News Release

Embargoed until 1000 CEST (0800 UTC) 27 April 2022

Unicredit Bank Austria Manufacturing PMI®

Slower increases in output and new orders as factory gate price inflation spikes to record high

Key findings

Production and new orders post slowest rises in five months

Output prices soar amid intense cost pressures

Expectations tick up slightly from March's 21-month low

Latest PMI® data indicated a loss of momentum across the Austrian manufacturing sector at the start of the second quarter, with the country's goods producers reporting slower rises in output, new orders and employment. Price pressures meanwhile intensified, with sharply rising costs leading to a rapid acceleration in the rate of factory gate price inflation to a new record high.

The seasonally adjusted UniCredit Bank Austria Manufacturing Purchasing Managers' Index® (PMI®) – a single-figure gauge of performance calculated from measures of output, new orders, employment, stocks of inputs, and supplier delivery times – slipped to a 15-month low of 57.9 in April, down from 59.3 in March.

One factor weighing on the headline index in April was a slower rise in output. The rate of production growth was the second-weakest seen in the past 15 months as firms commented on the influence of material and component shortages as well as pressure on staffing capacity.

The rate of increase in new orders also eased in April, down to its lowest since last November amid a notable slowdown in the pace of export sales growth. This was partly due to the fallout from the Ukraine-Russia war, with surveyed firms noting increased uncertainty among clients. Where a rise in new orders was recorded, this was often attributed to customers bringing forward their purchases to build up safety stocks and mitigate against possible future price increases.

April saw an intensification of inflationary pressures across the Austrian manufacturing sector. The rate of increase in input costs accelerated to a six-month high and was close to the record levels seen in 2021, as higher prices for raw materials coincided with a surge in energy and transportation costs. Goods producers increasingly passed on higher costs to customers, resulting in a record increase in factory gate charges that far exceeded the previous peak observed in last year.

Unicredit Bank Austria Manufacturing PMI

sa, >50 = growth since previous month

Source: S&P Global.

Data were collected 11-22 April 2022.

Price pressures partly stemmed from ongoing imbalances between supply and demand for inputs as well as transport bottlenecks. These factors in turn led to a further marked increase in average lead times on inputs, albeit with the incidence of delays easing slightly from the previous survey period.

Austrian manufacturers continued to report a rapid build-up of stocks of purchases during April. Firms' efforts to increase safety stocks were reflected in a rise in their buying levels, the rate of growth of which continued to far outstrip those of both production and new orders despite softening to a 14-month low.

By contrast, post-production inventories fell for the first time in seven months in April as businesses had difficulty keeping up with demand. This also led to a sustained increase in backlogs of work across the sector.

Austrian manufacturers maintained their efforts to expand capacity by taking on additional staff for the sixteenth month in a row in April. The pace of job creation remained well above the historical series average but eased to the weakest since March last year.

Lastly, Austrian manufacturers were cautiously optimistic about the year-ahead outlook for output. Expectations ticked up from March's 21-month low but remained subdued by recent standards, as the war in Ukraine, severe price prices and supply chain risks all continued to dampen business confidence.

PMI® by S&P Global

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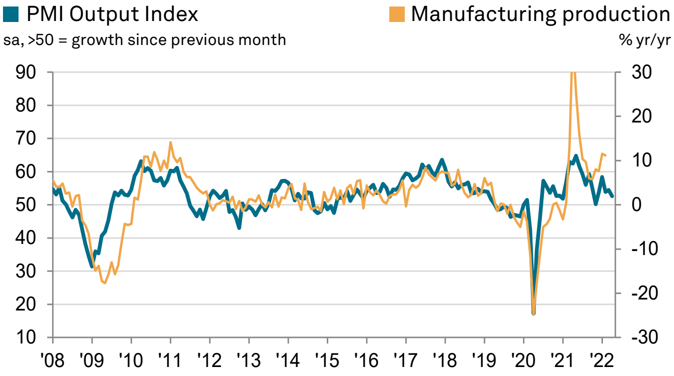

Sources: Bank Austria, S&P Global, Eurostat.

Contact

Stefan Bruckbauer
Bank Austria
T: +43 (0) 50505-41951
stefan.bruckbauer@unicreditgroup.at

Phil Smith
Economics Associate Director
S&P Global
T: +44-1491-461-009
phil.smith@spglobal.com

Bibiane Sibera
OPWZ
T: +43-1-533-86-36-56
opwz.com/forum-einkauf/

Joanna Vickers
Corporate Communications
S&P Global
T: +44-207-260-2234
joanna.vickers@spglobal.com

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Survey methodology

The Unicredit Bank Austria Manufacturing PMI® is compiled by S&P Global 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. Data collection began in October 1998.

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.

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.

About Unicredit Bank Austria

Our customers' success is one of our primary concerns. For this reason we are pleased to prepare the Purchasing Managers' Index on a monthly basis jointly with S&P Global, thereby enhancing the quality of our information on the Austrian economy. Because having access to accurate information at the right time is decisive for business decisions, especially in an increasingly harsher competitive environment.

The high level of expertise of UniCredit Bank Austria's employees in complex issues concerning finance, financial investments and investment projects is one of the reasons why UniCredit Bank Austria is a leading commercial bank. Our employees take advantage of the information lead. We use this acquired knowledge for the business success of our customers.

OPWZ

The OPWZ is a leading partner of business, administration, health care and NGOs for the training and advanced qualification of their employees and management.

In cooperation with experts from economy and science, the OPWZ is setting standards in education that meet international requirements and national needs.

With its experience of more than 60 years and over half a million graduates the OPWZ is the knowledge motor of productivity and economic efficiency in Austria, enhancing the competitive capacity of corporations and organizations. www.opwz.com/forum-einkauf/

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