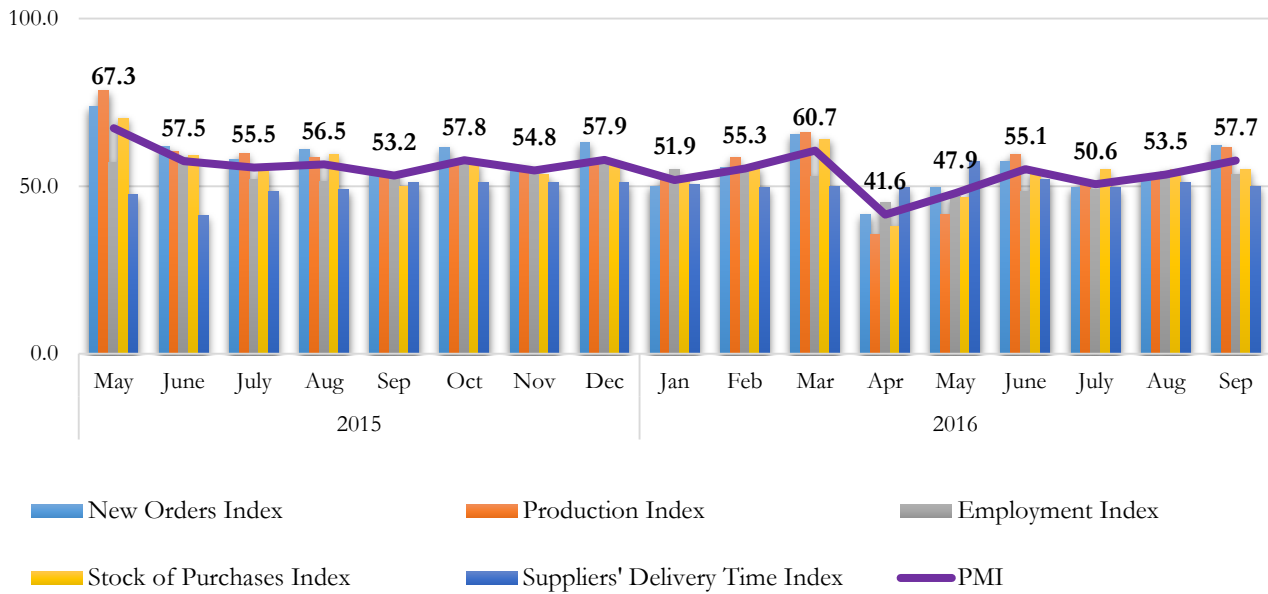


KEY POINTS:

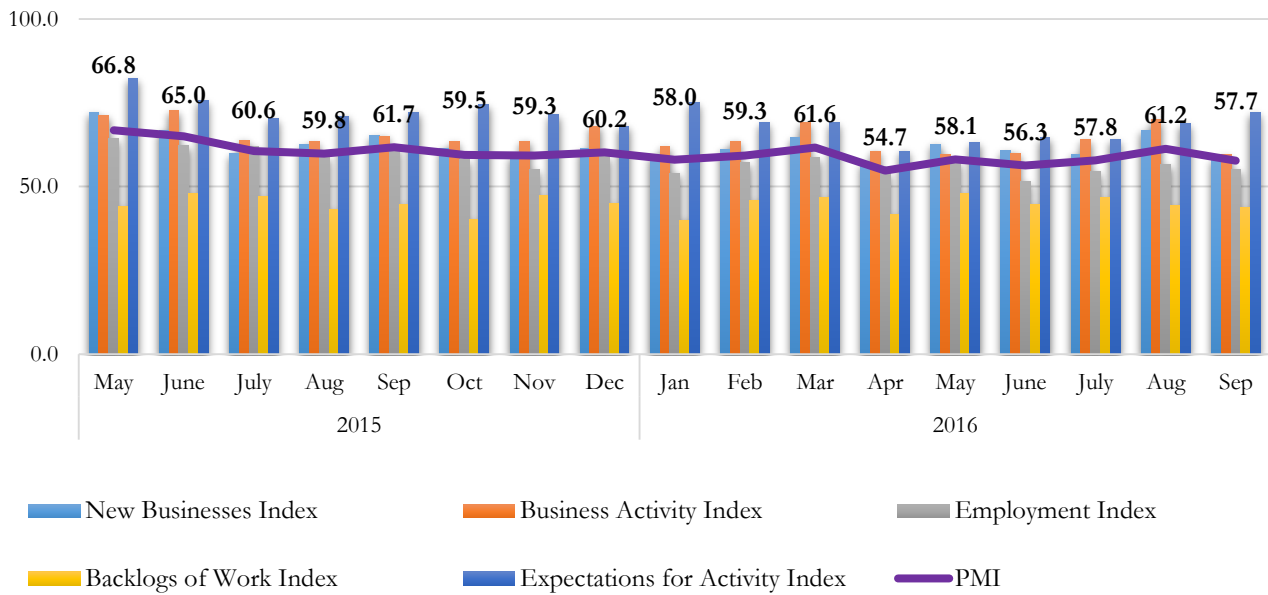
- **The Manufacturing Sector PMI** was 57.7 in September which is an increase of 4.2 index points from 53.5 in August 2016. The increase in September was fuelled by the improvements observed in New Orders and Production sub-indices. The New Orders and Production sub-indices of manufacturing sector PMI increased compared to the previous month while the Stock of Purchases index remained unchanged. However, the Employment and Suppliers' Delivery time sub-indices decreased compared to the previous month. Overall data points to an expansion where all the sub-indices apart from Suppliers' Delivery Time index which is neutral, are above the 50.0 threshold. The expectations for activities indicate an improvement for the next three months.
- **The Services Sector PMI** recorded 57.7 index points in September from 61.2 index points in August 2016. The decline in PMI over the last month's value indicates that economic activities in the services sector expanded at a slower rate in September 2016 compared to the previous month. The decline in Services PMI was caused by declines in New Businesses, Business Activity, Employment and Backlogs of Work sub-indices. Nevertheless, Expectations for Activity sub-index increased in September 2016 compared to the previous month. Prices Charged, which is not taken into consideration in PMI compilation process, increased but at a slower rate in September 2016.

	Y\M	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>PMI Manufacturing</b>	<b>2015</b>	n.a.	n.a.	n.a.	n.a.	67.3	57.5	55.5	56.5	53.2	57.8	54.8	57.9
	<b>2016</b>	51.9	55.3	60.7	41.6	47.9	55.1	50.6	53.5	57.7	-	-	-
<b>PMI Services</b>	<b>2015</b>	n.a.	n.a.	n.a.	n.a.	66.8	65.0	60.6	59.8	61.7	59.5	59.3	60.2
	<b>2016</b>	58.0	59.3	61.6	54.7	58.1	56.3	57.8	61.2	57.7	-	-	-

## PMI Manufacturing



## PMI Services



Technical Note:

### **The Index**

PMI is calculated as a 'Diffusion Index', where it takes values between 0 and 100.

PMI=50            sector remained neutral on month-on-month basis

PMI>50           sector is generally expanding on month-on-month basis

PMI<50           sector is generally declining on month-on-month basis

### **Sample**

The sampling frame was based on a list of large companies located in the Western province obtained from the EPF Department. Samples for Manufacturing and Services activities were selected based on the GDP sectoral share, with a minimum target of 100 responses for each month.

### **Definitions of Variables**

Employment                                : Number of staff working for the organization

Stock of purchases                        : Raw materials purchased and kept in a warehouse to be used for production

Supplier Delivery Time                    : Time lag between order placement and delivery by the supplier

Backlogs of Work                         : Uncompleted orders due to increased flow of business activity

Other variables are self-explanatory.