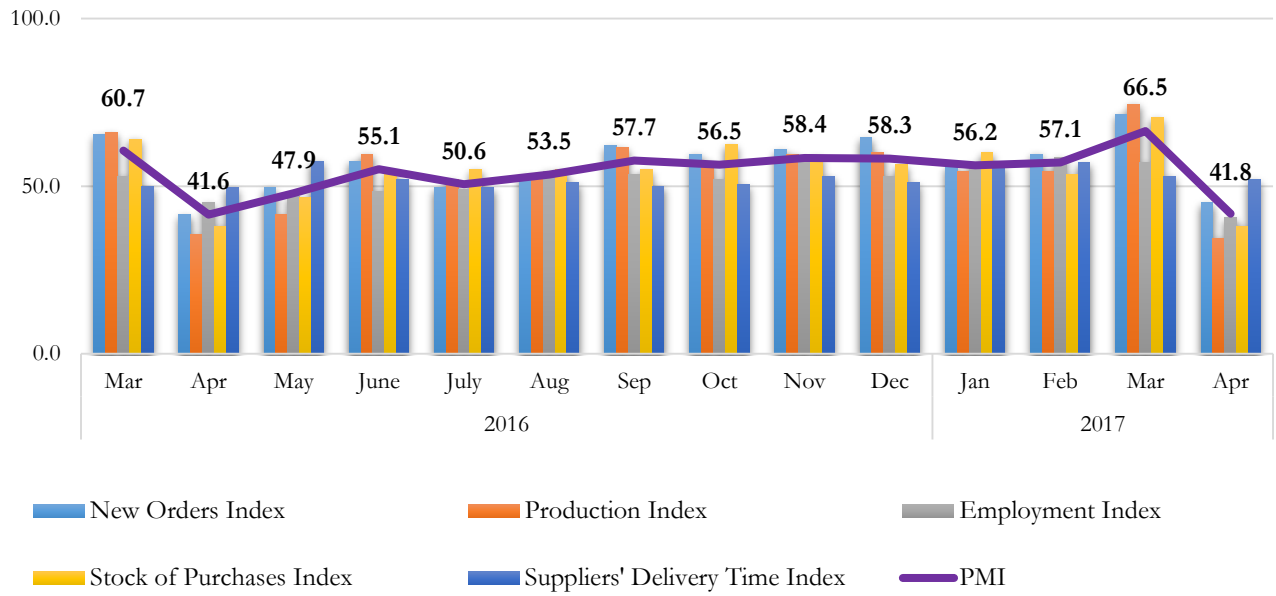


KEY POINTS:

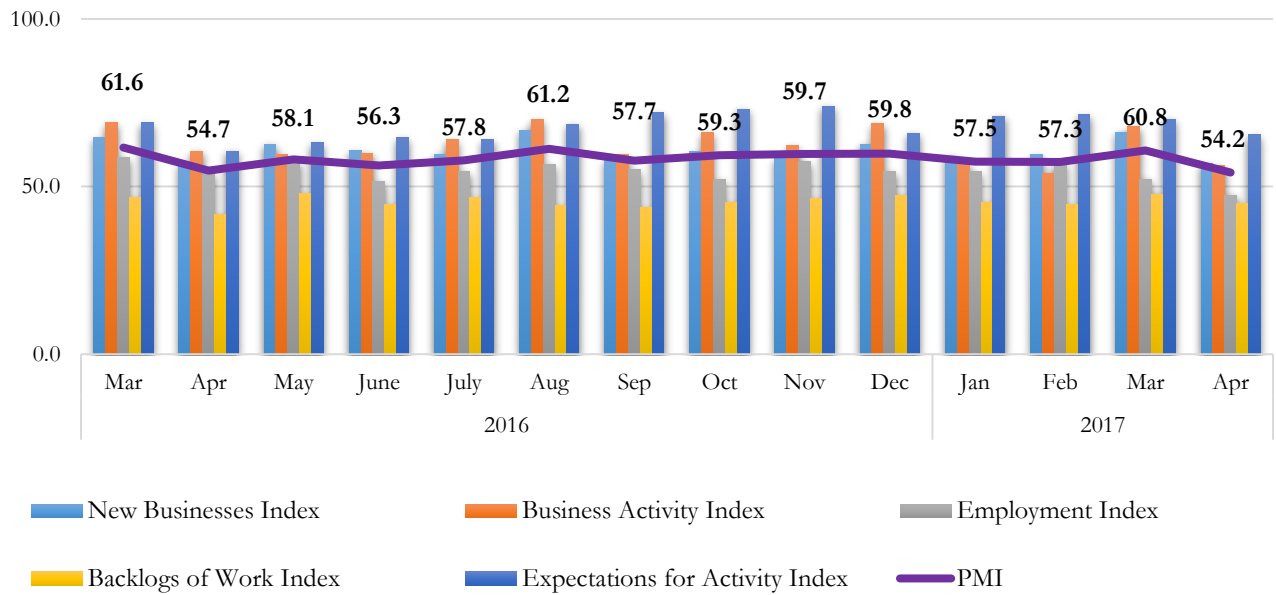
- **The Manufacturing sector PMI**, following the seasonal pattern, recorded 41.8 in April which is a decrease of 24.7 index points compared to March 2017. This indicates that the manufacturing activities contracted in April 2017, which is largely attributable to the decrease in the Production and New Orders sub-indices, following the significant increases observed in PMI for the month of March 2017. As highlighted by the survey respondents the new year holidays in April have also contributed to this seasonal decline in manufacturing activities. Further, all the sub-indices of PMI declined compared to the previous month. Moreover, all the sub-indices of PMI apart from Suppliers' Delivery Time sub-index dropped below the neutral 50.0 threshold in April 2017. However, the expectation for activities indicates an improvement for the next three months.
- **The Services Sector PMI** recorded 54.2 index points in April from 60.8 index points in March 2017. The decline in PMI over the last month's value indicates that economic activities in the Services sector decelerated noticeably in April 2017 compared to March 2017. The deceleration (slower expansion) in Services sector was supported by New Businesses, Business Activity and Expectations for Activity. Backlogs of Work and Employment declined in April compared to March 2017. The Employment sub-index recorded a value below 50 threshold for the first time since survey began in May 2015, mainly due to delay in new recruitments. Prices Charged which is not taken into consideration in PMI compilation process, increased at a moderated pace in April 2017 compared to the previous month. Future Labour Cost, as measured by Expectations for Labour Cost, continued to increase in April 2017.

	Y\M	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PMI Manufacturing	2015	n.a.	n.a.	n.a.	n.a.	67.3	57.5	55.5	56.5	53.2	57.8	54.8	57.9
	2016	51.9	55.3	60.7	41.6	47.9	55.1	50.6	53.5	57.7	56.5	58.4	58.3
	2017	56.2	57.1	66.5	41.8	-	-	-	-	-	-	-	-
PMI Services	2015	n.a.	n.a.	n.a.	n.a.	66.8	65.0	60.6	59.8	61.7	59.5	59.3	60.2
	2016	58.0	59.3	61.6	54.7	58.1	56.3	57.8	61.2	57.7	59.3	59.7	59.8
	2017	57.5	57.3	60.8	54.2	-	-	-	-	-	-	-	-

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.