

News Release

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

Eurozone manufacturing recovery continues as growth returns to France

Data collected 12-24 March.

- Final Eurozone Manufacturing PMI at 53.0 in March (unchanged from flash estimate)
- France PMI returns to expansion territory, but Greece dips back into contraction
- Output charges and input prices both decrease

Manufacturing PMI® (overall business conditions)

Eurozone Manufacturing PMI, sa, 50 = no change



The recovery in the eurozone manufacturing sector extended into its ninth consecutive month in March, rounding off a positive start to 2014. Although the final seasonally adjusted **Markit Eurozone Manufacturing PMI®** dipped to a three-month low of 53.0, from 53.2 in February, the average reading over the first quarter as a whole (53.4) was the best outcome since the second quarter of 2011.

March saw an evening out in the balance of the current upturn, as slowdowns in February's top performers – Germany, the Netherlands and Austria – were largely offset by faster growth in Ireland (35-month high), Spain (47-month high) and Italy (2-month high) and a return to expansion in France that took its PMI to a 33-month peak.

The Greek PMI edged back into contraction territory for the first time in three months. This mainly reflected sharp slowdowns in growth of output and

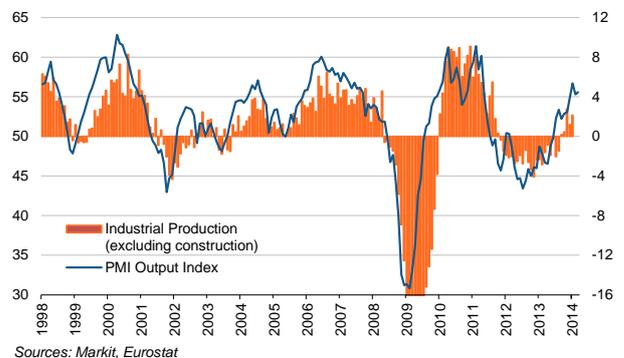
Countries ranked by Manufacturing PMI®: March

Ireland	55.5	35-month high
Germany	53.7 (flash 53.8)	4-month low
Netherlands	53.7	7-month low
Spain	52.8	47-month high
Italy	52.4	2-month high
France	52.1 (flash 51.9)	33-month high
Austria	51.0	8-month low
Greece	49.7	3-month low

Manufacturing PMI, sa, 50 = no change



Eurozone PMI Output Index, sa, 50 = no change



new orders (in part by-products of weaker inflows of new export business) and another reduction in staff headcounts.

Eurozone manufacturing output, new orders and new export business all expanded for the ninth successive month in March. The rate of increase in

output edged higher and, despite easing, growth of both new orders and new export business remained among the fastest during the past three years.

Germany saw solid growth of production and new business, despite rates of expansion for both cooling further from the 33-month peaks scaled in January. German manufacturers benefitted from a strong domestic market. New export orders also rose, but at the weakest pace since last October. The Netherlands also remained one of the stronger performers overall, although the growth rate of output eased to a five-month low.

France showed further signs of recovery, reflecting solid rebounds in new orders and new export business alongside an expansion of output for the second month in a row. Stronger growth of output, new orders and new export orders was also signalled in Spain and Ireland. Italy reported stronger trends for production and new export orders, but a weaker increase in total new orders.

Improved demand led to a further solid accumulation of backlogs of work at eurozone manufacturers, encouraging another slight increase in employment. Staffing levels have risen throughout the first quarter of the year.

Greece and the Netherlands were the only nations to report manufacturing job losses during the latest survey period. Ireland registered a solid increase in staffing levels, while jobs rose only marginally across the remaining nations surveyed.

On the price front, average input costs declined for the second month running in March, and at the fastest pace since July last year. Purchase prices fell in almost all of the nations covered, the sole exception being Ireland.

Strong competition led to a slight decrease in average output charges at euro area manufacturers during March, the first reduction since August 2013. Further price discounts were offered in Spain, Ireland and Greece, while charges fell in Germany, Italy, France and Austria following increases in February. The Netherlands was the only nation to register an increase in selling prices.

Comment:

Chris Williamson, Chief Economist at Markit said:

“Despite having cooled slightly in March, the euro area manufacturing sector continues to enjoy its best spell of growth since early-2011. The rate of output growth remains encouragingly robust, with the survey indicating that production rose by around 1.0% in the first quarter. That means the goods-producing sector is on course to provide a meaningful boost to the overall economy in the first three months of the year. The surveys are signalling a GDP increase of approximately 0.5%.

“While the survey paints a picture of a manufacturing recovery that is broad-based, with output rising in all countries surveyed for the second month running, the slight easing in the rate of new order inflows raises the risk of production growth weakening further in April.

“Alongside the renewed fall in factory gate prices, signs of slower output and order book growth are a reminder that a self-sustaining recovery is not yet in place and reliant at least in part on price discounting to win sales. Such deflationary signals will continue to spook policymakers and raise the likelihood of further stimulus from the ECB.”

-Ends-

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Note to Editors:

The Eurozone Manufacturing *PMI*[®] (*Purchasing Managers' Index*[®]) 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 89% 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 March flash was based on 93% 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> [®]	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.

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About PMI

Purchasing Managers' Index[®] (*PMI*[®]) 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.

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