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## IHS Markit Poland Manufacturing PMI®

### Polish PMI hits new all-time high in June as manufacturing rebound continues

#### Key findings

Stronger rise in new orders drives record growth in backlogs

Unprecedented lengthening in suppliers' delivery times

Record inflation of both input and output prices

Data were collected 11-24 June 2021.

Poland's manufacturing sector continued to experience a rejuvenation in June, according to the latest PMI® data. Overall business conditions improved at the strongest rate on record for the second successive month, and backlogged work expanded to an unprecedented extent. New orders rose at one of the fastest rates ever recorded, leading to stronger gains in output, jobs and purchasing. The latest results also revealed unprecedented inflationary pressures and supply chain delays in the goods-producing sector.

The headline IHS Markit Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases.

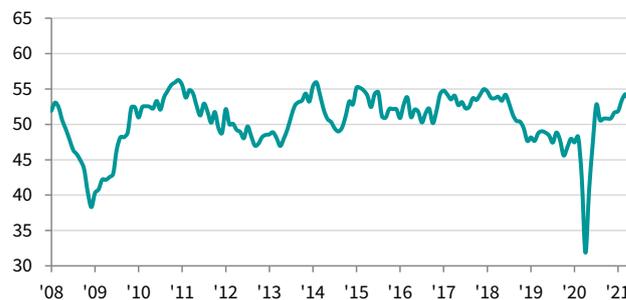
The PMI rose for the sixth time in seven months in June to a fresh high of 59.4, from May's then-record 57.2, signalling a rapid improvement in manufacturing business conditions in Poland. The current sequence of positive PMI readings was extended to 12 months.

On a quarterly basis the PMI trended at 56.8 in the second quarter, the highest on record, compared with the previous peak of 55.9 set in both Q2 2004 and Q4 2010.

All five components of the PMI provided positive contributions to the headline figure in June and all had positive directional influences since the previous month. The new orders and output indices had the biggest impacts on the PMI in June, lifting it by 1.2 and 0.7 points, respectively. The 2.2-point rise in the PMI was less than the 3.5-point gain in May, but still the second-largest since

*continued...*

Poland Manufacturing PMI  
sa, >50 = improvement since previous month



Source: IHS Markit.

#### Comment

Commenting on the latest survey results, Trevor Balchin, Economics Director at IHS Markit, said:

*"The Polish PMI surged to a new record high of 59.4 in June, signalling a strong rebound in the goods-producing sector as lockdown restrictions were eased and pent-up demand released as more parts of the economy reopened.*

*"The headline PMI was lifted by all five components, with new orders growing at the strongest rate in over seven years and the third-fastest on record. Despite sharper growth of output and jobs, backlogs increased at an unprecedented pace in June.*

*"June data also signalled a record lengthening in suppliers' delivery times, prompting demand for inputs to rise even further as firms aimed to secure safety stocks. This resulted in a new survey-record rate of input price inflation in June, which in turn led to record output price inflation."*

July 2020.

Demand for Polish manufactured goods continued to rise sharply in June as market conditions improved with the loosening of restrictions. New orders rose for the seventh month running, and at the fastest rate since February 2014 (and the third-strongest ever recorded). New export business expanded at a rate close to March's 89-month record, but it was the domestic market that provided the main impetus to sales in June.

Production rose for the fifth month running in June, and at the strongest rate since January 2017. Despite the faster increase in output, backlogs grew for the ninth month running and at the fastest rate since the series began in 2003, a clear sign of rising pressure on manufacturing capacity. To help support sales, firms sold direct from stock with the overall level of finished goods inventories declining at the fastest rate since October 2017.

To increase capacity, manufacturers added to payrolls for the tenth consecutive month in June. Moreover, the rate of job creation was the strongest since April 2017. Meanwhile, purchasing activity rose at the sharpest rate since May 2004, resulting in the fastest expansion in input stocks at manufacturers in the survey history. This reflected concerns over disruption to output from supply delays, with suppliers' delivery times lengthening to a record degree in June.

Raw material shortages and transportation bottlenecks drove input prices higher in June. The rate of inflation hit a new record high for the fourth month running, as did that for output prices as firms passed on greater costs to clients.

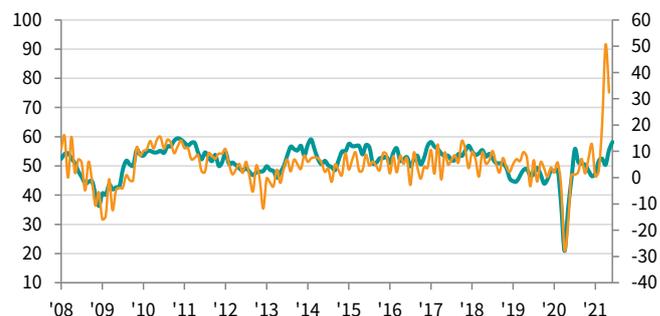
Manufacturers were increasingly optimistic regarding the 12-month outlook for production in June, with sentiment the highest in 2021 so far.

### Poland Manufacturing PMI Output Index

sa, >50 = growth since previous month

### Manufacturing production

% yr/yr



Sources: IHS Markit, GUS.

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### Survey methodology

The IHS Markit Poland Manufacturing PMI® is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### Survey dates and history

Data were collected 11-24 June 2021.

Survey data were first collected June 1998.

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### About PMI

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