

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**

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## IHS Markit Greece Manufacturing PMI<sup>®</sup>

### PMI picks up in August amid strong output growth

#### Key findings:

- PMI reaches three-month high
- Rates of output and new order growth accelerate
- Employment expansion gathers momentum

Data collected August 13-23

August survey data signalled a further strong improvement in operating conditions across the Greek manufacturing sector. The overall growth performance was aided by solid expansions in output and new orders. Subsequently, the rate of job creation accelerated. On the price front, inflationary pressures eased. The rate of input cost inflation softened to a three-month low and charges only rose marginally. Meanwhile, manufacturers remained strongly positive with business confidence reaching a four-month high.

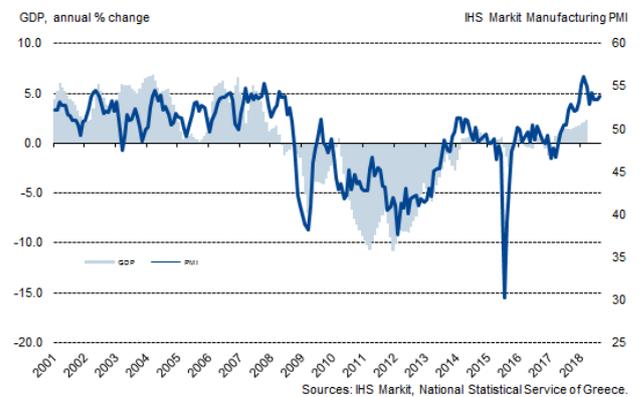
The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>) – a composite indicator designed to measure the performance of the manufacturing economy – registered 53.9 in August, up slightly from 53.5 in July. The improvement in operating conditions was the strongest in three months and solid overall.

Production growth across the goods-producing sector picked up momentum in August, with the rate of expansion accelerating. Moreover, the upturn was the fastest since March and well above the series trend. Anecdotal evidence suggested the latest rise was due to increased client demand and greater new order volumes.

Although not quite reaching the rates seen at the start of the year, growth in new business quickened to a solid pace in August. Panellists attributed the increase to greater domestic and foreign client demand. Subsequently, new export orders rose at a strong rate.

Consequently, employment levels rose at a quicker pace in August. The rate of job creation accelerated

IHS Markit Greece Manufacturing PMI



for the second successive month amid greater production requirements.

That said, the rate of output growth outstripped that of new orders leading to a further contraction in backlogs. The level of outstanding business fell for the fifth month running despite the pace of decline easing.

Meanwhile, the rate of input price inflation softened to a three-month low but remained marked overall. Panellists noted that greater cost burdens were linked to higher raw material prices, especially paper and steel. Firms also commonly cited increased steel costs as a driving factor behind higher charges. Although output prices continued to rise, inflation eased to a marginal rate which was well below July's recent peak.

Supplier delivery times lengthened further in August, extending the trend of increased delays which began in October 2016. Lead times lengthened to a greater extent than the series trend. Firms continued to increase their buying activity, however, with the quantity of purchases rising strongly.

Goods producers reported a robust degree of confidence towards the year-ahead outlook for output in August. Panellists were buoyed by more favourable domestic demand conditions and greater foreign client demand.

## Comment:

Sian Jones, Economist at IHS Markit which compiles the *Greece Manufacturing PMI<sup>®</sup>* survey, said:

*“The Greek manufacturing sector continued to signal a solid improvement in operating conditions amid faster rises in output and new orders.*

*“Positively, firms registered a quicker increase in job creation despite a further fall in the level of outstanding business.*

*“Following July’s strong rise in output prices, the rate of inflation softened, with charges only increasing marginally in August. This was despite a further marked rise in input costs.*

*“Looking ahead, panellists were confident of a rise in output over the coming year. Positive sentiment was driven by stronger domestic and foreign demand.”*

-Ends-

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### Note to Editors:

The Greece Manufacturing PMI<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by IHS Markit. The report features original survey data collected from a representative panel of over 300 companies based in the Greek manufacturing sector. The panel is stratified by GDP and company workforce size.

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.

IHS 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 IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.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 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. To learn more go to <https://ihsmarkit.com/products/pmi.html>

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