

Russian Manufacturing PMI Falls to 4-Month Low in May

By [The Moscow Times](#)

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Russian manufacturing activity shrank to a four-month low in May, the HSBC purchasing managers' index (PMI) showed Monday, adding to evidence that the economy remains weak.

The index's headline reading fell to 47.6 from 48.9 in the previous month, slipping further below the 50.0 mark that separates expansion from contraction.

"The stuttering nature of Russia's manufacturing sector continued in May, with a rather disappointing set of survey data. Output, new orders and employment were all down since the previous survey," said Paul Smith, senior economist at Markit.

The weaker PMI follows data for April that has served as a reminder of the drag on Russia's economy from low oil prices and Western sanctions linked to the Ukraine crisis.

Manufacturing fell 7.2 percent year-on-year in April according to the Economic Development

Ministry.

However, inflation is now on a downward trend after currency weakness drove it to a 13-year high earlier in the year, and the latest PMI survey showed rapidly falling output and input prices for manufacturers.

"The ongoing trend toward price level stabilization suggests the macroeconomic environment is showing some sign of improvement," Markit's Smith said. "This could, in time, help the manufacturing economy regain some lost ground over the coming months."

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