

Embargoed until 0900 CEST (0700 UTC) 1 April 2020

## IHS MARKIT POLAND MANUFACTURING PMI®

### Strongest downturn in manufacturing since global financial crisis amid coronavirus disruption

#### KEY FINDINGS

Fastest declines in output and new orders since December 2008

Survey-record lengthening in supplier delivery times

Output expectations turn sharply negative

The March Poland PMI® survey data from IHS Markit provided the first indication of the severe hit to the economy as the coronavirus outbreak accelerated in Europe. Output, new orders and exports all contracted at the fastest rates since December 2008, during the depths of the global financial crisis.

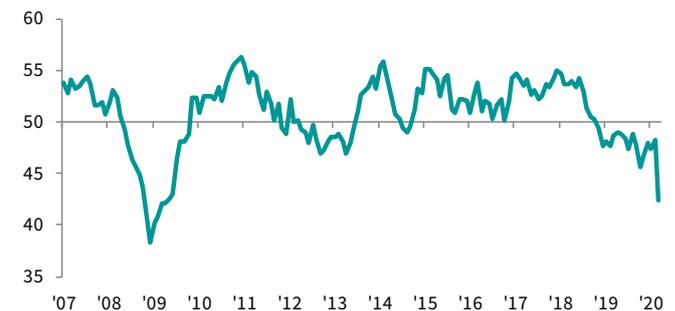
The headline IHS Markit Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. The PMI registered a record month-on-month decline in March, falling from 48.2 in February to 42.4. The latest figure signalled the steepest overall deterioration in manufacturing business conditions since April 2009. The current downturn in the goods-producing sector has now lasted for 17 months.

The output, new orders and employment components all suffered record one-month declines in March, weighing heavily on the PMI.

Stocks of purchases had a slightly negative contribution, while suppliers' delivery times provided a positive influence. This is because the index is inverted in the PMI calculation, as longer times are usually associated with rising demand, whereas the current pressure on supply chains is linked to disruption from the coronavirus outbreak.

Production, new orders and new export orders all fell at the strongest rates since December 2008 in March, highlighting the severity of the economic disruption caused by the escalating coronavirus outbreak. Excluding the end of 2008, all three variables saw the steepest declines since the series

Manufacturing PMI  
sa, >50 = improvement since previous month



Source: IHS Markit.

began in June 1998.

With a lack of incoming new orders, backlogs were completed at a stronger rate in March. The rate of decline in outstanding business was the fastest since November 2012. There were some reports that output had been held up by supply shortages, however.

The sharp downturn in demand and workloads in March impacted employment in the goods-producing sector. Employment fell for the ninth month running, and the rate of job shedding accelerated at a survey-record pace to the fastest since July 2009.

Manufacturers also adjusted their purchasing activity in light of the steep drop in new orders. Input volumes fell by the most in any month since October 2019.

Despite lower demand for inputs, suppliers' delivery times lengthened in March by the most in any month since the survey began in June 1998. The respective index also posted a record month-on-month decline, highlighting the severity of the disruption to global supply chains resulting from the coronavirus outbreak. Pre-production stocks declined for the ninth month running, and at the fastest rate in 2020 so far.

The 12-month outlook for production plummeted in March to the lowest level since the series was first compiled in April 2012. Firms widely linked pessimistic forecasts to the global coronavirus outbreak and the long-term economic impact.

## COMMENT

Trevor Balchin, Economics Director at IHS Markit, which compiles the Poland Manufacturing PMI survey, commented:

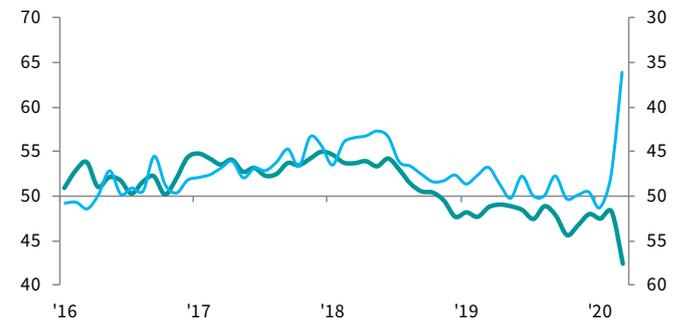
*"Poland's manufacturers endured their worst month since the global financial crisis in March, as Europe became the new epicentre of the coronavirus outbreak. The PMI hit its lowest level since April 2009 as output and new orders both contracted at the fastest rates since December 2008. Employment declined at the strongest pace since July 2009.*

*"The fall in the headline PMI was cushioned by a record lengthening of suppliers' delivery times. Because longer times are usually associated with rising demand, the index is inverted in the PMI calculation, but the current deterioration in lead times reflects global supply chain difficulties due to the virus outbreak.*

*"Looking ahead, firms were their most pessimistic in March since the output expectations series began in 2012."*

## Manufacturing PMI

sa, >50 = improvement since previous month



Source: IHS Markit.

## Suppliers' Delivery Times Index

sa, >50 = faster times since previous month

## CONTACT

### IHS Markit

Trevor Balchin  
Economics Director  
T: +44-1491-461-065  
[trevor.balchin@ihsmarkit.com](mailto:trevor.balchin@ihsmarkit.com)

Katherine Smith  
Corporate Communications  
T: +1-781-301-9311  
[katherine.smith@ihsmarkit.com](mailto:katherine.smith@ihsmarkit.com)

### 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 200 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.

March data were collected 12-25 March 2020.

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

### 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 © 2020 IHS Markit Ltd. All rights reserved.

If you prefer not to receive news releases from IHS Markit, please email [katherine.smith@ihsmarkit.com](mailto:katherine.smith@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.

<https://ihsmarkit.com/products/pmi.html>