

## IHS Markit Greece Manufacturing PMI®

### Marked improvement in operating conditions as production ticks higher in December

#### Key findings

Output expansion quickens despite ongoing material shortages

Strongest rise in employment since February 2020

Rate of cost inflation slowest for four months

Data were collected 06-16 December 2021.

December PMI® survey data indicated a marked improvement in operating conditions across the Greek manufacturing sector, amid stronger upturns in output and employment. New orders increased sharply despite easing to a five-month low. In line with a sustained uptick in client demand and growing backlogs of work, firms expanded their workforce numbers at the steepest pace since February 2020. Meanwhile, material shortages and transportation delays led to a substantial deterioration in vendor performance and pushed cost burdens up, albeit at the slowest rate for four months. Nonetheless, efforts to build safety stocks were ramped up as input buying rose at the sharpest pace since February 2000.

The headline IHS Markit Greece 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. Any figure greater than 50.0 indicates overall improvement of the sector.

The headline PMI posted 59.0 in December, up slightly from 58.8 in November to signal a sharp improvement in the health of the Greek manufacturing sector. Overall growth was the strongest since August amid a slower fall in stocks of purchases and faster expansions in output and employment.

Contributing to the overall expansion was a stronger rise in production across the Greek manufacturing sector in December. Despite material shortages, the upturn was sharp and the fastest for three months amid reports of a sustained increase in client demand.

Although the rate of growth in new orders slowed to the

*continued...*

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



Source: IHS Markit.

#### Comment

Commenting on the latest survey results, Siân Jones, Senior Economist at IHS Markit, said:

"Greek manufacturers signalled an encouraging end to 2021 as production expanded at a faster pace and client demand remained sharp despite ongoing challenges regarding supply-chain disruptions and some reports of reluctance at clients to purchase amid hikes in selling prices.

"Firms were undeterred by hesitations at certain clients, however, as hiring activity was stepped up to an extent not seen since before the escalation of the COVID-19 pandemic. At the same time, input buying was ramped up at the fastest rate since February 2000 as firms notably pivoted to efforts to stockpile materials amid further supplier delays and shortages.

"Manufacturers were broadly upbeat regarding the outlook for output over the coming year, as expectations reached a six-month high. The recent emergence and spread of the Omicron variant of COVID-19 is likely to temper sentiment moving into the opening quarter of 2022, however, as the virus spreads across Europe."

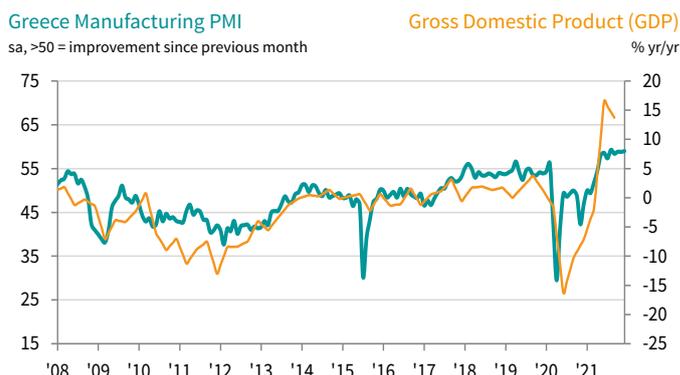
softest for five months at the end of 2021, it was steep overall and supported by stronger domestic and foreign customer demand. Some companies noted, however, that numerous clients were hesitant to place orders amid substantial hikes in charges.

In line with a further historically elevated rise in total sales, manufacturers stepped up their hiring activity in December. The rate of job creation was the sharpest since February 2020, as firms also sought to work through incomplete orders. Although the pace of expansion in backlogs of work softened from November's series record, it was the second-fastest since data collection began just over 19 years ago. Companies overwhelmingly linked the increase in work-in-hand to material shortages and input delivery delays.

The deterioration in vendor performance eased slightly at the end of 2021, but ongoing reports of material shortages and port congestion led to another substantial increase in input prices, albeit the slowest since August. Firms continued to pass-through higher costs to clients where possible, as selling prices rose at a marked pace.

Nevertheless, efforts to stockpile inputs to avoid future shortages led to the fastest rise in purchasing activity since February 2000. Pre-production inventories continued to fall, albeit at the slowest pace since March 2020 as firms sought to replenish stocks. Post-production inventories fell solidly, however, as manufacturers struggled to replace stock shipped to fulfil orders.

Optimism stemming from hopes of softer price hikes and sustained client demand in 2022 drove output expectations among goods producers to their strongest since June.



Sources: IHS Markit, National Statistical Service of Greece.

## Contact

Sian Jones  
Senior Economist  
IHS Markit  
T: +44-1491-461-017  
[sian.jones@ihsmarkit.com](mailto:sian.jones@ihsmarkit.com)

Joanna Vickers  
Corporate Communications  
IHS Markit  
Telephone +44 207 260 2234  
[joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

### Survey methodology

The IHS Markit Greece Manufacturing PMI® is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 300 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 06-16 December 2021.

Survey data were first collected May 1999.

### Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.

### About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2022 IHS Markit Ltd. All rights reserved.

If you prefer not to receive news releases from IHS Markit, please contact [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com). To read our privacy policy, click [here](#).

### About PMI

Purchasing Managers' Index® (PMI®) surveys are now available for over 40 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. [ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html)