

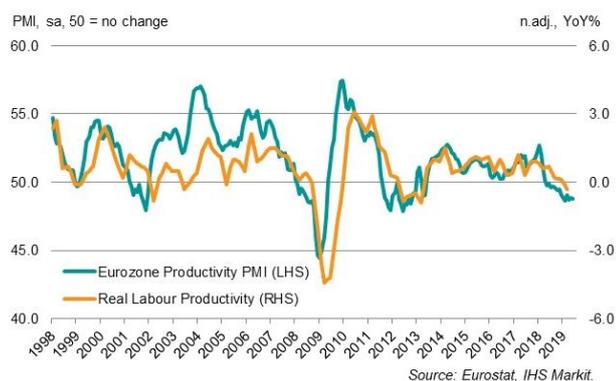
## IHS Markit Eurozone Productivity PMI<sup>®</sup>

### Eurozone productivity slides at sharpest rate in close to seven years in Q2

#### Key findings:

- Manufacturing posts softer deterioration in labour performance than in Q1, fall accelerates in services
- Efficiency losses widespread across France, Germany and Italy
- France registers the fastest decline in overall productivity...
- ...but worst sector trend seen at German goods producers

#### IHS Markit Eurozone Productivity PMI<sup>®</sup>



Labour productivity across the eurozone continued to worsen in the second quarter of 2019, with the deterioration accelerating to the fastest since the third quarter of 2012. Although manufacturing firms recorded a steeper fall than their services counterparts, there was a slowdown in the rate of contraction among the former and acceleration in the latter. Furthermore, in the three months to June there were efficiency losses across the board; in the manufacturing and service sectors of France, Germany and Italy.

Down marginally from 48.9 in May to 48.8 in June, the seasonally adjusted **Eurozone Productivity PMI<sup>®</sup>** – derived from IHS Markit's national manufacturing and services PMI survey data – rounded off its lowest quarterly reading in Q2 (48.8) since Q3 2012 (48.5).

There was a slowdown in the contraction of factory productivity from the opening quarter of 2019, when the reduction had been the steepest noted since early-2009, but the fall remained more pronounced than in the service economy.

German goods producers recorded a quicker deterioration in workforce efficiency than seen in the same sectors of France and Italy. However, there was an easing in its pace of reduction from Q1 when production fell despite job creation. In Q2, lower output was accompanied by job cuts.

French manufacturers noted the fastest deterioration in labour performance since mid-2013, as employment continued to increase in the second quarter and there were further contractions in production.

Italian goods producers saw the slowest fall in productivity of the three eurozone countries for which PMI data are published, and one that was the weakest in a year. A stabilisation of employment in the sector occurred in parallel to only a mild decline in output that was slower than observed in the opening quarter of 2019.

Worsening labour performance trends in the service sectors of Germany and Italy dragged down services productivity in the eurozone. The overall pace of contraction was only slight, but the fastest since Q2 2013.

Following efficiency gains in the first quarter of 2019, Italian service providers saw productivity slide for the first time since Q3 2016 as relatively solid job creation failed to lift business activity to a meaningful extent.

Workforce efficiency also dipped into contraction at German service providers, after displaying a renewed improvement in Q1. A strong rate of job creation just outpaced the expansion in business activity.

Meanwhile, a marginal fall in Italian service sector productivity interrupted a sequence of growth that started at the end of 2016.

### Productivity PMI Indices: June 2019

	Total	Manufacturing	Services
France	48.9	48.3	49.0
Germany	48.5	47.1	49.2
Italy	48.8	49.9	48.4
<b>EZ</b>	<b>48.8</b>	<b>48.4</b>	<b>48.9</b>

### Productivity PMI Indices: Q2 2019

	Total	Manufacturing	Services
France	48.3	48.2	48.4
Germany	48.5	45.9	49.9
Italy	49.4	48.6	49.6
<b>EZ</b>	<b>48.8</b>	<b>47.6</b>	<b>49.2</b>

### For further information, please contact:

Pollyanna De Lima, Principal Economist  
Telephone +44-1491-461-075  
Email [pollyanna.delima@ihsmarkit.com](mailto:pollyanna.delima@ihsmarkit.com)

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

### Note to Editors:

IHS Markit's Eurozone Productivity PMI indices are derived from data collected from IHS Markit's panels of companies that participate in the Purchasing Managers' Index (PMI) surveys of business conditions across the euro area. The panels are designed to accurately reflect the true industrial, geographical and company size structure of the eurozone manufacturing and service economies.

IHS Markit analyses the output and employment data for each company to produce a single-figure measure of the rate of change of each sector's productivity. This information is weighted together according to the individual country's contribution to the gross value added of that sector at the eurozone level. This figure is then seasonally adjusted. Sectors are weighted together to form the Eurozone Total Productivity PMI.

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.

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 revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))

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 © 2019 IHS Markit Ltd. All rights reserved.*

### 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>.

The intellectual property rights to the Eurozone Productivity PMI<sup>®</sup> 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<sup>®</sup> and PMI<sup>®</sup> 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.

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