
Ulster Bank Northern Ireland Purchasing Managers Index (PMI)

August 2011 Survey Update

Issued 12 September 2011

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PMI Surveys

Purchasing Managers' Indexes (PMIs) are monthly surveys of private sector companies which provide an advance indication of what is happening in the private sector economy by tracking variables such as output, new orders, employment and prices across different sectors.

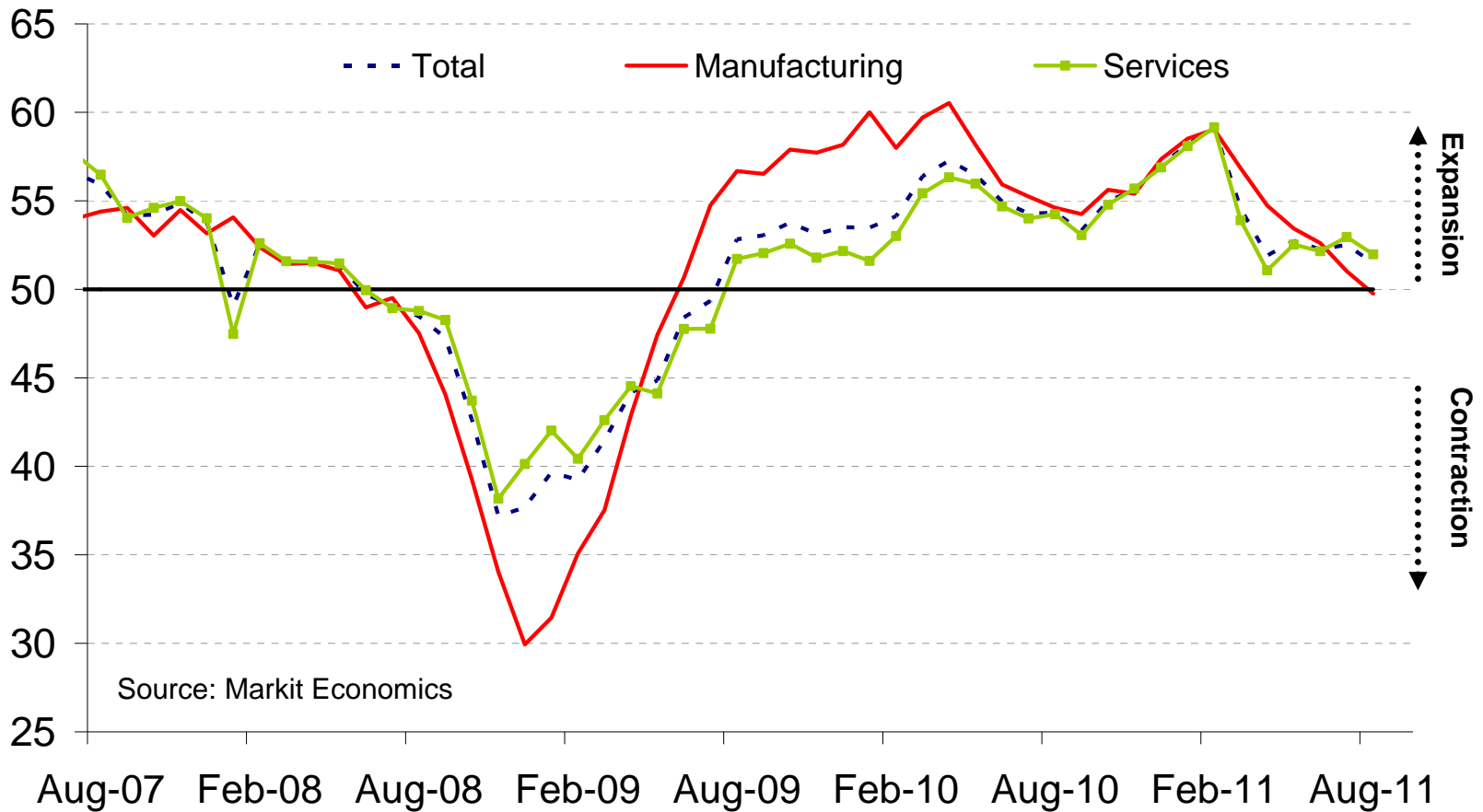
Index numbers are calculated from the percentages of respondents reporting an improvement, no change or decline on the previous month. These indices vary from 0 to 100 with readings of 50.0 signalling no change on the previous month. Readings above 50.0 signal an increase or improvement; readings below 50.0 signal a decline or deterioration. The greater the divergence from 50.0 the greater the rate of change (expansion or contraction). The indices are seasonally adjusted to take into consideration expected variations for the time of year, such as summer shutdowns or holidays.

< 50.0 = Contraction 50.0 = No Change > 50.0 = Expansion

*Data at a sector level are more volatile and **3-month moving averages** have been used to more accurately identify the broad trends.*

Global slowdown continues in August, particularly manufacturing

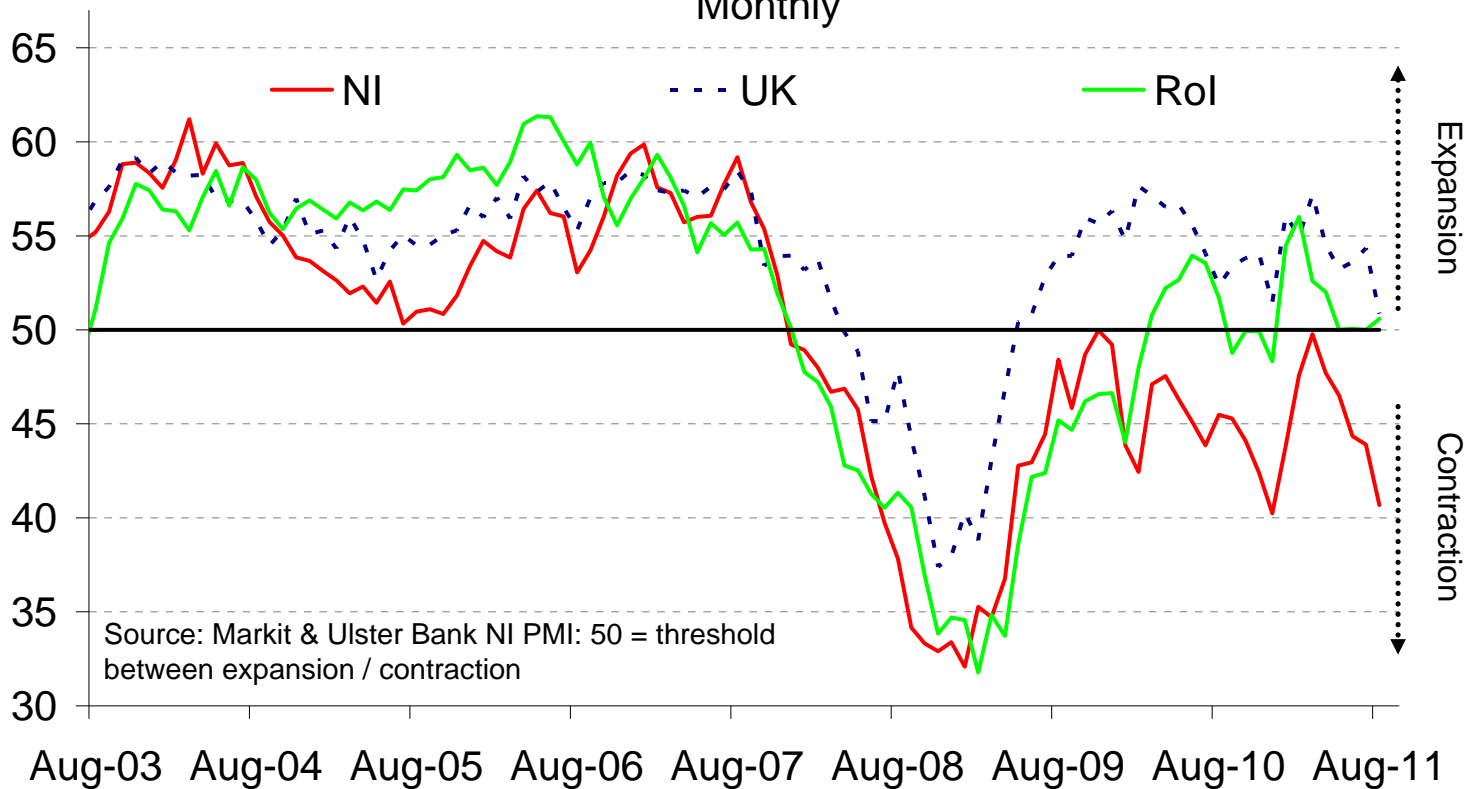
Global Output - PMI



NI's pace of contraction accelerates in August

Private Sector Business Activity - PMIs

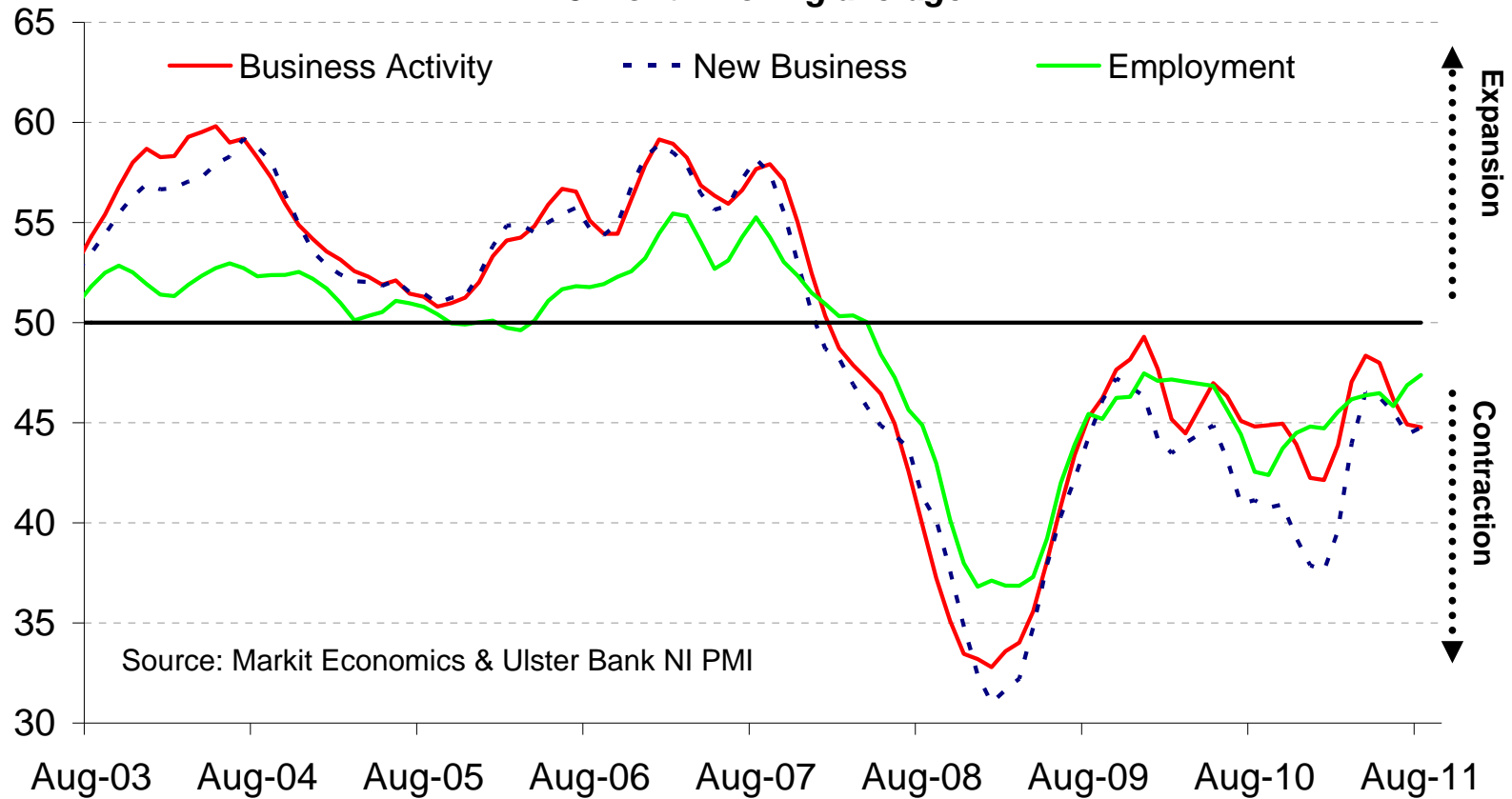
Monthly



NI output, orders & employment continue to contract

NI Private Sector Activity

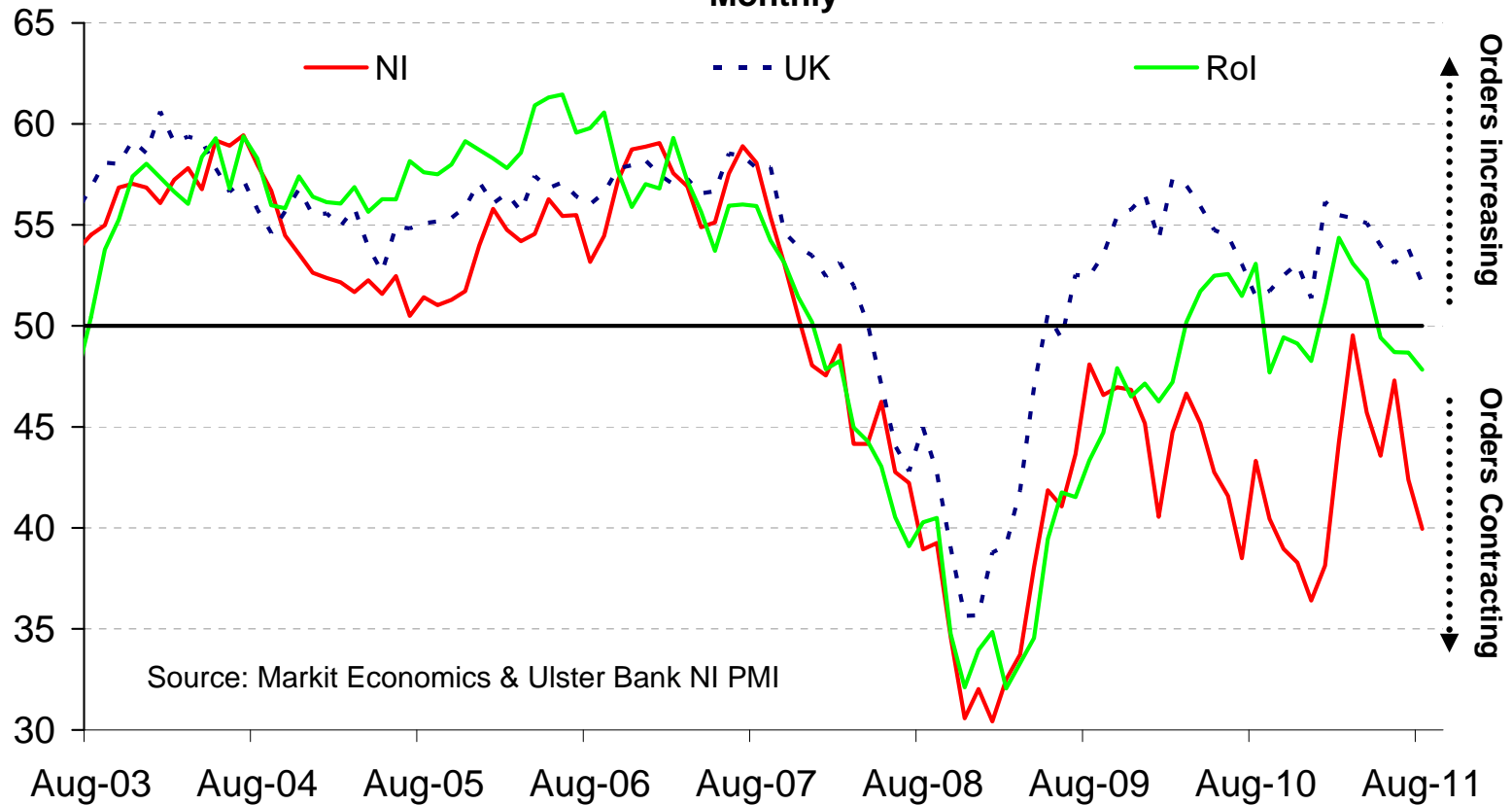
3 month moving average



NI's new orders still falling at a faster rate than elsewhere

Private Sector New Orders

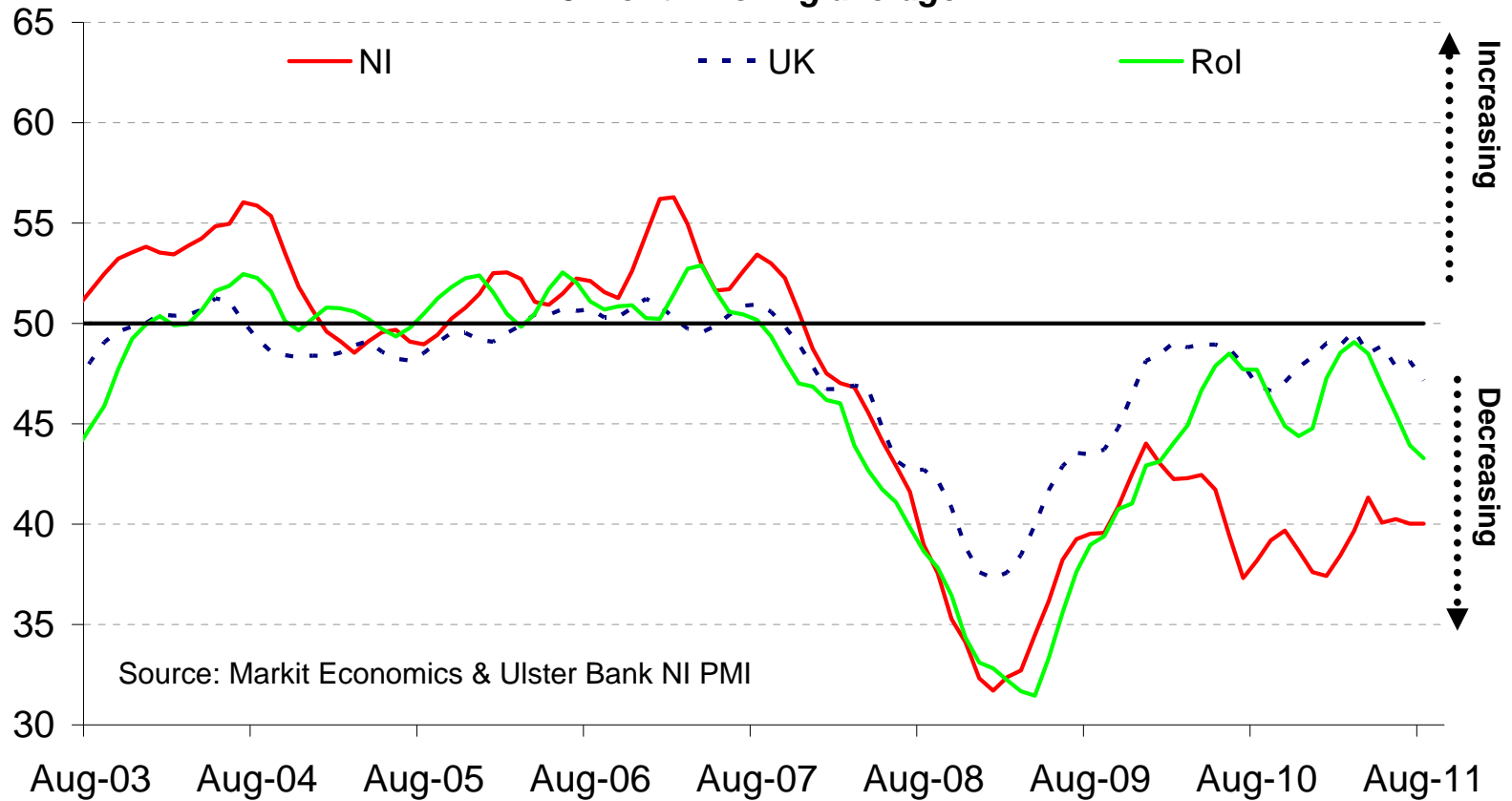
Monthly



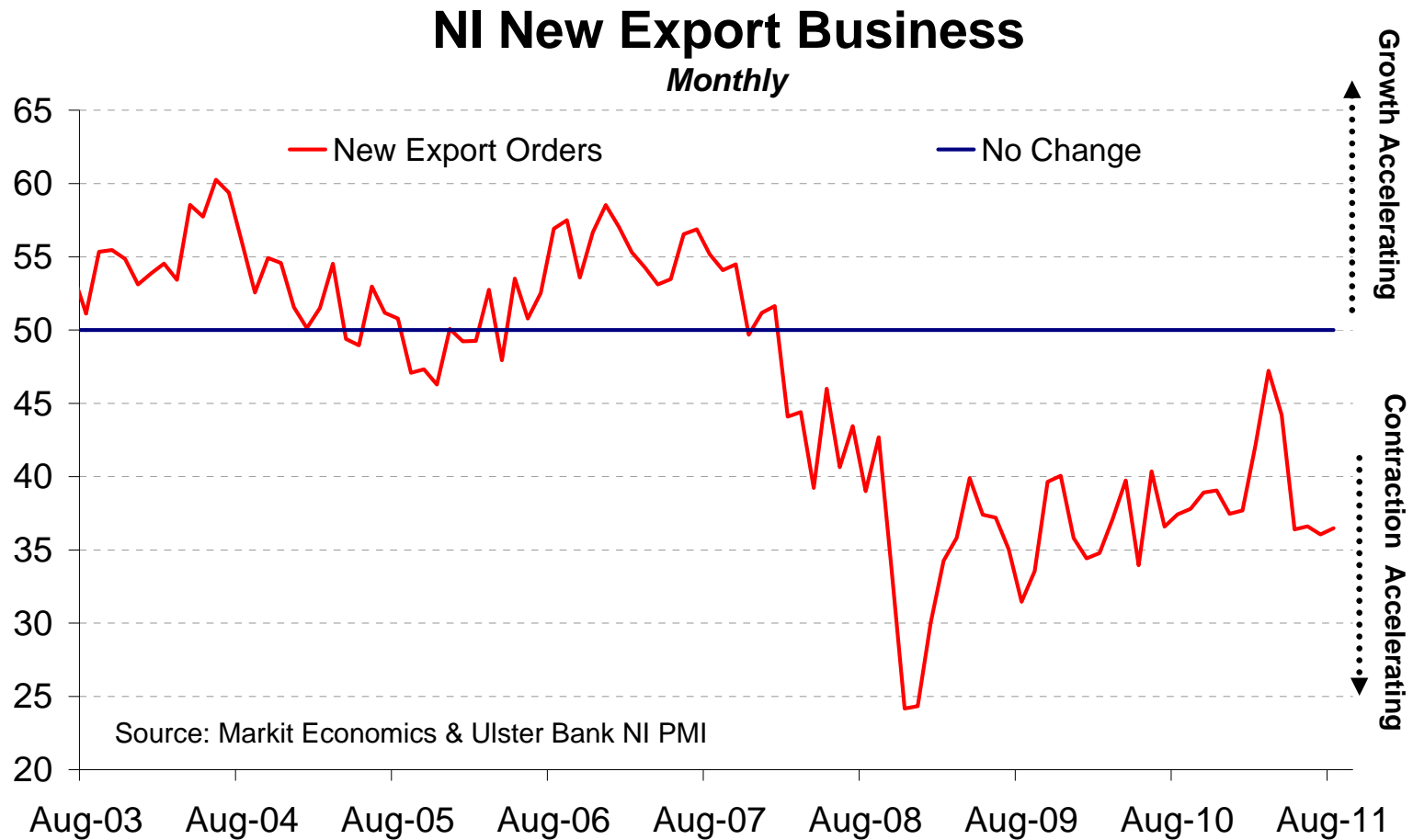
NI's levels of work outstanding are still falling sharply

Private Sector Backlogs

3 month moving average



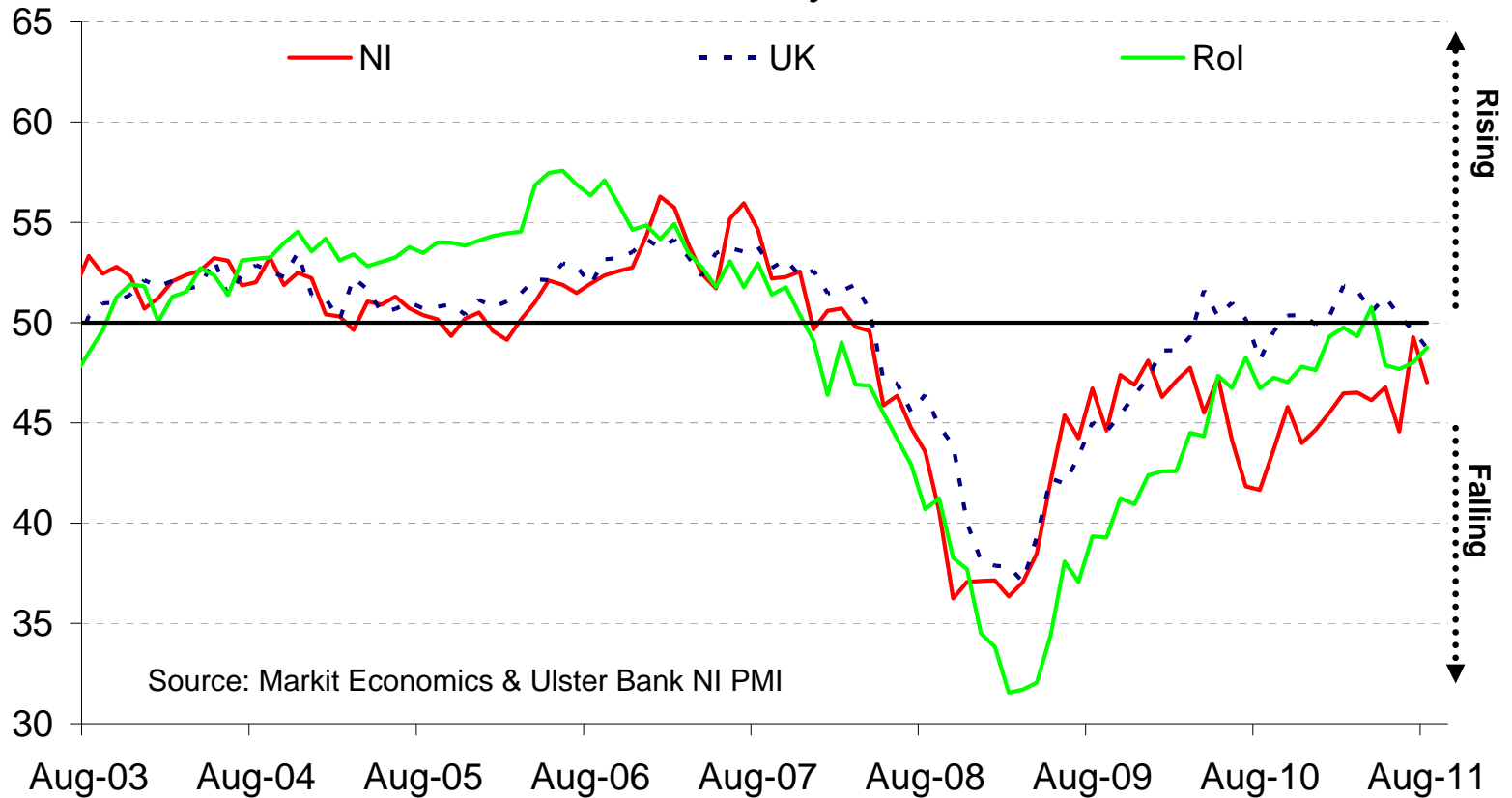
40% of firms saw export orders fall in August



NI's employment levels fell at a faster rate than elsewhere in August

Private Sector Employment Levels

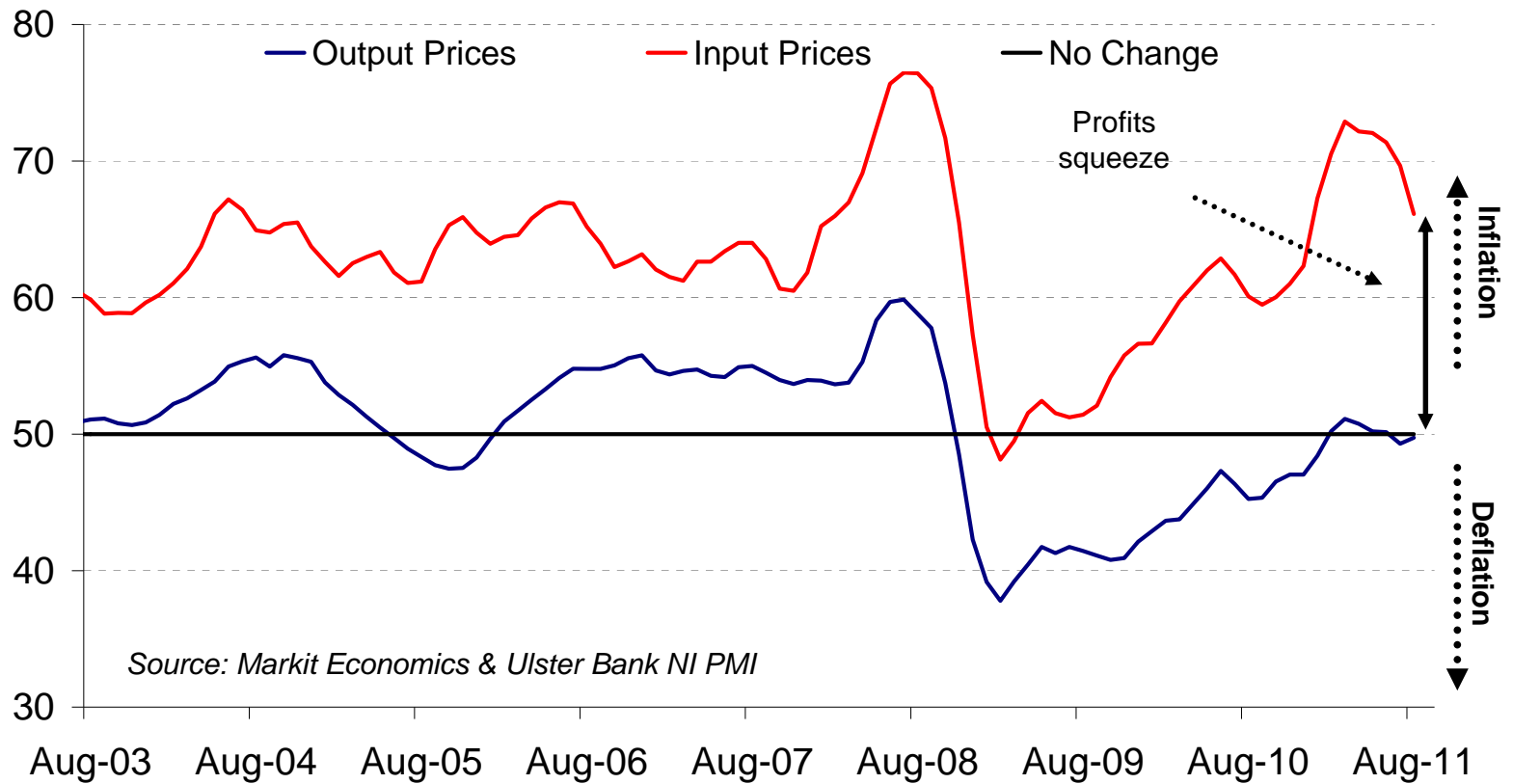
Monthly



NI profit squeeze eases in August

NI Private Sector Profit Squeeze

3 Month Moving Average



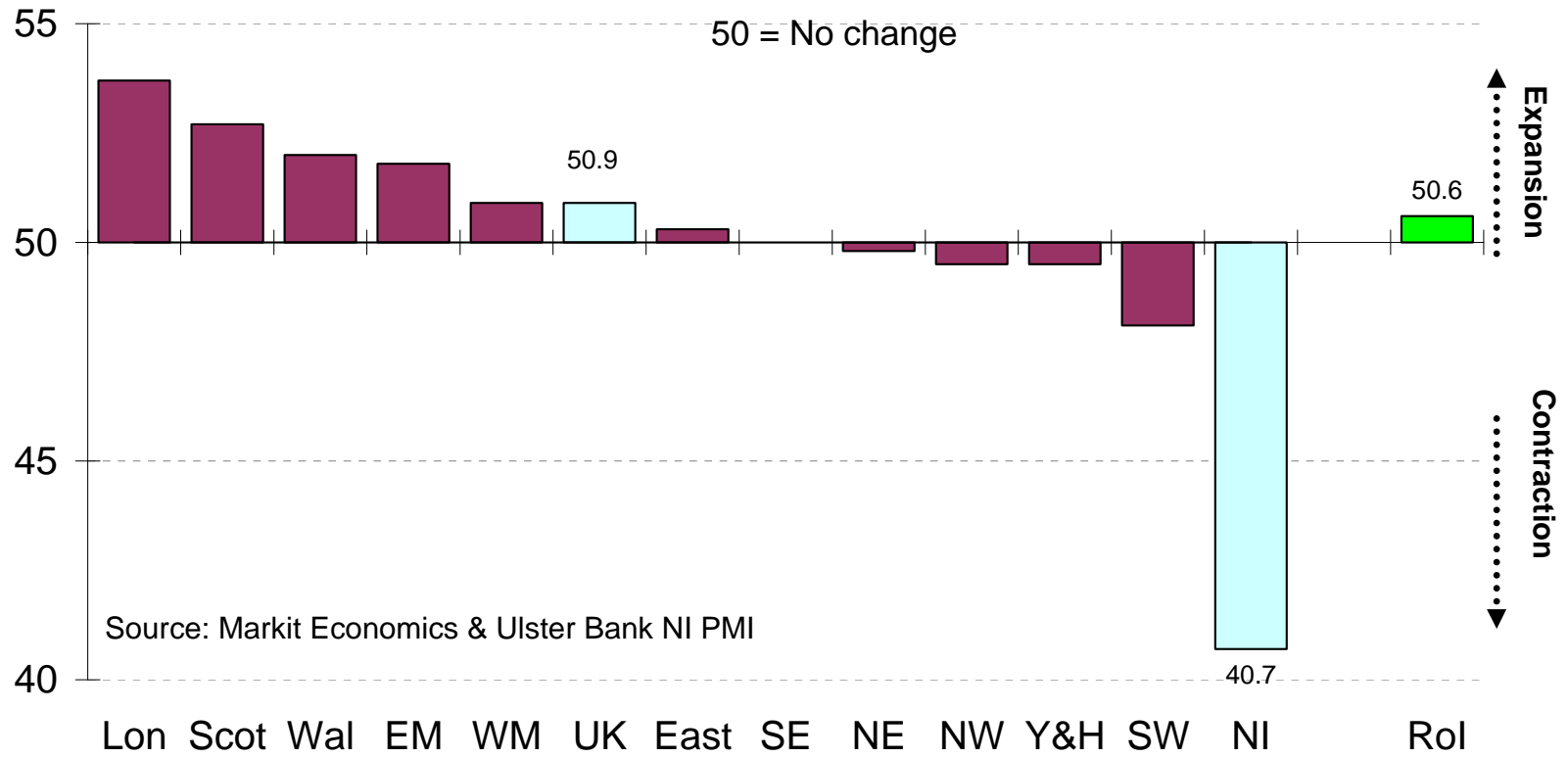
*Regional
Comparisons*

5 UK regions in contraction territory in August

Output / Business Activity

August 2011

PMI index



NI posts sharpest rate of decline over the last 3 months...

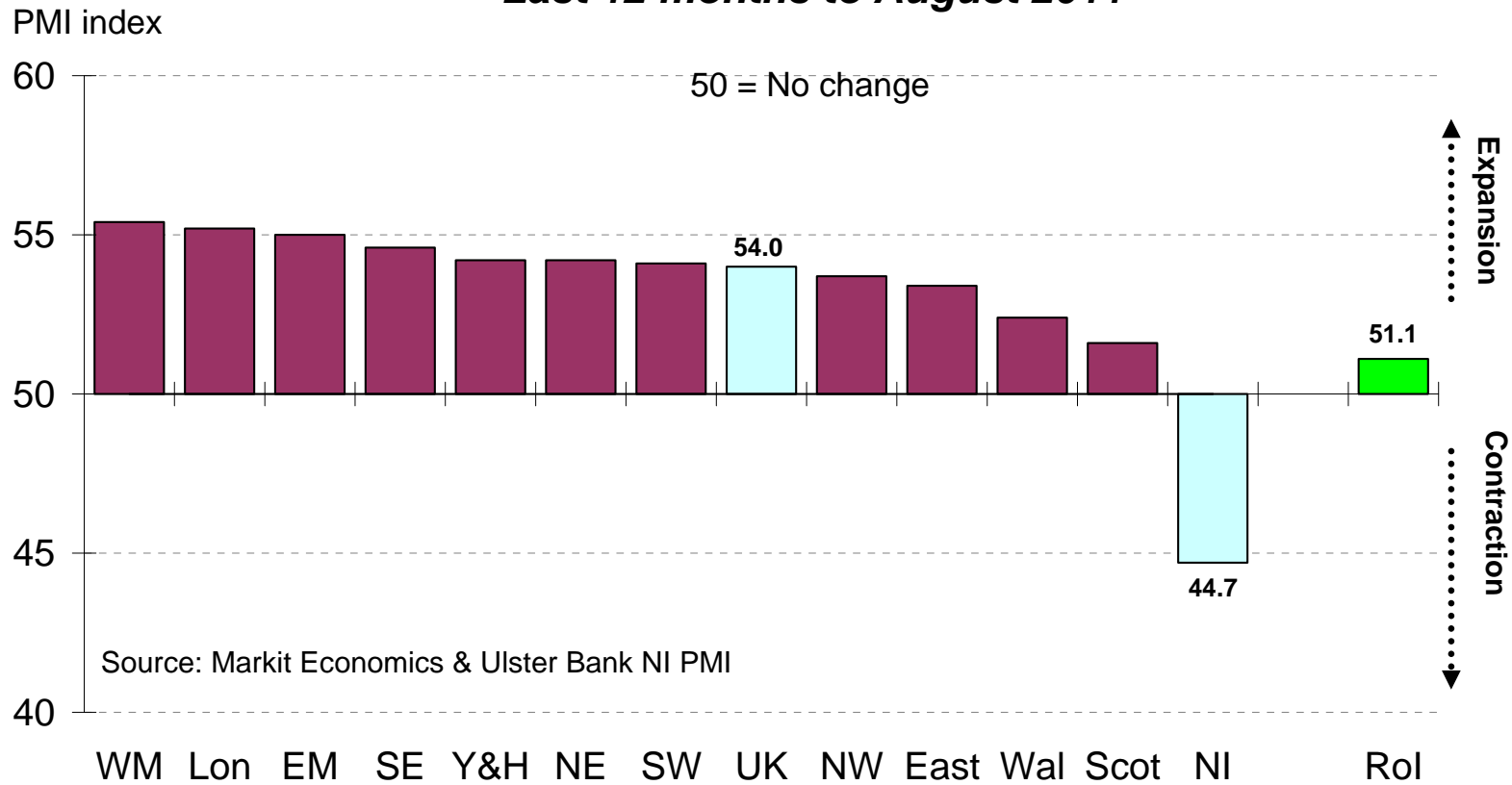
Output / Business Activity 3 months to August 2011



.....and over the last 12 months

Output / Business Activity

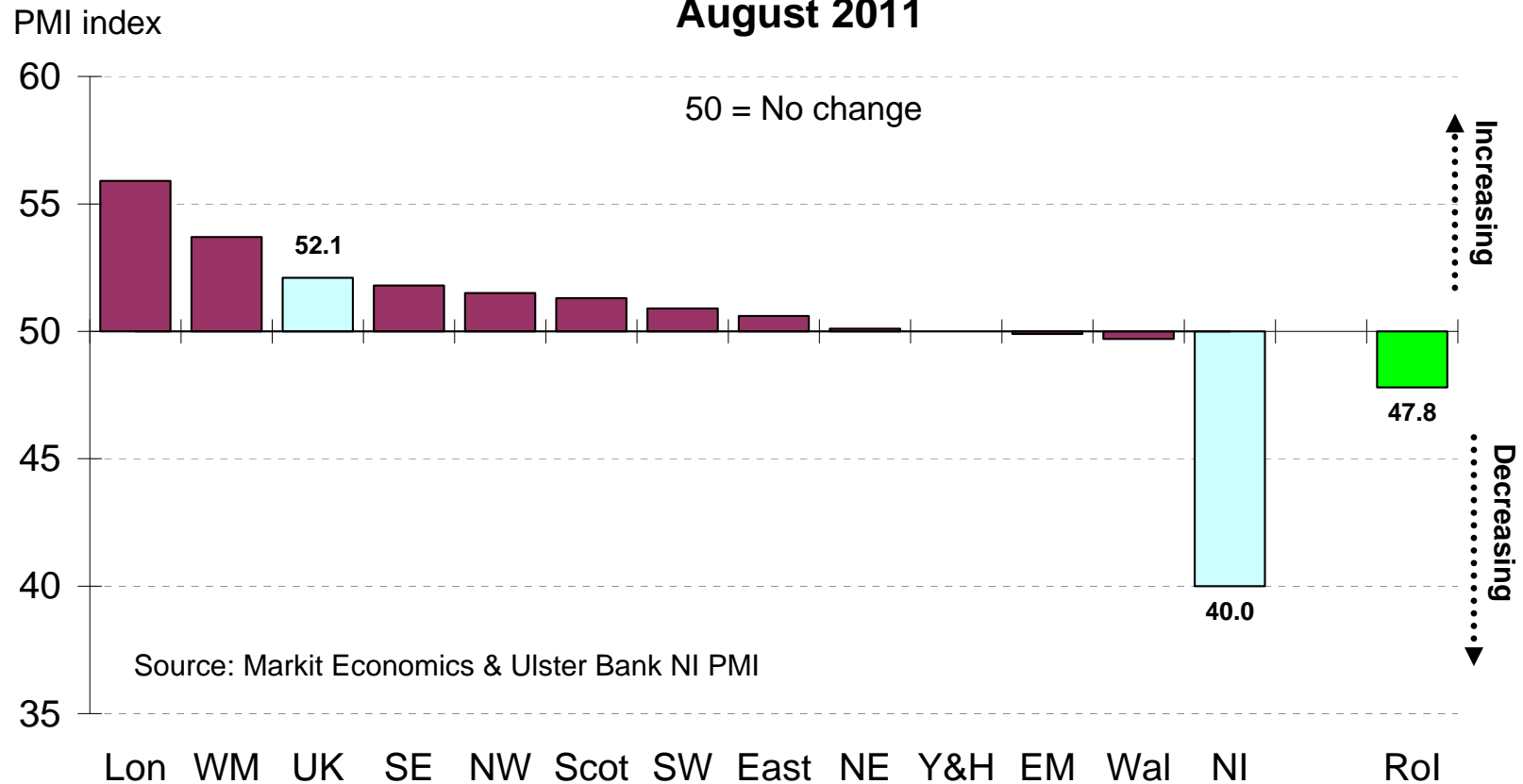
Last 12 months to August 2011



NI experiencing faster rates of decline in new orders than elsewhere

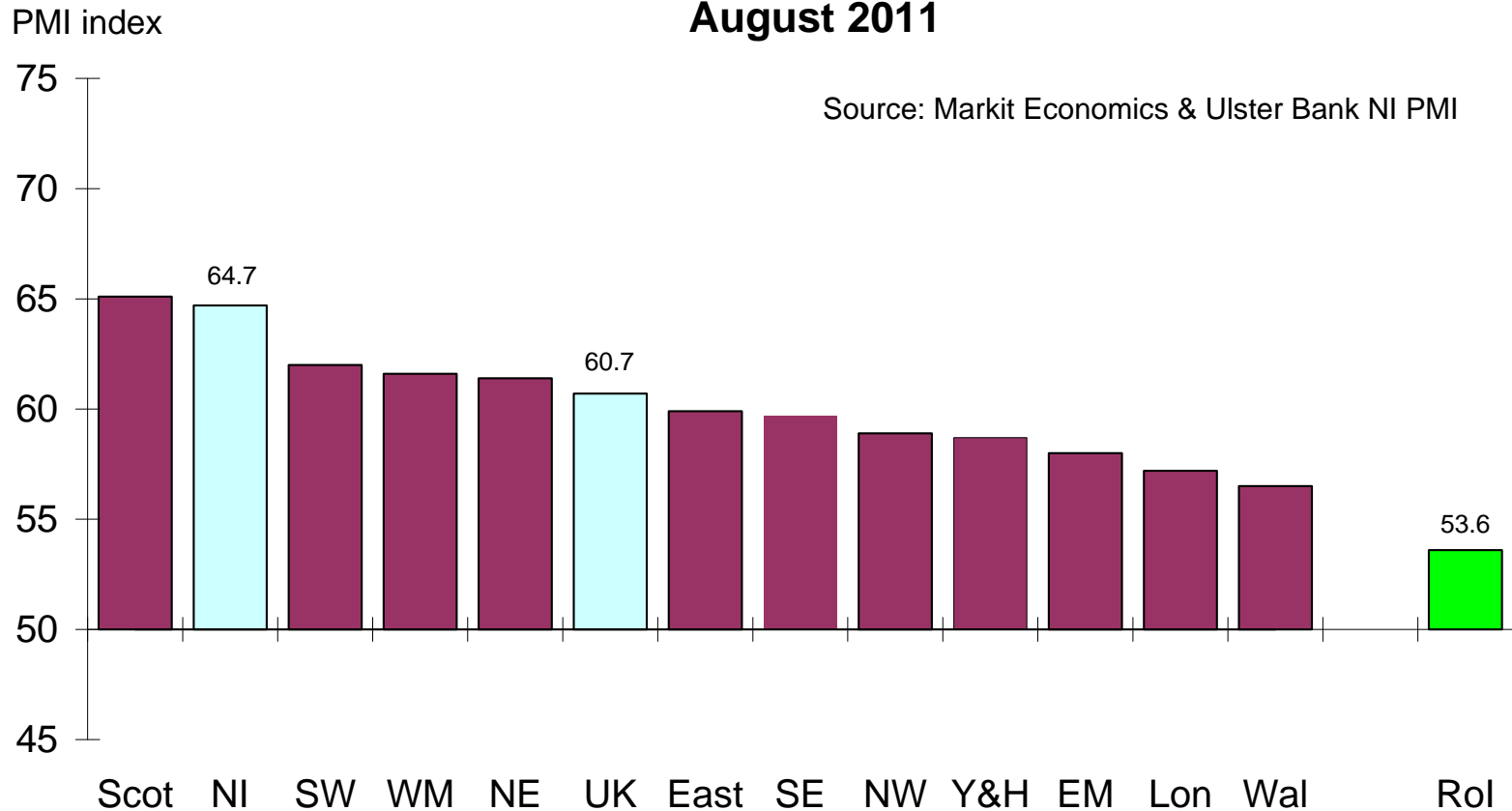
New Business Orders

August 2011



NI experiencing highest rates of input cost inflation after Scotland

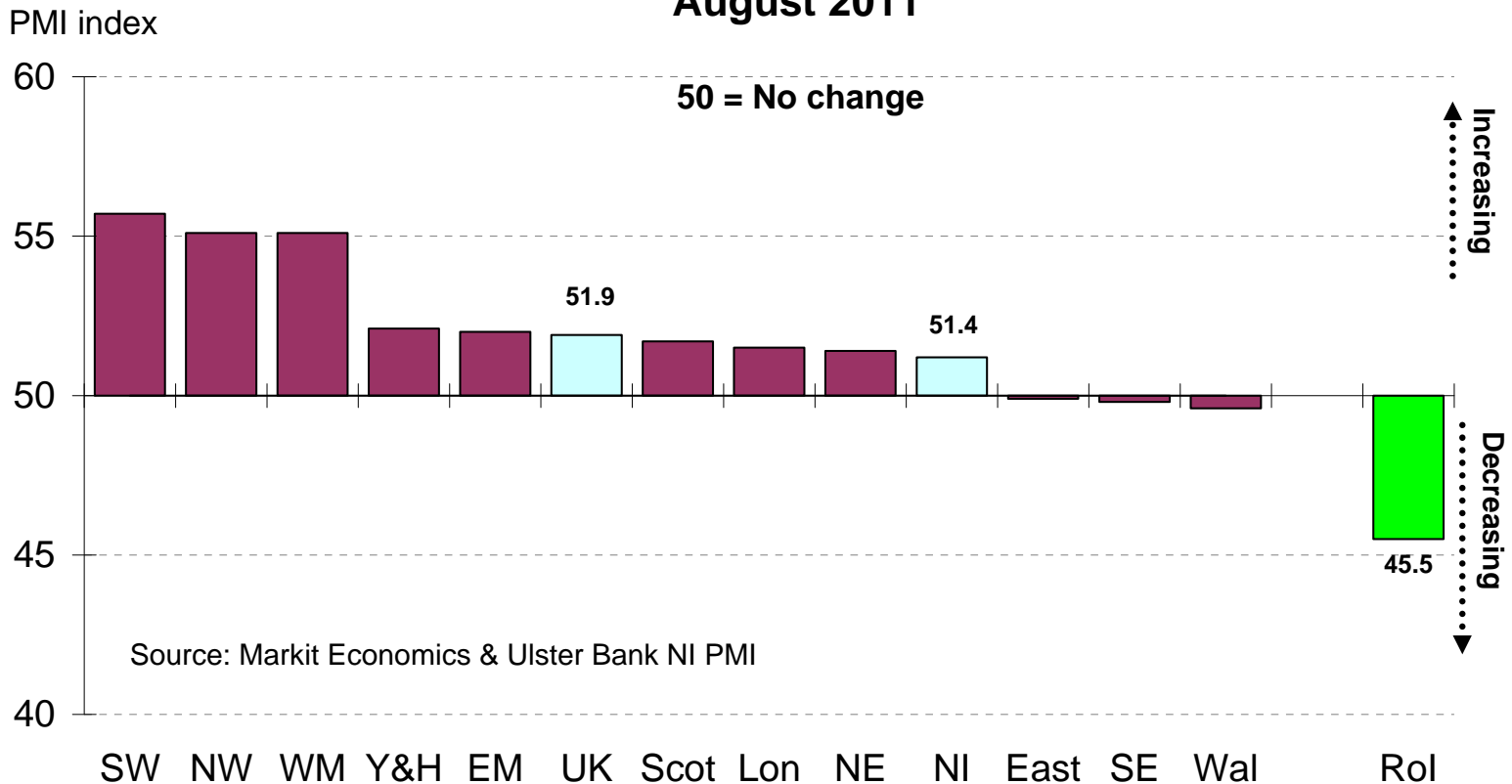
Input Cost Inflation August 2011



Some pricing power returns to NI but not RoI

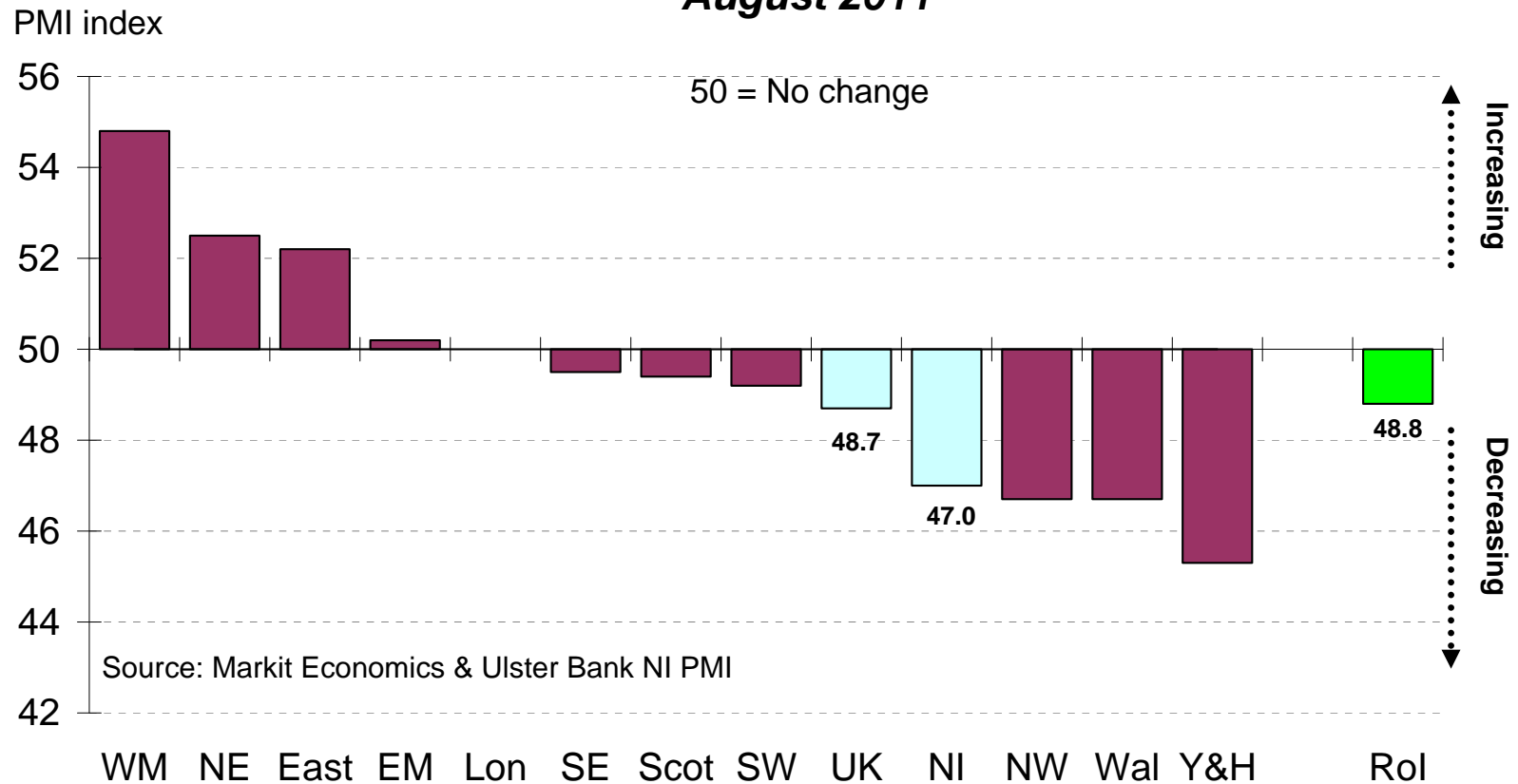
Output Price Inflation

August 2011



Three UK regions posted sharper declines in employment levels than NI

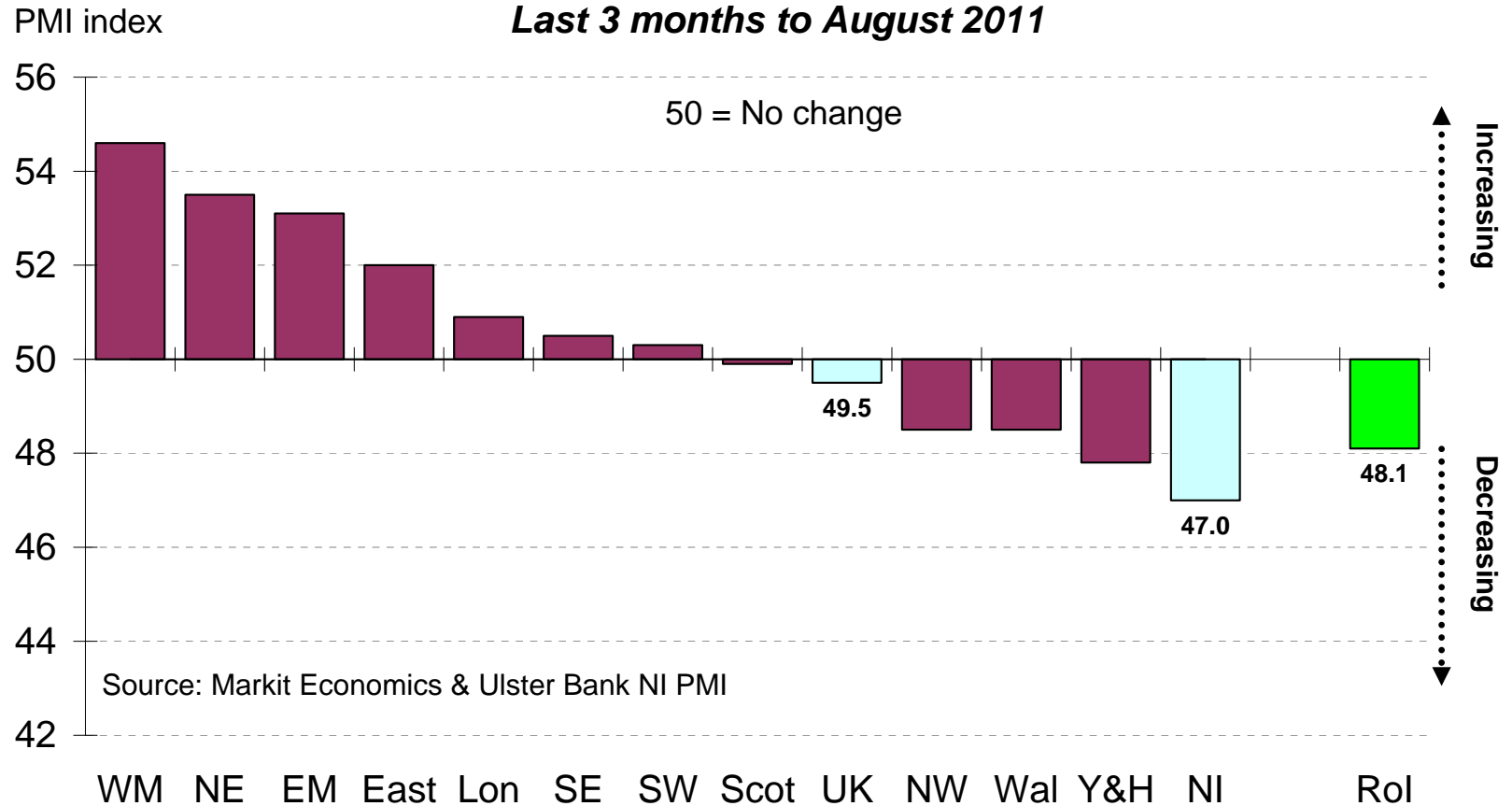
Employment Levels August 2011



But NI records sharpest rates of job losses over last three months.....

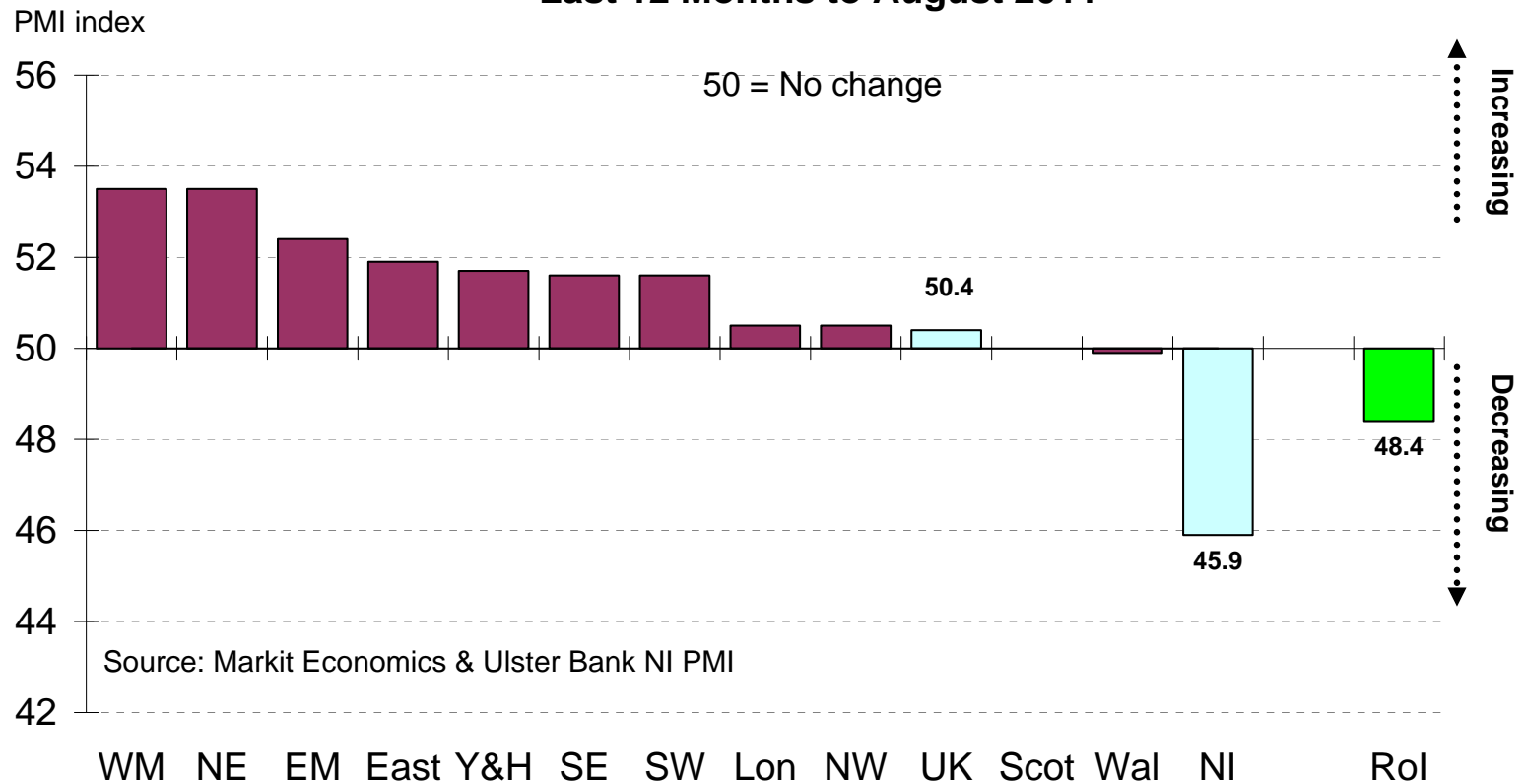
Employment Levels

Last 3 months to August 2011



.....and over the last 12 months

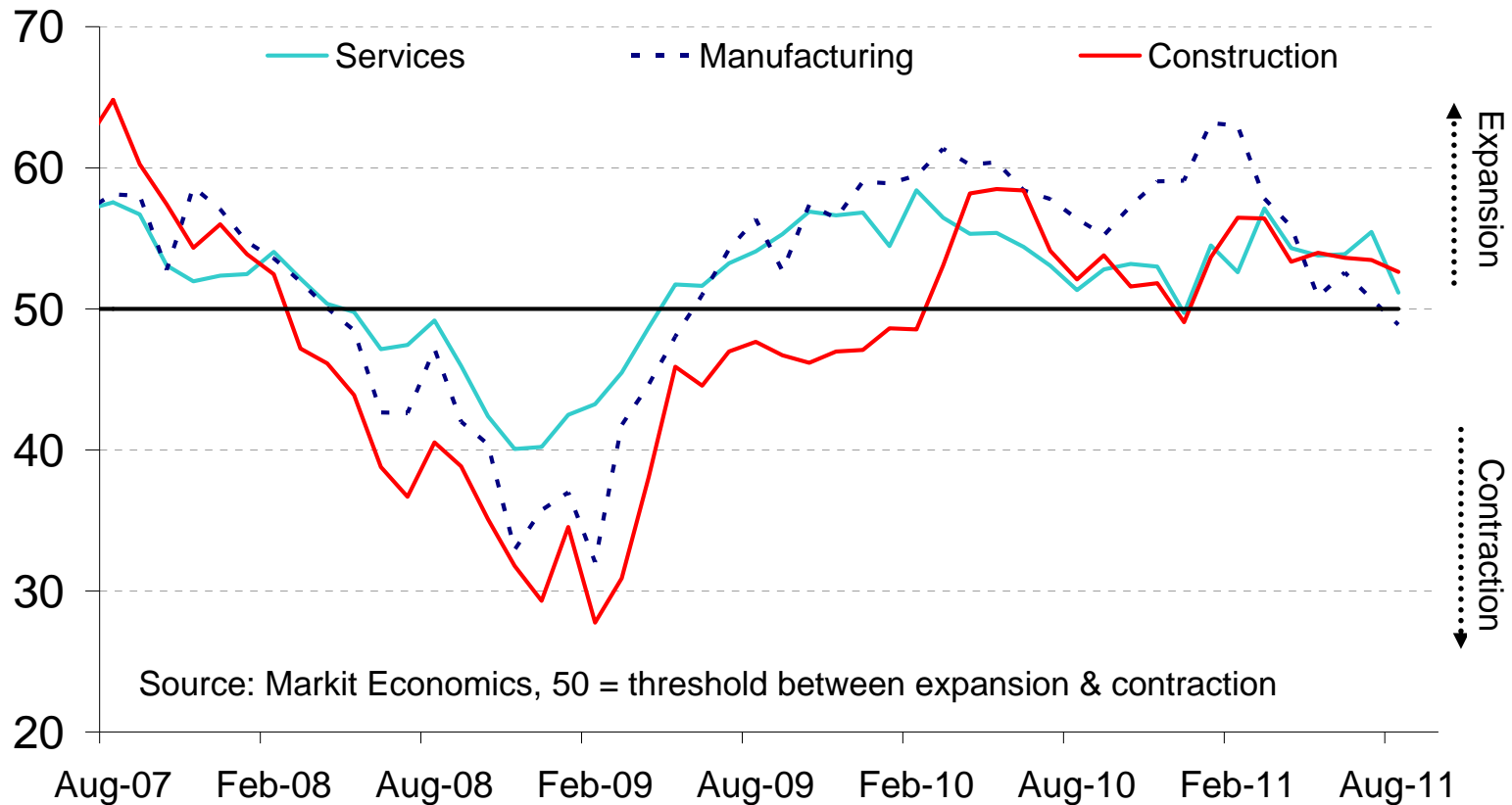
Employment Levels Last 12 Months to August 2011



Sectoral Comparisons

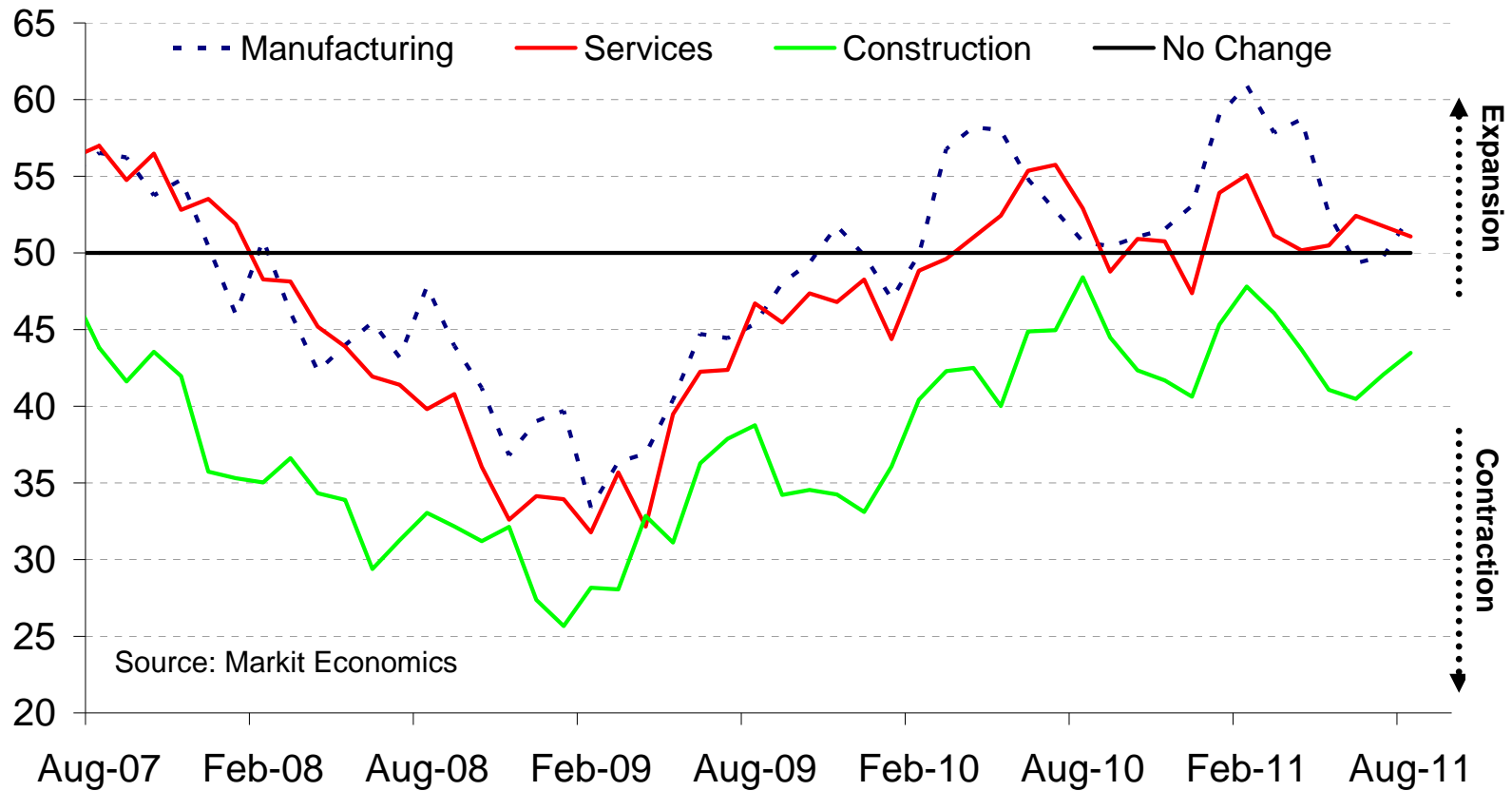
UK manufacturing in contraction territory

UK Business Activity - PMIs



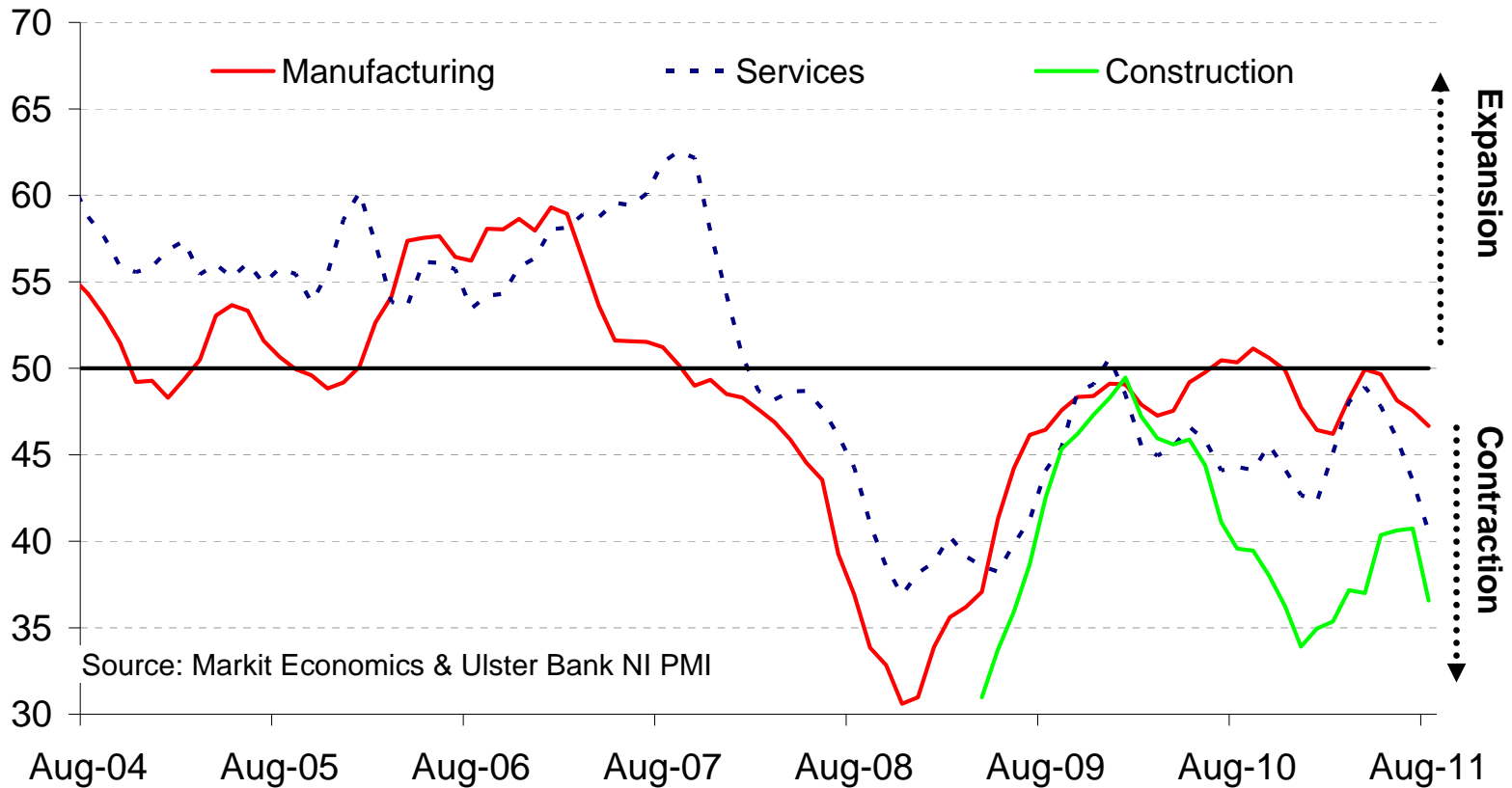
.....only construction is still contracting in the RoI

Rol Business Activity - PMIs



All NI sectors see pace of contraction accelerate over the last 3 months

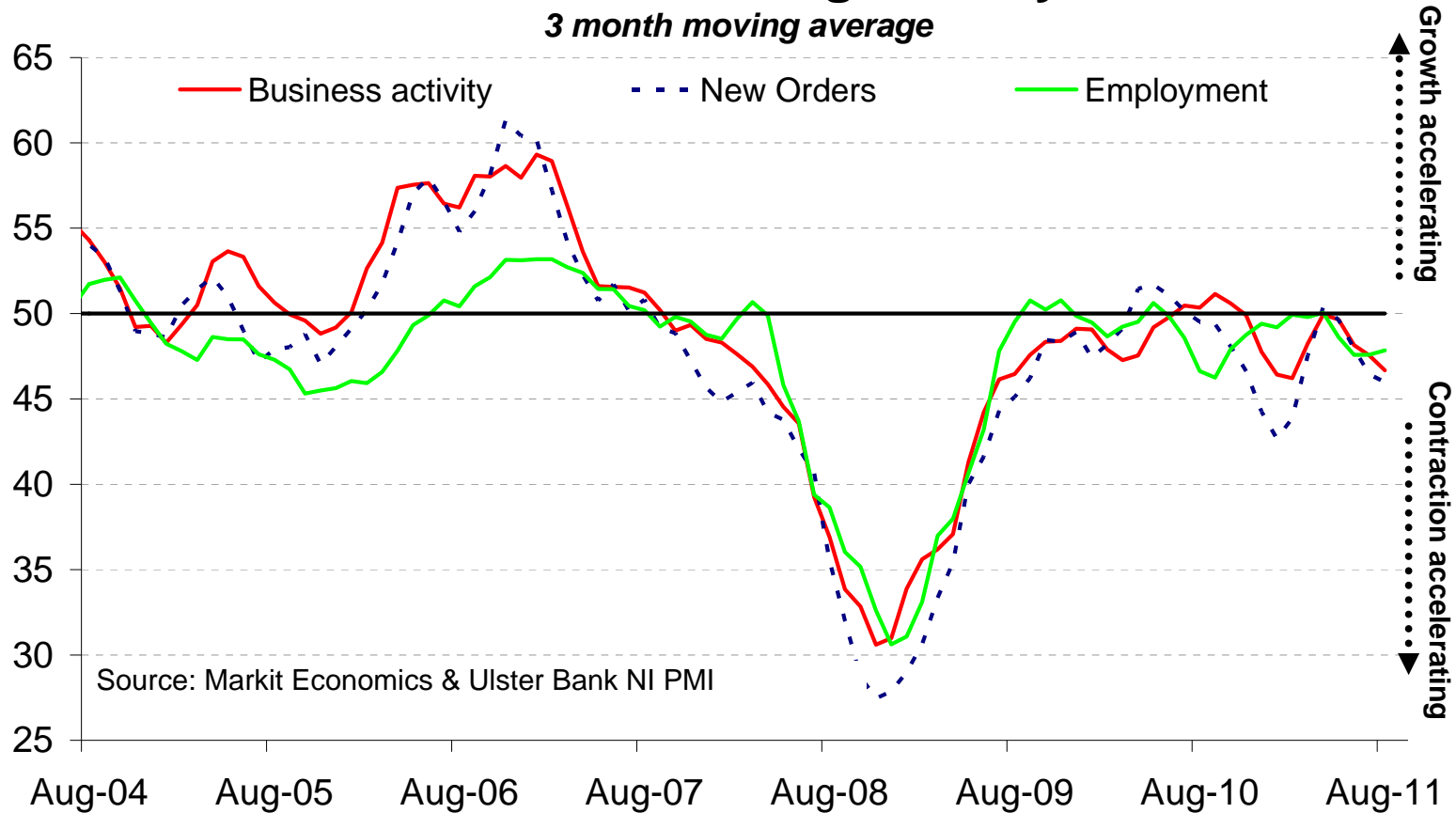
NI Private Sector Output 3 month moving average



Manufacturing output and new orders contracting at an accelerating rate over last 3 months

NI Manufacturing Activity

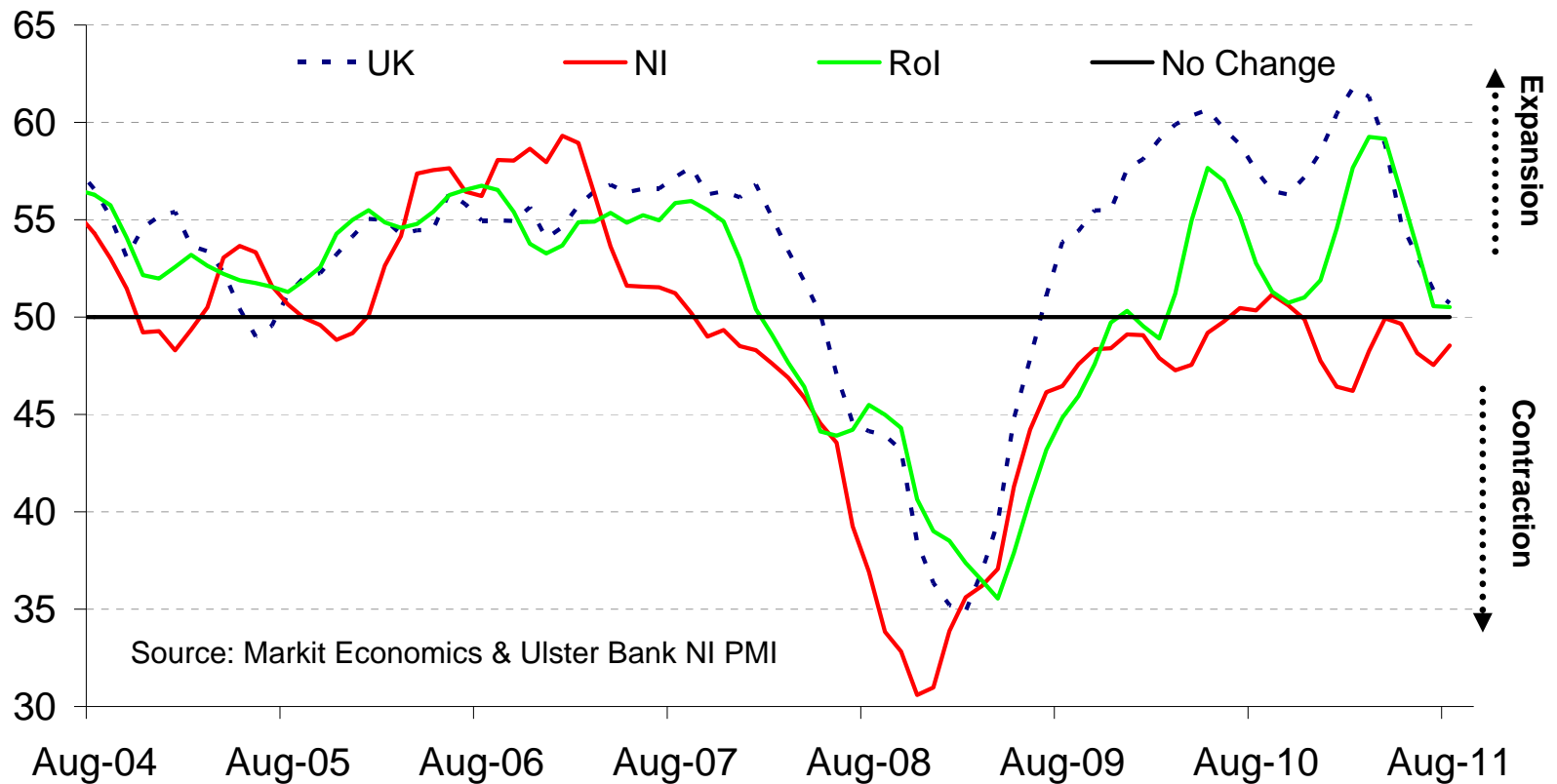
3 month moving average



NI manufacturing recovery lagging the UK & Rol in terms of output....

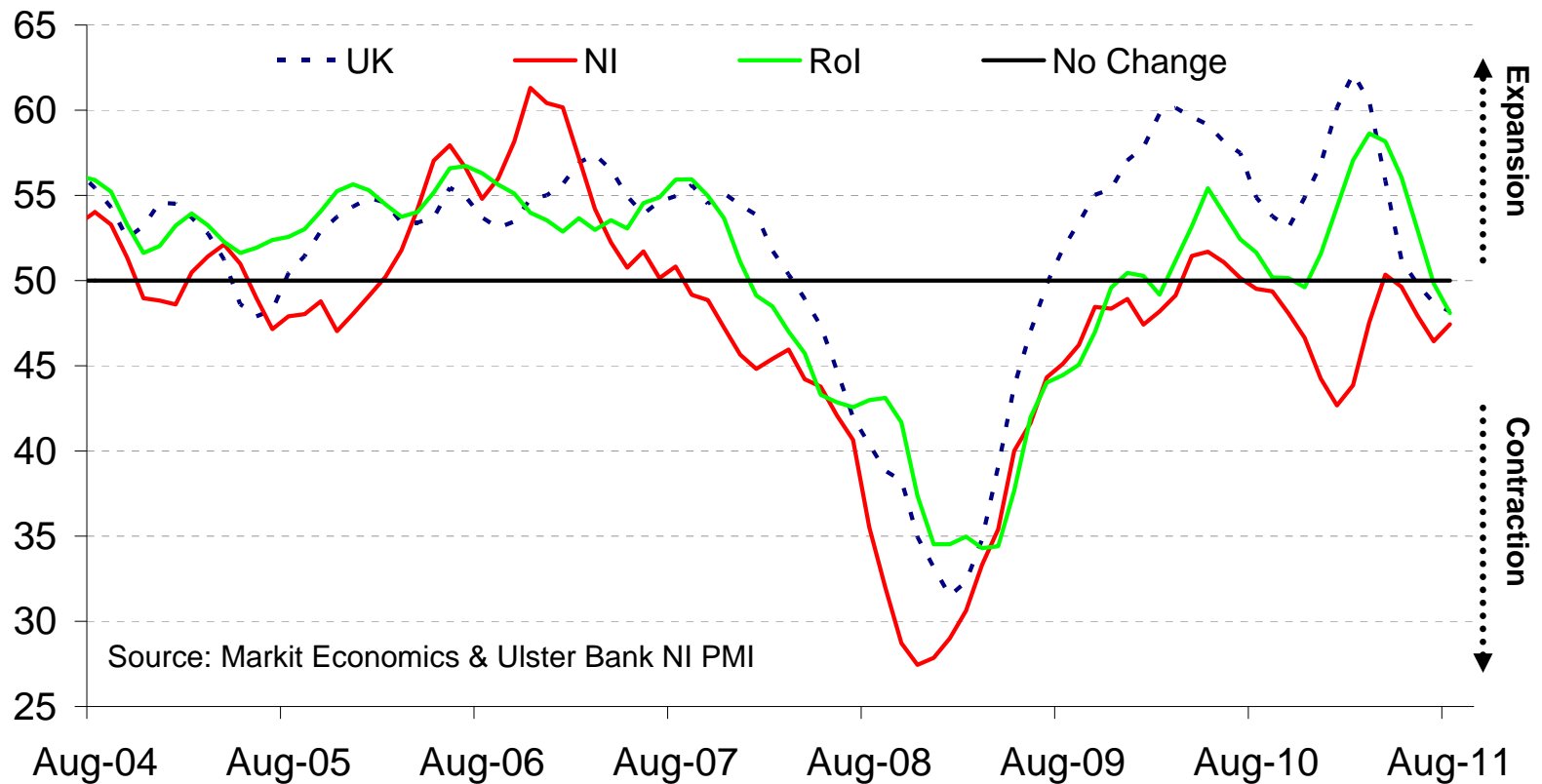
Manufacturing Output

3 month moving average



.....and in terms of new orders

Manufacturing New Orders 3 month moving average

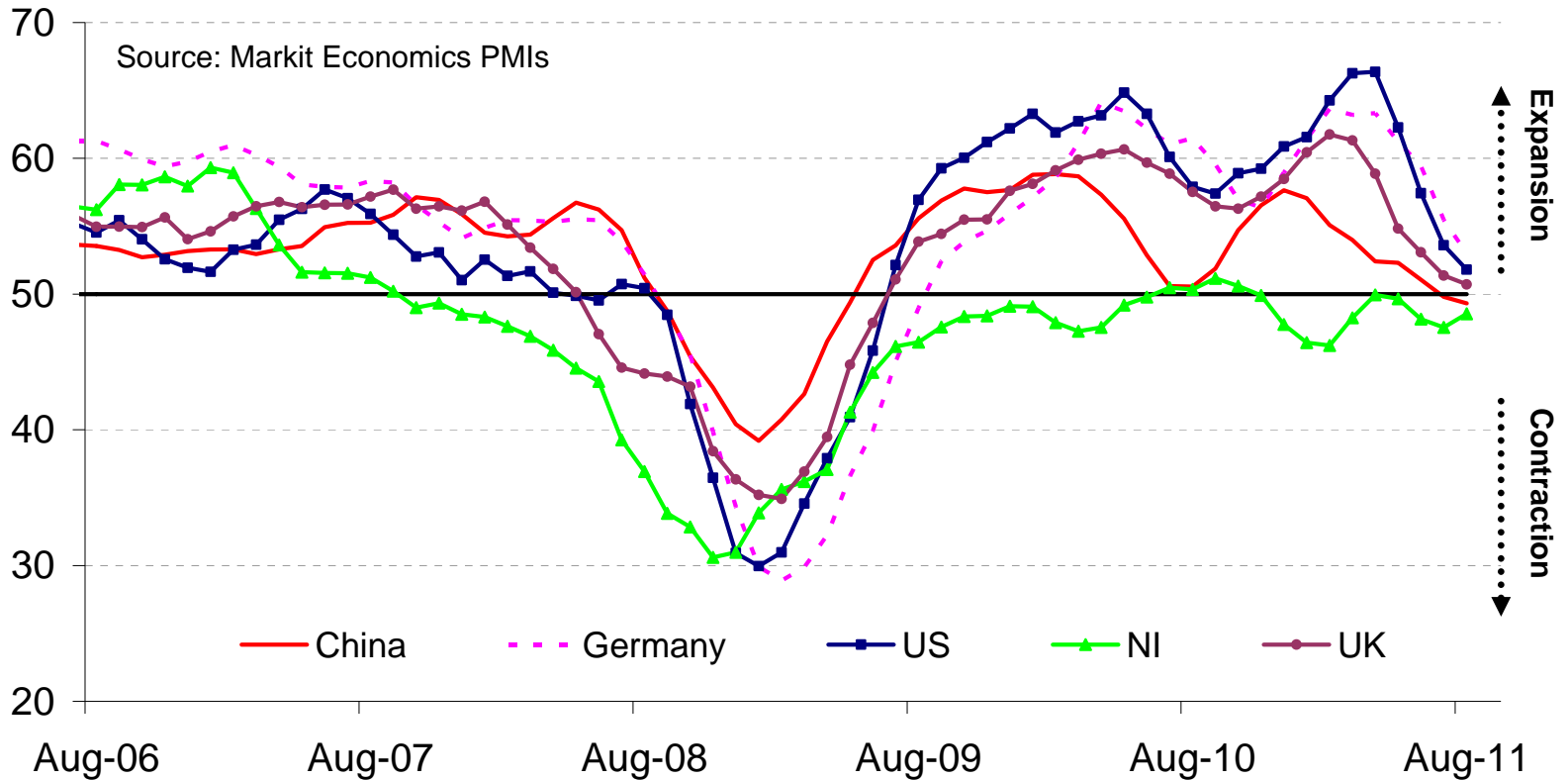


NI's SME exposure to RoI has limited its recovery

(almost 60% of local SME exports are destined for the RoI)

Manufacturing Output - PMI

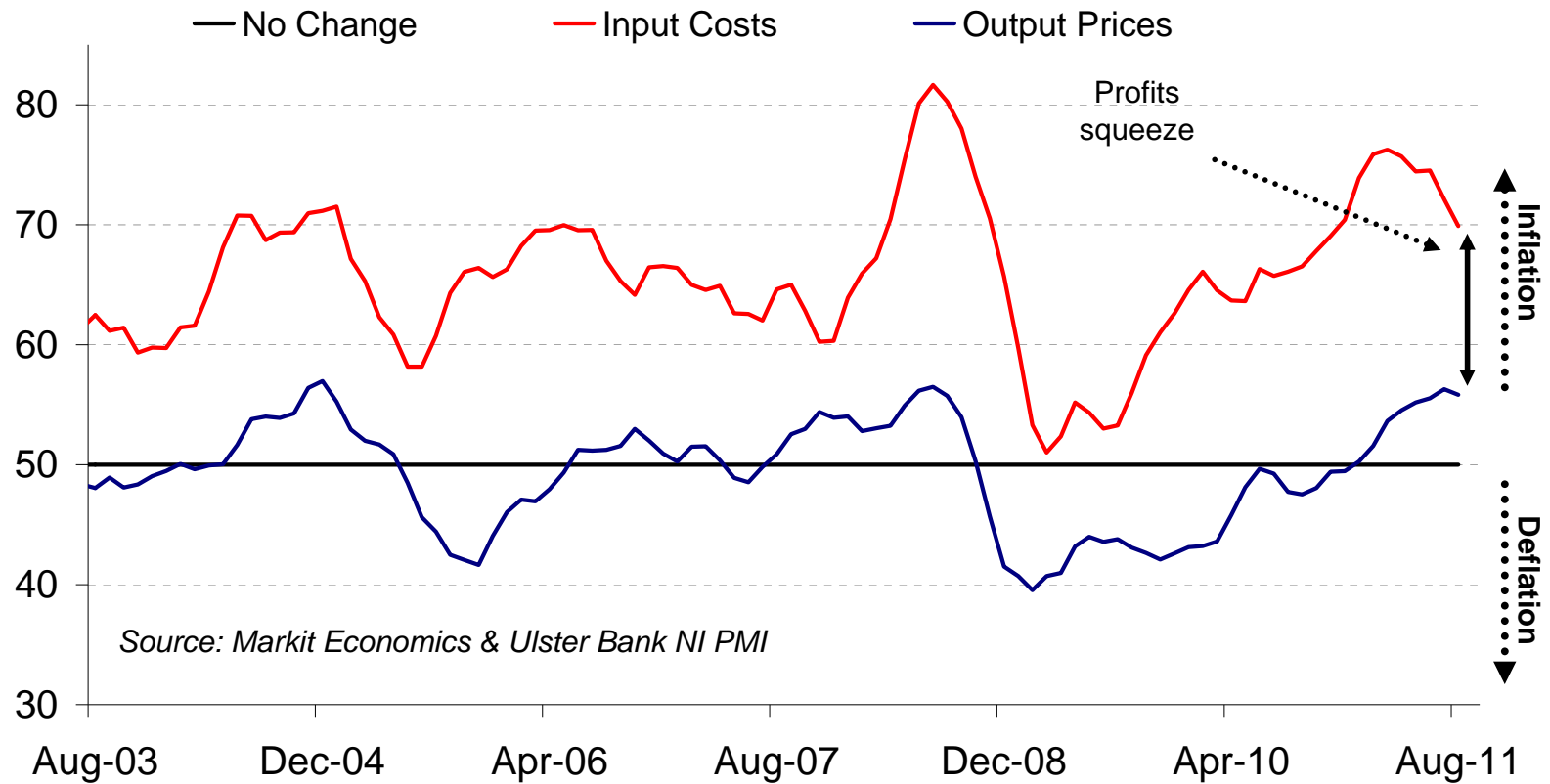
3 month moving average



Profits squeeze continues to ease

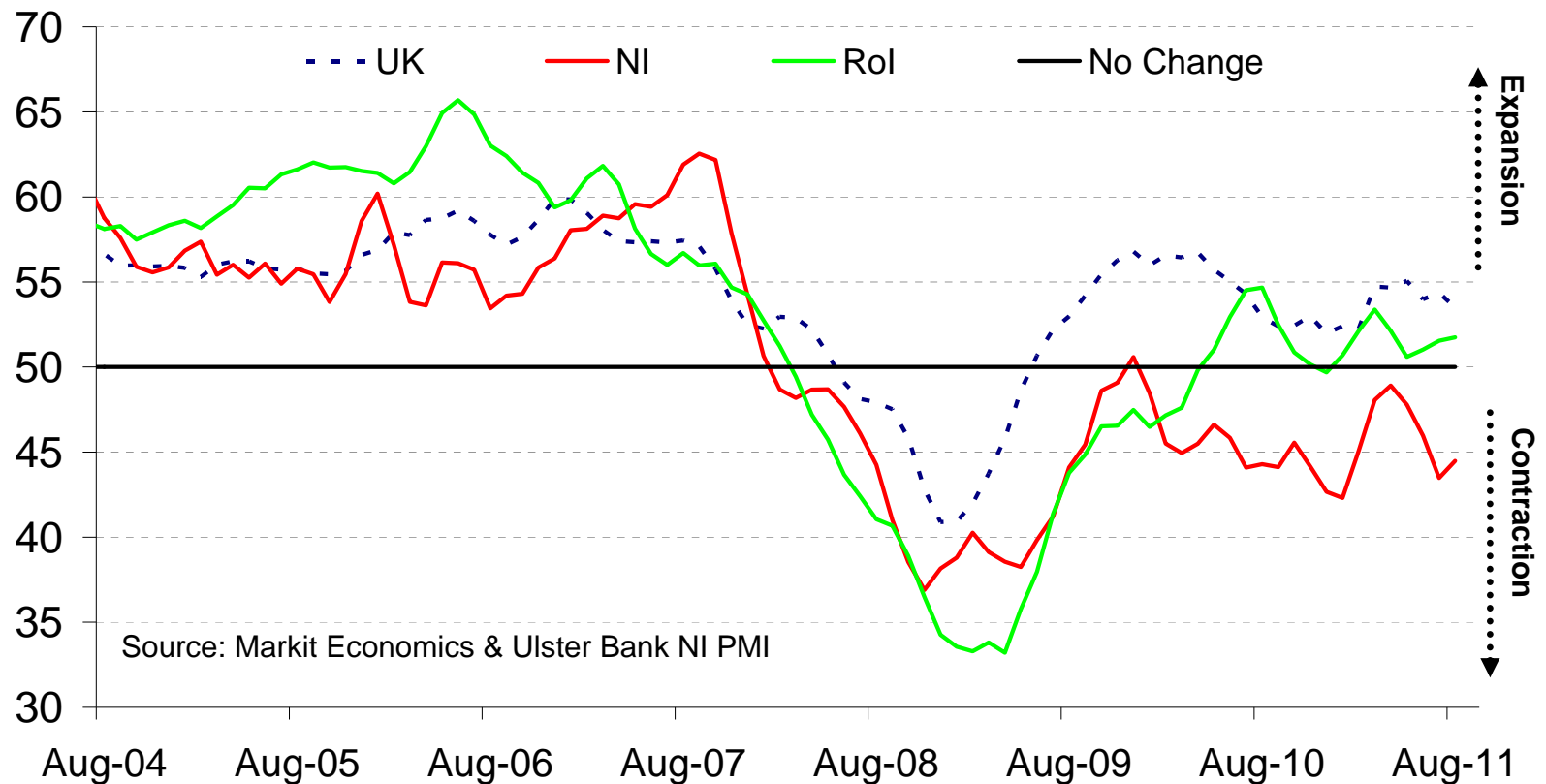
NI Manufacturing Input & Output Inflation

3 month moving average



NI-UK divergence still apparent within service sector

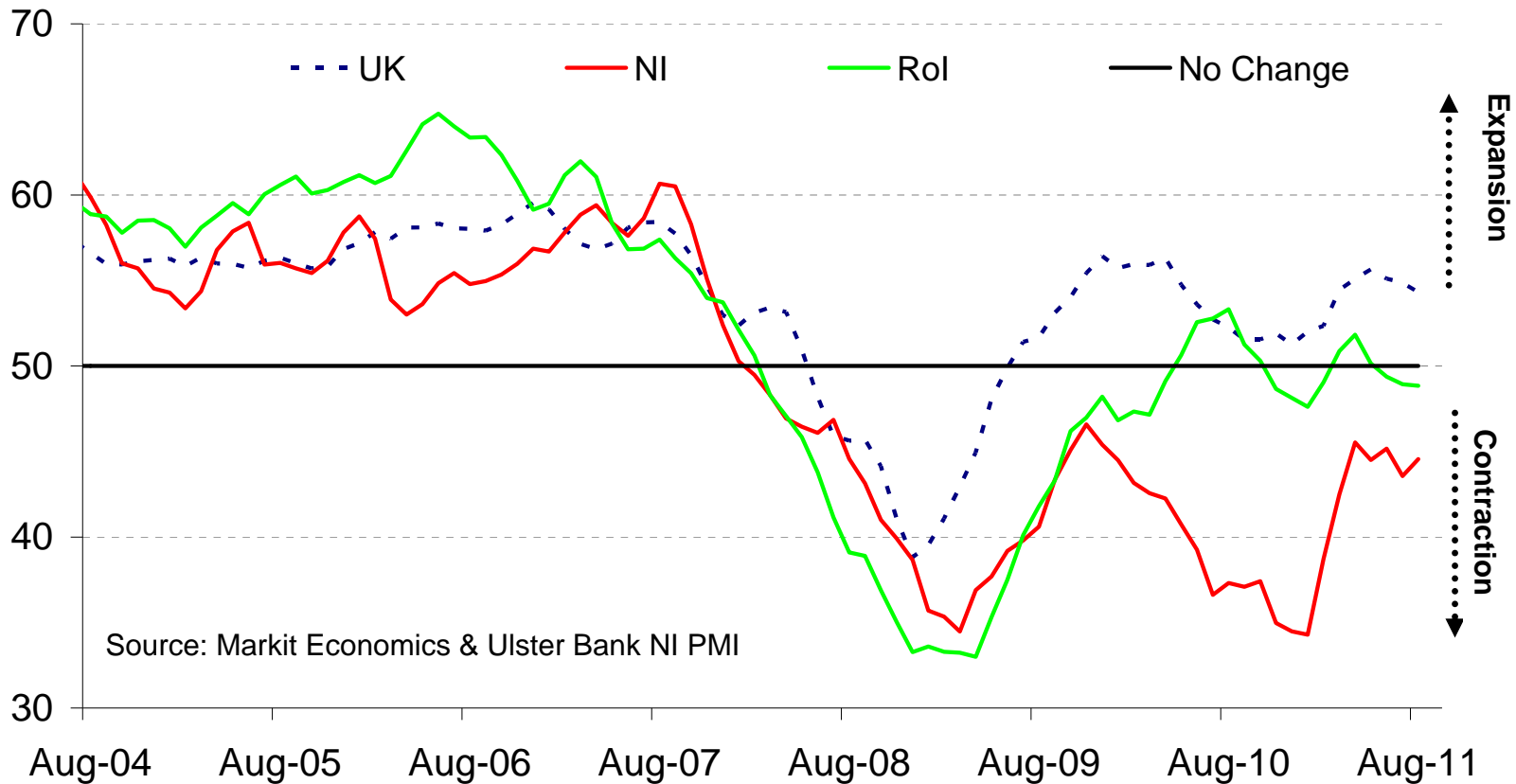
Services Output (*excluding Retail*)
3 month moving average



New orders levels dip in RoI & continue to fall in NI

Services New Orders (excluding Retail)

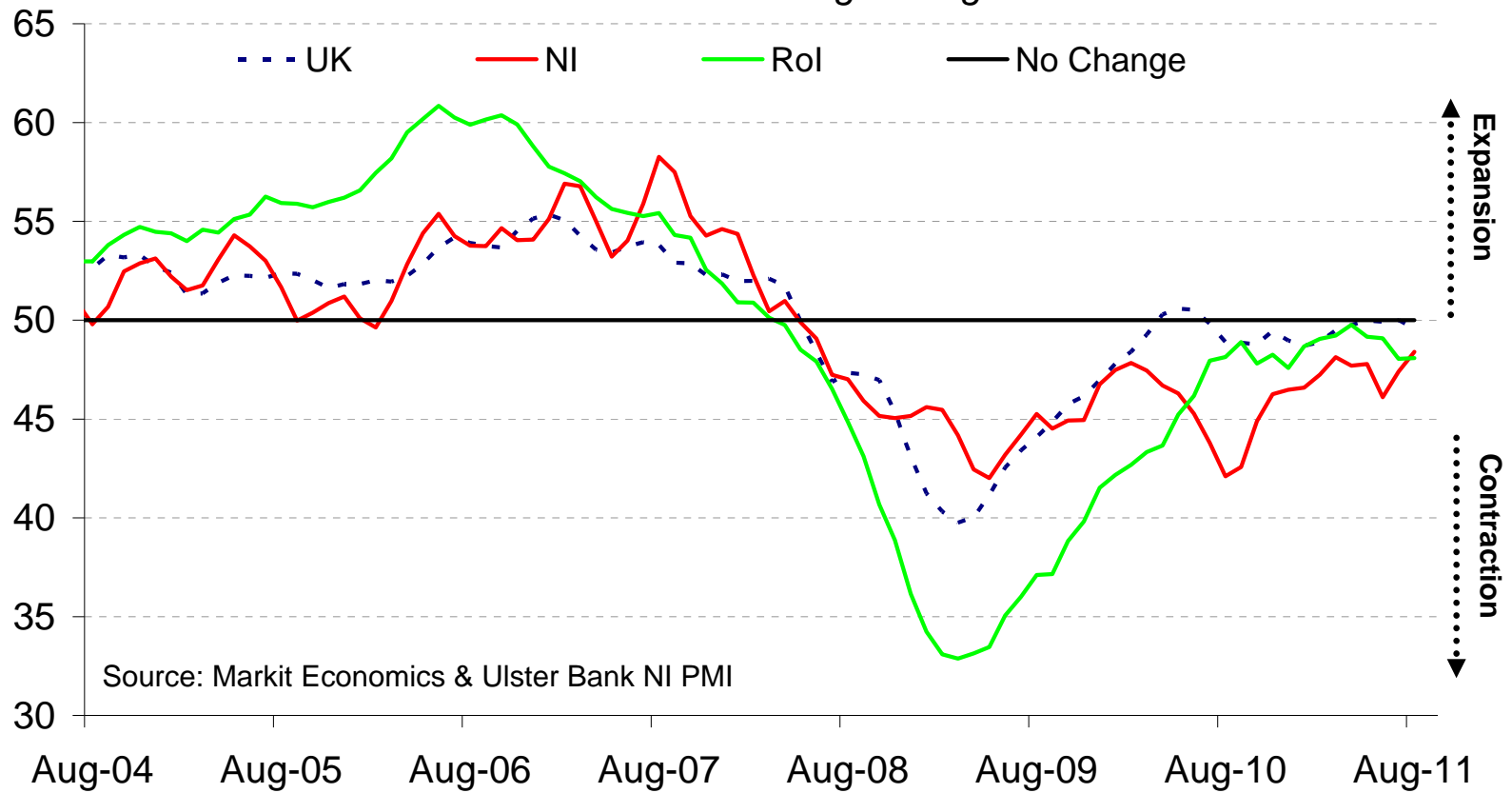
3 month moving average



....with further declines in employment levels over last 3 months

Services Employment

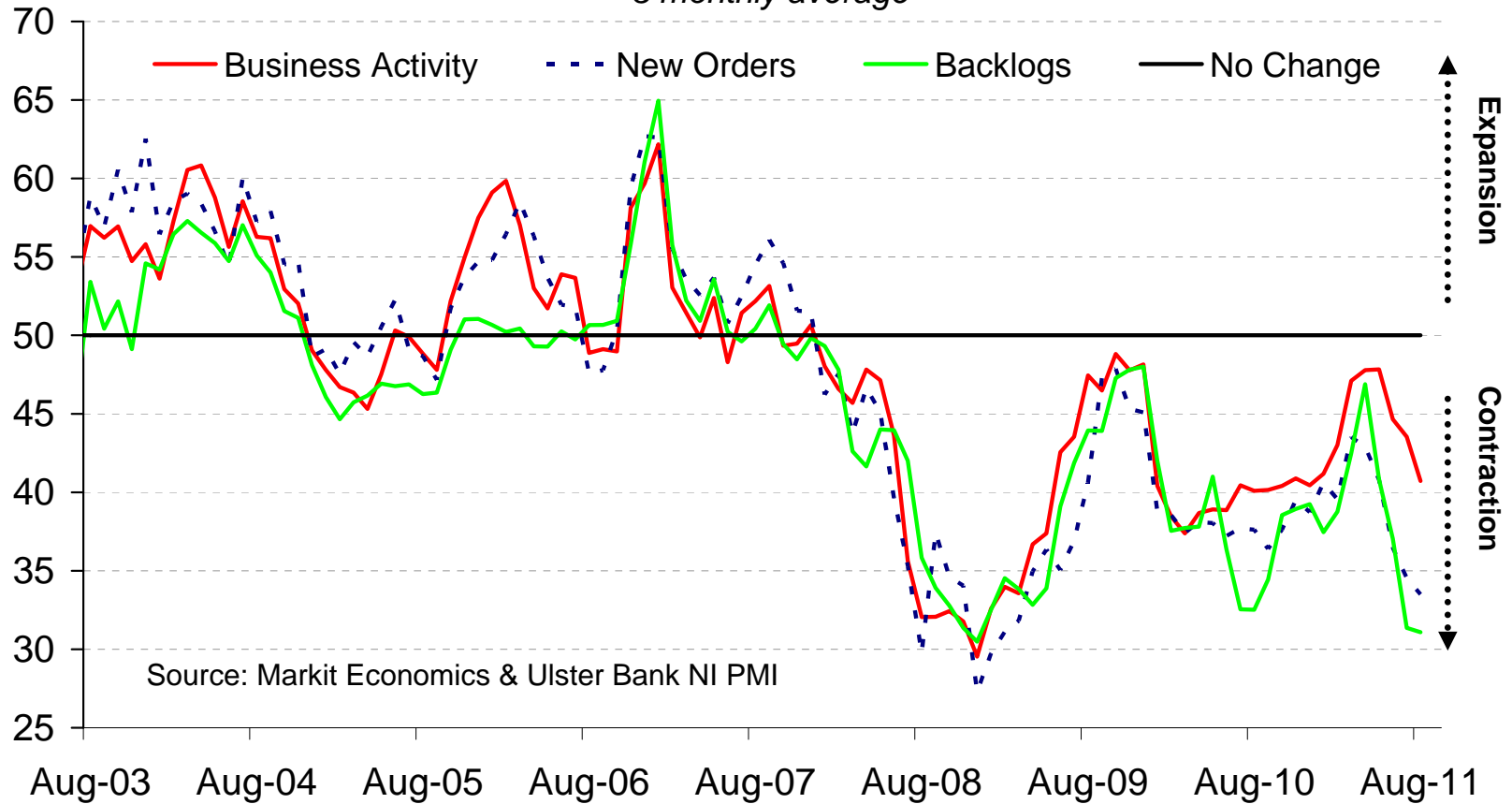
3 month moving average



Pace of decline has accelerated dramatically with NI retail in recent months

Northern Ireland Retail PMI

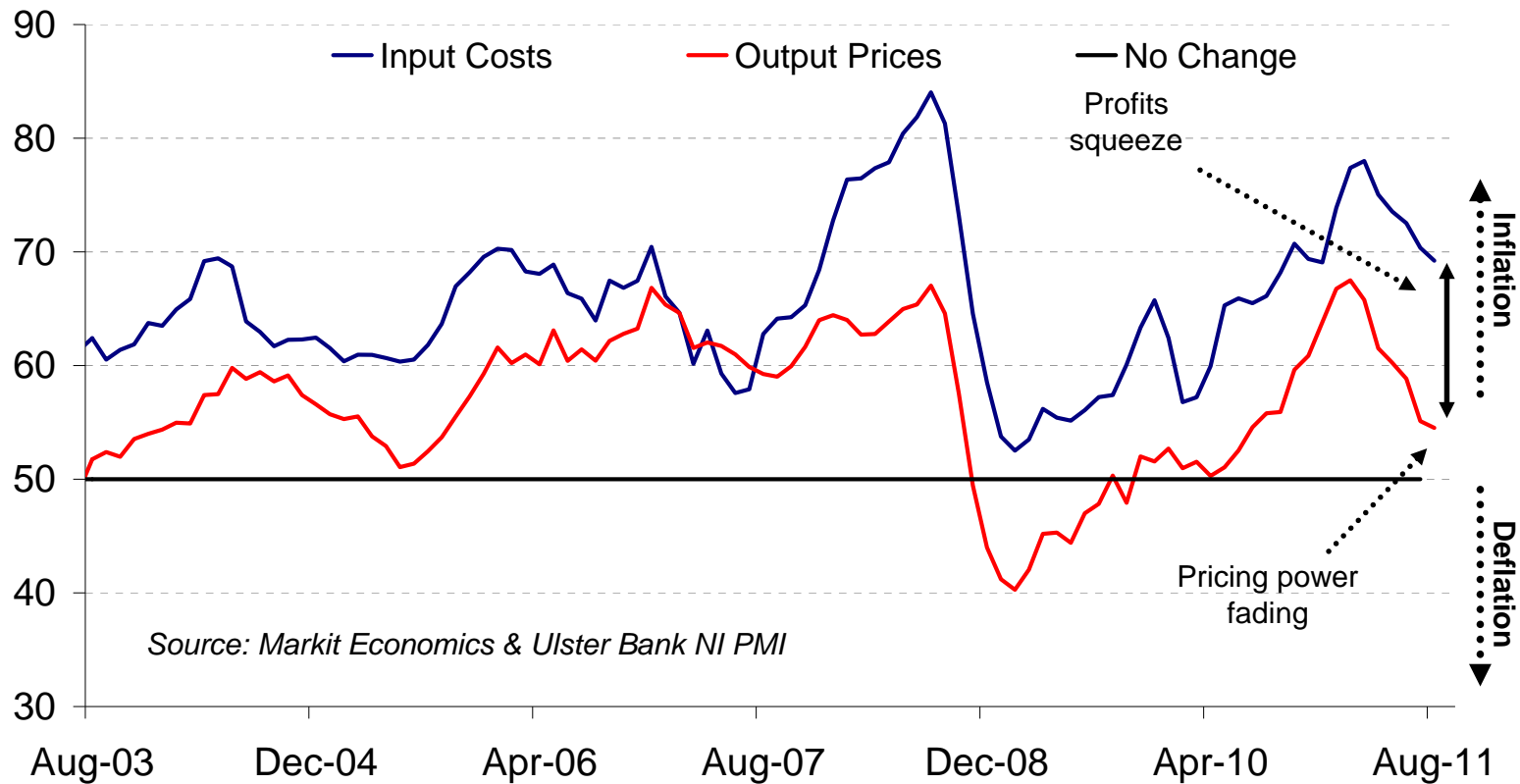
3 monthly average



....with pricing power of retailers fading fast

NI Retail Input & Output Inflation

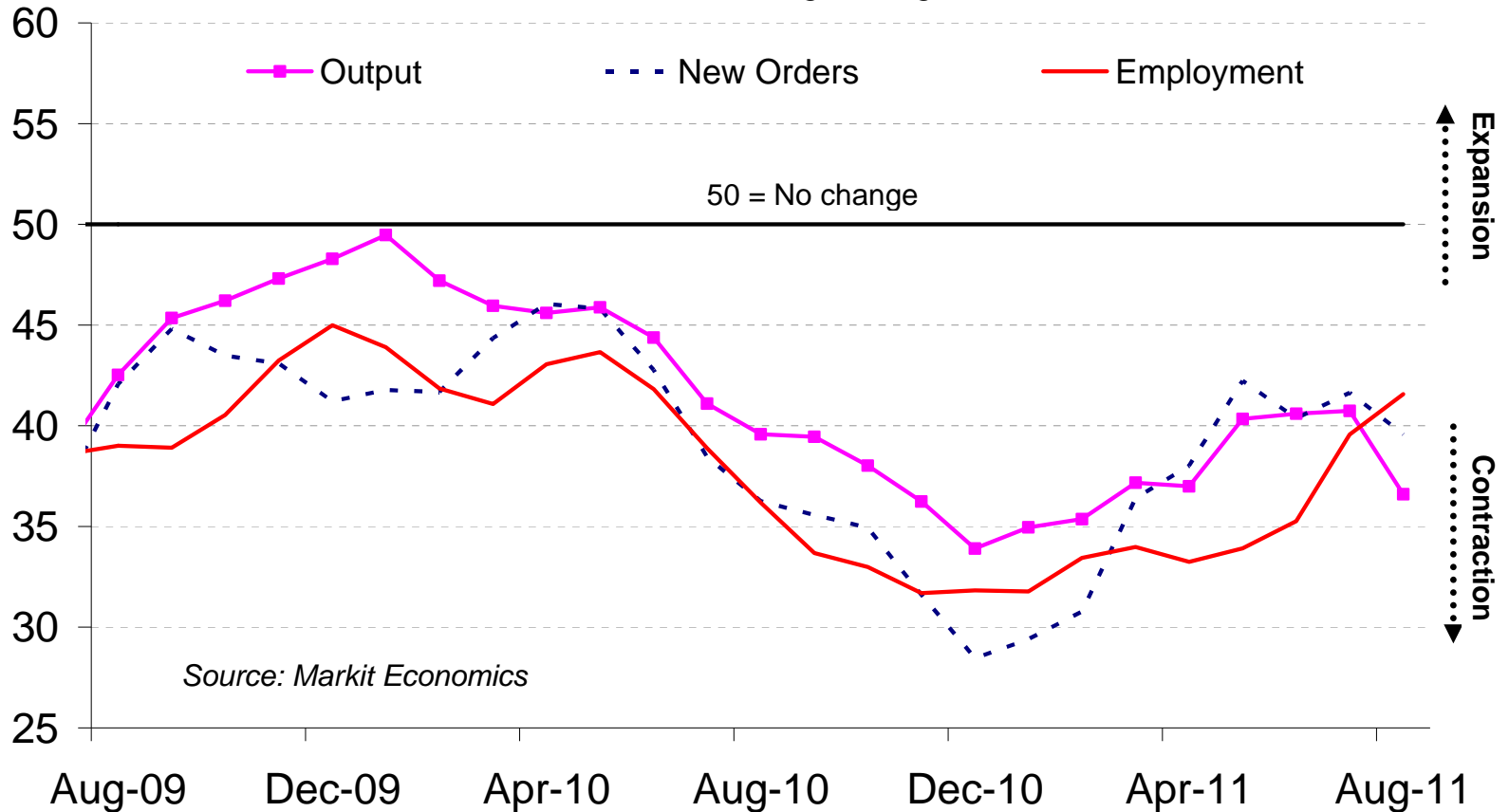
3 month moving average



NI construction sector continues to weaken

NI Construction PMI

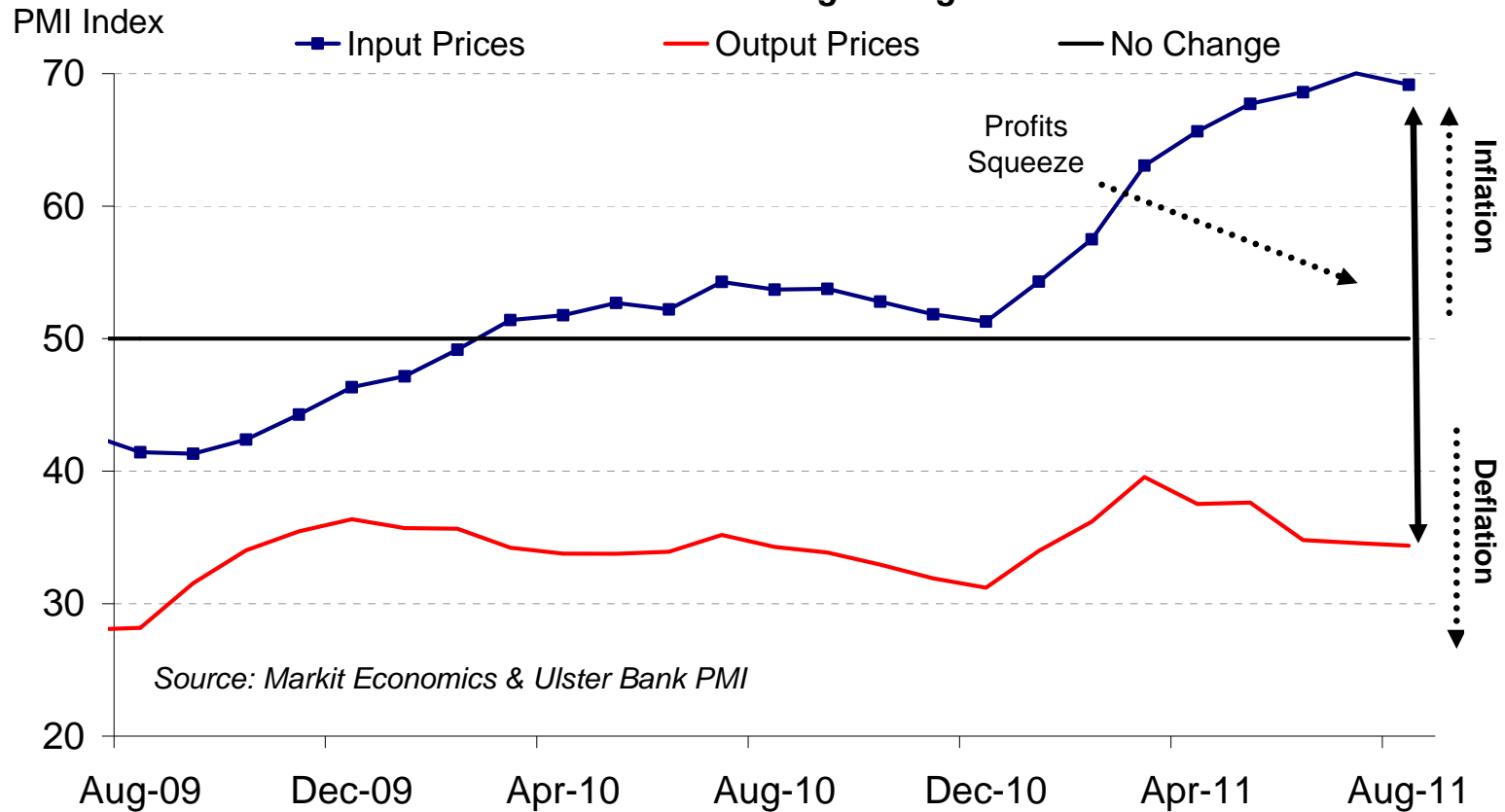
3 month moving average



.....with profits squeeze remaining at extreme levels

NI Construction Sector Profits Squeeze

3 month moving average

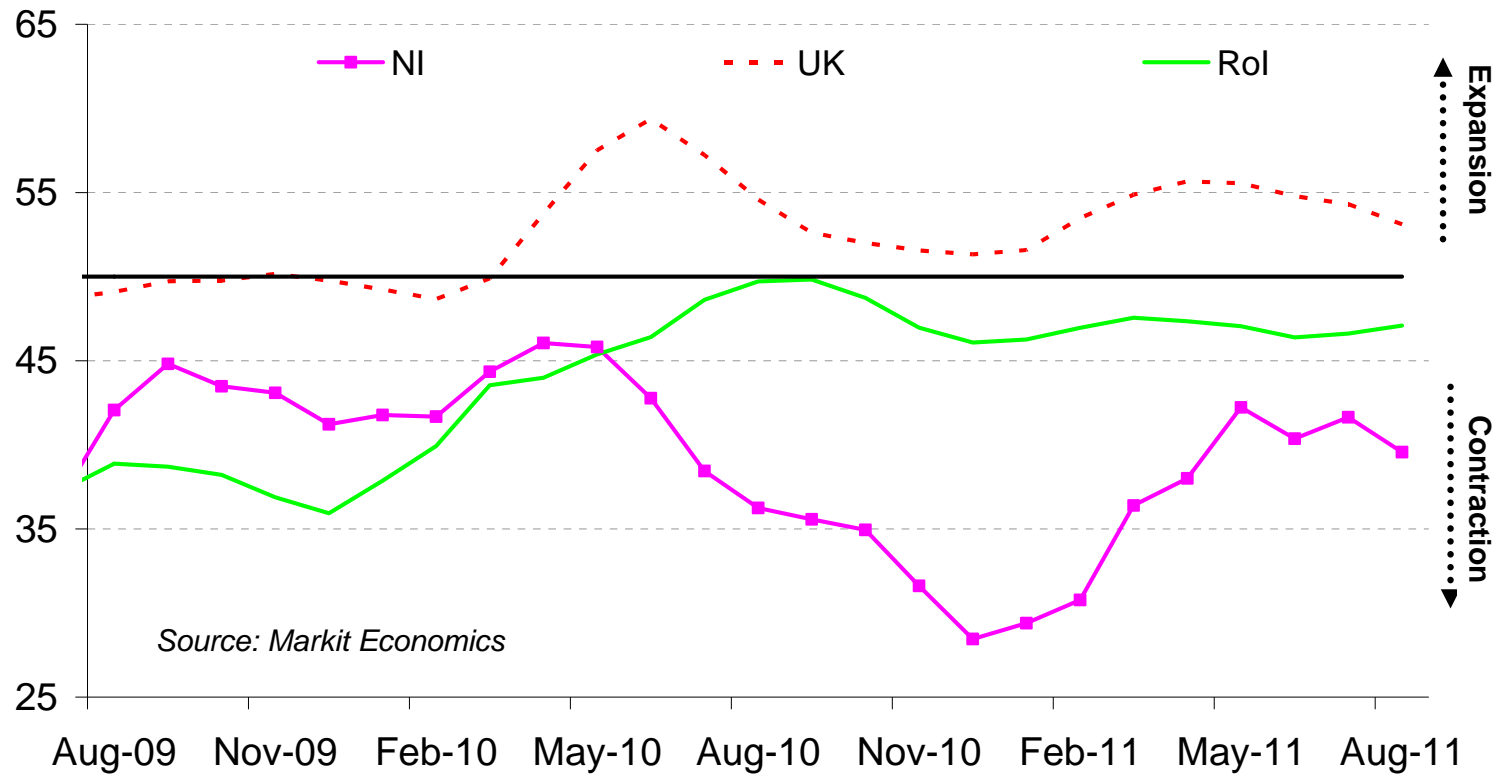


NI-UK divergence marked in terms of new orders

Construction Sector New Orders - PMI

3 month moving average

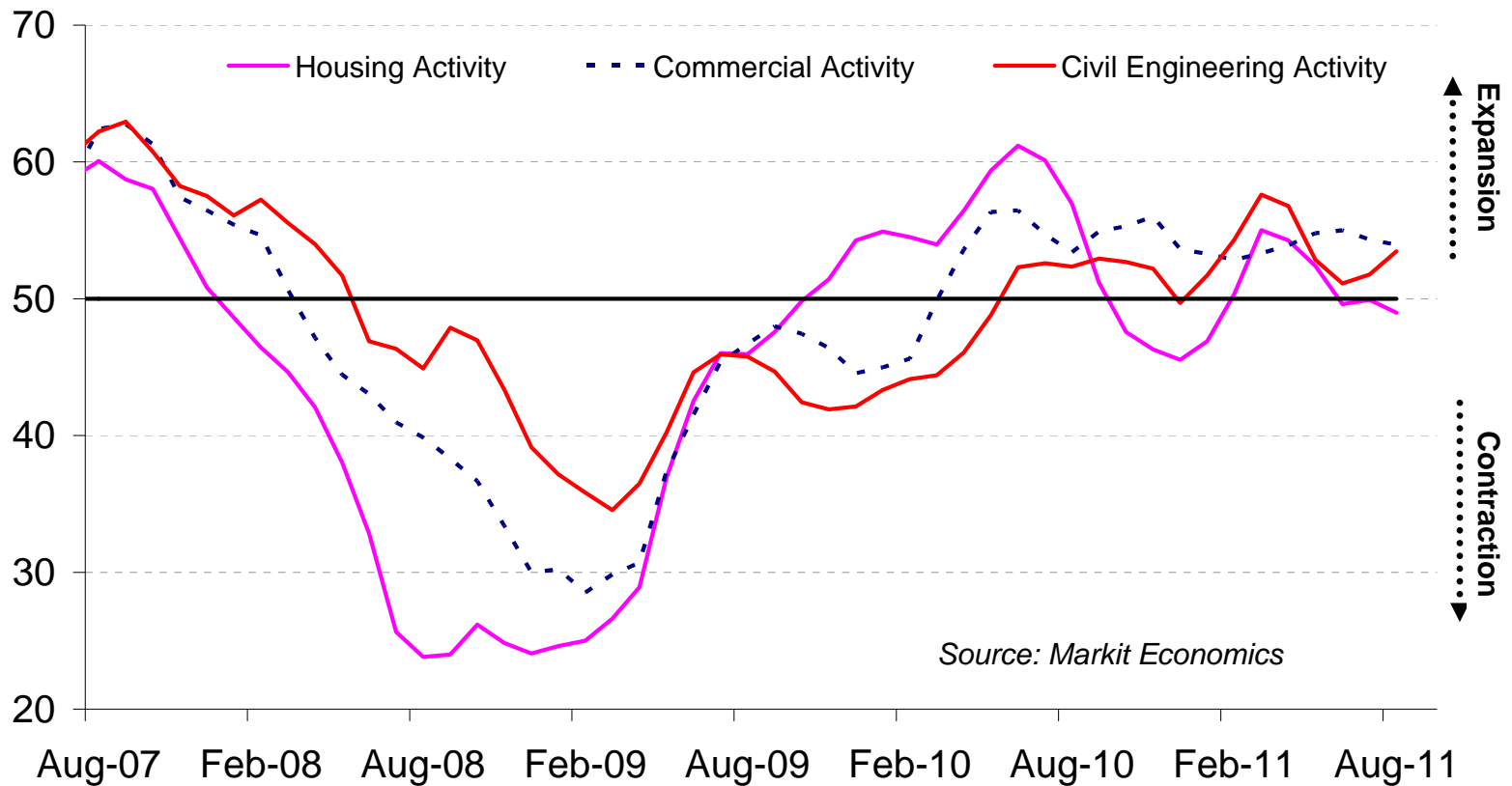
PMI Index



Continued growth in GB offers opportunities for NI firms

UK Construction Activity - PMIs

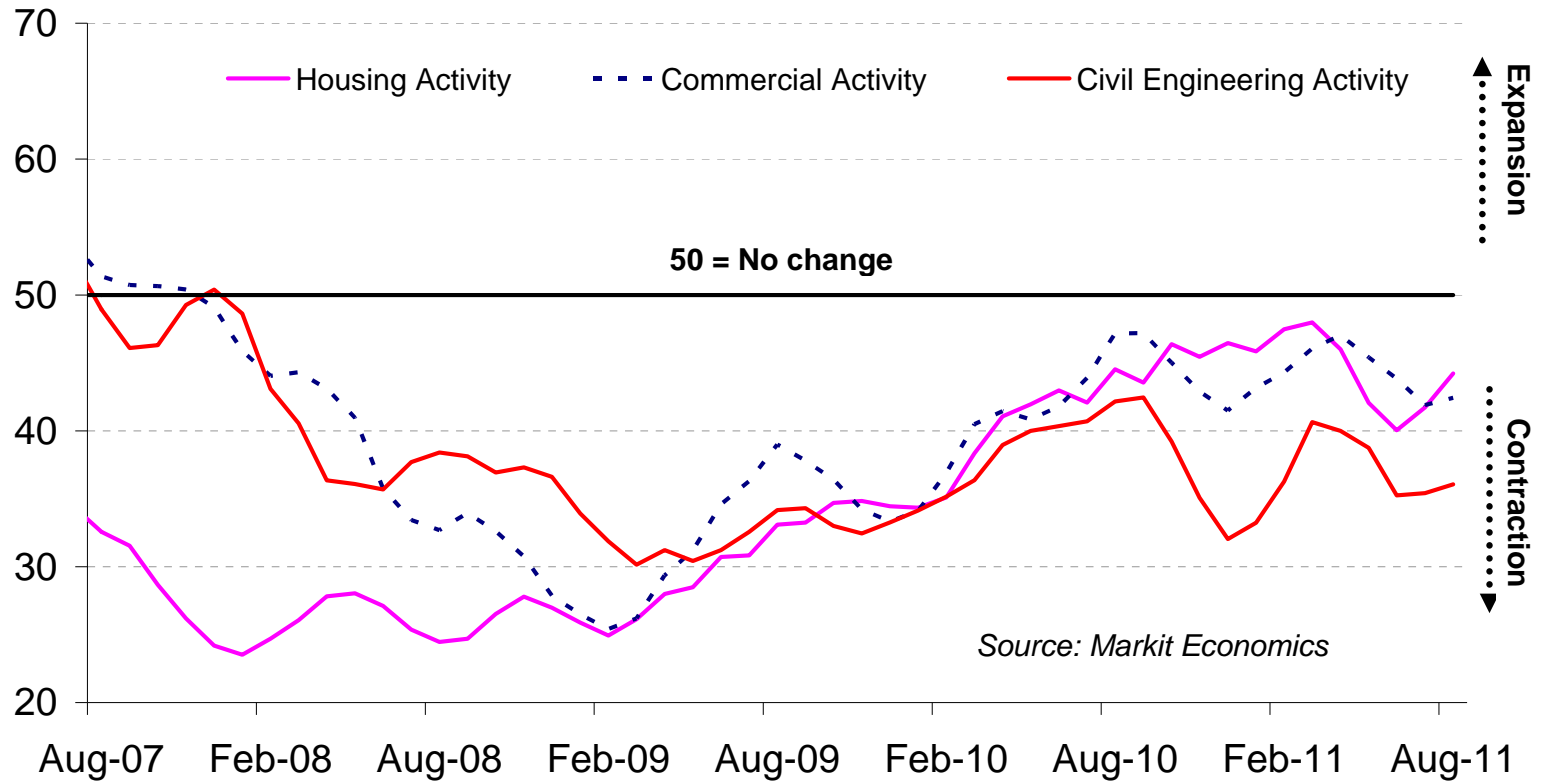
3 month moving average



.....particularly with continued weakness in the RoI

Republic of Ireland Construction Activity - PMI

3 month moving average



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