

## News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
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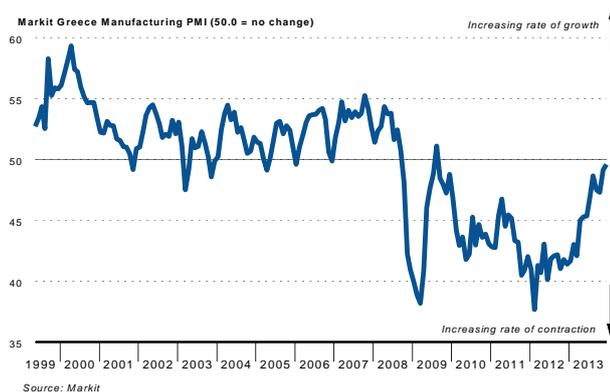
### Markit Greece Manufacturing PMI<sup>®</sup>

#### Manufacturing output expands for second straight month

##### Key points:

- Production boosted by rise in new orders
- Staffing levels continue to fall
- Cost pressures remain muted

##### Historical overview:



##### Summary:

Greece's manufacturing sector ended the year on a positive note, with output increasing for the second successive month on the back of a rise in incoming new work. Employment levels fell further, however, matching the trends in purchasing activity and backlogs of work. Input price inflation meanwhile remained only marginal, providing firms with scope to lower charges.

The headline Markit Greece Manufacturing *Purchasing Managers' Index<sup>®</sup>* (PMI<sup>®</sup>) – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – climbed to its highest level in more than four years in December, registering at 49.6, up from November's reading of 49.2.

December's survey showed a second straight monthly increase in output at Greek manufacturers. Although the rate of growth was faster than in November, it was still only modest. As was the case in the prior month, December's expansion was centred on the consumer goods sector, with further

contractions in intermediate and capital goods production weighing on the overall level of output across the sector.

Underpinning the latest increase in production was a rise in incoming new work at manufacturers. With new export orders falling again during the month, the expansion in total new business was attributable to stronger demand in the domestic market.

The size of Greece's manufacturing workforce decreased further during December, contracting at a solid pace that was virtually unchanged from that observed in November. Despite this reduction in staffing capacity, further inroads were made into backlogs of work. Moreover, the rate of decline in outstanding business was slightly faster than in the month before.

December data also signalled an accelerated reduction in the level of purchasing activity among manufacturers. Combined with higher output requirements during the month, this in turn led to a decrease in pre-production inventories, and one that was the most marked since September. Stocks of finished goods on the other hand decreased only marginally, and at the slowest rate in the current sequence of decline.

Supplier delivery times increased on average in December, which panel member reports suggested was largely a consequence of a lack of stock at vendors. The rate of lead-time lengthening was the sharpest in five months.

Manufacturers meanwhile faced a rise in average purchase prices for a second straight month, and partly linked this to higher raw material costs. The pace of inflation was only marginal, however, having slowed since November. Output prices, in contrast, continued to fall in December, with the rate of decline the slowest since September 2011 but nonetheless solid.

*Continued...*

**Comment:**

Phil Smith, Economist at Markit and author of the *Greece Manufacturing PMI*<sup>®</sup>, said:

*“The PMI fell agonisingly short of the all-important 50.0 threshold in December, remaining in contraction territory due to further declines in two of its sub-components, namely employment and pre-production stocks. However, the survey data offered signs that an upturn in the business cycle may have already begun, with output levels and new orders rising simultaneously for the first time since August 2009, albeit only slightly. Growth in new orders will need to be sustained before an outright recovery can be declared.”*

-Ends-

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**Notes to Editors:**

The Greece Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit Economics. The report features original survey data collected from a representative panel of around 350 companies based in the Greek manufacturing sector. The panel is stratified by Standard Industrial Classification (SIC) group, based on the industry contribution to GDP.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from Markit. Please contact [economics@markit.com](mailto:economics@markit.com).

The Manufacturing Purchasing Managers' Index (PMI) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

The Purchasing Managers' Index (PMI) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

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**About PMI**

Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>) surveys are now available for 32 countries and also for key regions including the Eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to [www.markit.com/economics](http://www.markit.com/economics).

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