

# News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## Markit Eurozone Manufacturing PMI® – final data

### Eurozone Manufacturing PMI at 16-month high in June

#### Data collected 12-21 June.

- Final Eurozone Manufacturing PMI at 16-month high of 48.8 in June (flash: 48.7)
- PMIs rise in all nations except Germany
- Price pressures ease further as input costs and output charges decline in June

#### Manufacturing PMI® (overall business conditions)

Eurozone Manufacturing PMI, sa, 50 = no change



The Eurozone manufacturing sector moved a step closer to stabilisation at the end of the second quarter, with rates of contraction in output and new orders continuing to ease.

The seasonally adjusted **Markit Eurozone Manufacturing PMI®** rose to a 16-month high of 48.8 in June, up from 48.3 in May and slightly above the earlier flash estimate of 48.7. Over the second quarter as a whole, the average reading for the headline PMI (47.9) was the highest since Q1 2012. The PMI has nonetheless remained below the neutral 50.0 mark since August 2011.

Among the nations covered by the survey, only the German PMI failed to rise in June. Ireland saw a marginal improvement in manufacturing business conditions and Spain experienced a stabilisation, while rates of contraction eased in France, Italy, the Netherlands, Austria and Greece.

#### Countries ranked by Manufacturing PMI®: June

Ireland	50.3	4-month high
Spain	50.0	26-month high
Italy	49.1	23-month high
Netherlands	48.8	4-month high
Germany	48.6 (flash 48.7)	2-month low
France	48.4 (flash 48.3)	16-month high
Austria	48.3	4-month high
Greece	45.4	24-month high

Manufacturing PMI, sa, 50 = no change



Eurozone manufacturing **output** fell for the sixteenth successive month in June, although the rate of contraction was the weakest during that sequence. Production rose for the second month running in Germany and the Netherlands, and returned to growth in Italy and Ireland. Rates of decline slowed in France and Spain to the weakest in their respective downturns, but Austria slipped back into contraction.

The rate of contraction in **new orders** at euro area manufacturers eased to a two-year low in June, as companies indicated that downturns in some domestic markets continued to ease.

**New export orders** posted a slight decline, with rates of reduction accelerating in Germany, France, Ireland and Greece. Austria also saw a decrease. In contrast, rates of growth in new export orders

gained momentum in Spain and Italy (both 26-month highs) and the Netherlands (five-month record).

Price pressures fell further during June, with both **input costs** and **output charges** declining over the month. Average purchase prices fell for the fifth straight month, reflecting lower costs for a range of commodities. Meanwhile, a combination of lower purchase prices, lacklustre market conditions and strong competition led to the sharpest drop in factory gate prices since January 2010.

Although **employment** fell for the seventeenth month running in June, the rate of job losses eased to the slowest since March 2012. Signs of spare capacity remained evident, as **backlogs of work** declined again.

Only Ireland reported an increase in manufacturing staffing levels during June. Rates of job loss eased in France, Italy, Spain, Austria and Greece, but accelerated in Germany and the Netherlands.

Although **purchasing activity** was reduced further during June, the rate of decline was the least marked since February 2012. Inventory holdings also continued to fall, with both **pre-** and **post-production stocks** being depleted during the latest survey period. The decline in post-production stocks may aid the trend in output in the coming months, as the ratio of new orders to finished goods inventories hit a 25-month high.

### Comment:

**Chris Williamson, Chief Economist at Markit** said:

*“Eurozone manufacturing is showing welcome signs of stabilising. Both output and new orders barely fell during June, and on this trajectory a return to growth for the sector is on the cards for the third quarter.*

*“Output rose again in both Germany and the Netherlands, but it is the ‘periphery’ where the most encouraging signs are being seen. Returns to growth were seen in Ireland and Italy, while the rate of decline in Spain eased sharply to only a marginal pace.*

*“Greece and France were the worst performers, though the latter saw a further easing in its marked rate of decline.*

*“Falling commodity prices and intense competition meanwhile meant inflationary pressures remained well under control, posing few worries for policymakers.*

*“With the region suffering from record high unemployment, the ongoing decline in manufacturing headcounts is a disappointment, and suggests the jobless rate has yet further to climb. However, some consolation can be gained from the latest fall in employment being the smallest for over a year.”*

-Ends-

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**Note to Editors:**

The Eurozone Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 90% of Eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The June flash was based on 80% of the replies used in the final data.

The average differences between the flash and final *PMI* index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Eurozone Manufacturing <i>PMI</i> <sup>®</sup>	0.0	0.2

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.

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 revised data are available to subscribers from Markit. Please contact [economics@markit.com](mailto:economics@markit.com).

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