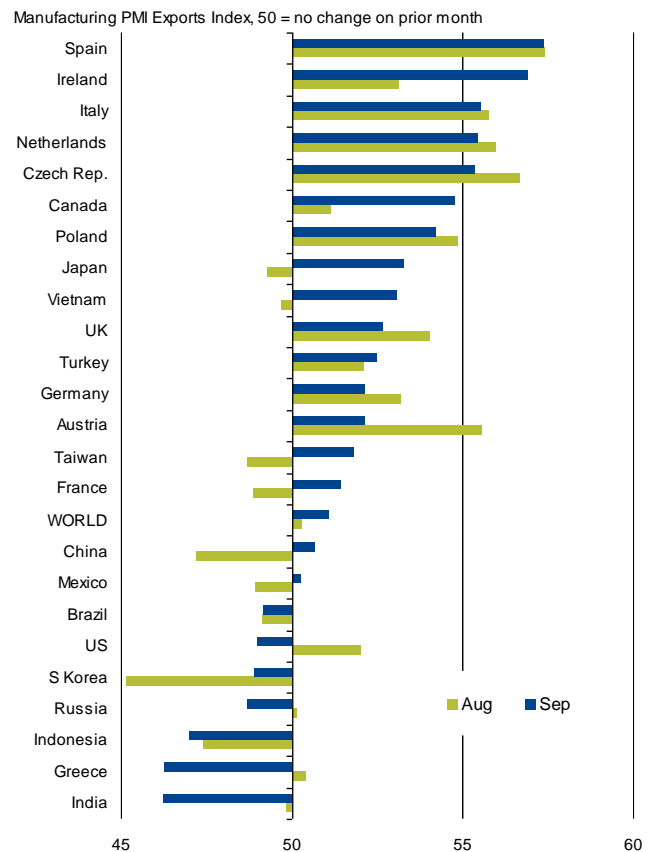
With the exception of struggling eurozone countries (Greece, France, Spain and Italy), the bottom half of the manufacturing PMI rankings consequently continued to be dominated by emerging markets.

However, the number of countries reporting a sub-50.0 index reading, which signifies a downturn in business activity, fell from eight in August to six in September. Moreover, in five of those cases, the rates of decline were only marginal. Greece remained at the foot of the manufacturing rankings, being the only country to report any significant deterioration in conditions.

Countries ranked by manufacturing PMIs



Countries ranked by manufacturing exports



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[Click here](#) for more PMI and economic commentary.

For further information, please visit www.markit.com