

## **Manufacturing Grows in June**

The manufacturing sector has grown in June, according to the latest Australian Industry Group Australian Performance of Manufacturing Index (Australian PMI) figures.

Industry jumped 9.9 points to 51.5, the largest ever monthly rise and a positive result in the wake of April's largest ever monthly fall in the PMI.

However, the boost was narrowly focused on a few sub-sectors and indicates improvement rather than recovery.

"Manufacturing performance edged ahead in June largely on the back of a solid lift in the large food and beverages sector as restrictions on cafes and restaurants were eased," says Ai Group chief executive Innes Willox.

New orders from food wholesale distributors drove almost all of the June improvement, which was concentrated in the large food and beverages sector.

In contrast, suppliers of locally made metal products and building materials to the construction industry reported a decline in new orders, but the machinery and equipment sector enjoyed an end-of-financial-year sales spike as buyers rushed to take advantage of expanded instant asset write-off provisions.

While three of the Australian PMI's activity indices indicated expansion in June, three indicated contraction, including a continued decline in exports.

Production rose across the manufacturing sector, and new orders rebounded from the lows of April and May.

"Employment on the other hand merely stabilised after the contractions of the previous two months," Willox says.

Wage levels also levelled off after May's very rare fall.

September will see Federal Government stimulus measures, including JobKeeper, wind up in what economists refer to as "the cliff".

"We are still well short of a recovery even with the quantity of fiscal stimulus in the economy," Willox says.

"The next couple of months will provide a critical test of how well the economy is positioned to cope with the withdrawal of stimulus currently scheduled for the end of September."

## **Jemena pushes for renewable energy future**

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Jemena has reinforced that renewable gases such as hydrogen and biomethane should be central to any national strategy aimed at keeping the economy strong and energy costs affordable in the transition to a low-carbon future.

The company has responded to the Australian Government's Technology Investment Roadmap, with executive general manager of gas distribution Jennifer Purdie saying it was time to challenge the notion that customers can only access renewable energy through the electricity grid.

"The Technology Investment Roadmap is an opportunity to focus on reducing emissions and identifying job and investment opportunities to ensure Australia is a world leader in renewable energy," Purdie said.

"We support Australia's need to meet its emissions reduction obligations and acknowledge the role gas and electricity will have in delivering this."

Purdie said the company welcomed the opportunity to contribute to the report and to outline how renewable gases such as hydrogen and bioenergy can support the strategic plan, as well as address the energy trilemma of reliability, affordability and sustainability.

... There is a ready market for renewable gas, and we are confident that through raising awareness, unlocking seed funding and incentivising market-scale projects, Australia can transition to a lower carbon future," Purdie said. Read the full article [here](#)



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