

## IHS Markit Greece Manufacturing PMI®

### August PMI signals strongest improvement in operating conditions since April 2000

#### Key findings

Fastest rise in output and new orders for over 21 years

Inflationary pressures remain historically elevated

Marked deterioration in vendor performance

Data were collected 12-23 August 2021.

August PMI® survey data signalled a marked improvement in the health of the Greek manufacturing sector, and one that was the strongest since April 2000. Overall growth was supported by sharper expansions in production and new orders. Client demand from new and existing clients strengthened as firms stepped up their purchasing activity and hiring. Nevertheless, severe supplier delays pushed up cost burdens again, as input prices rose markedly. Firms were able to partially pass higher costs to clients, as charges rose sharply.

Meanwhile, business confidence ticked higher amid hopes of further increases in new order inflows.

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 59.3 in August, up from 57.4 in July, to signal a marked upturn in operating conditions across the Greek manufacturing sector. The rate of growth was the fastest for over 21 years and robust overall.

Contributing to the overall expansion was a sharper upturn in production midway through the third quarter. The rise in output was the strongest since April 2000 and was reportedly driven by greater new order inflows and increased client demand.

New sales increased substantially in August, as Greek manufacturers signalled the steepest expansion in client

*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:

"August data signalled another uptick in the health of the Greek manufacturing sector as the wider economy continues to reopen. Stronger client demand supported the fastest rise in output and new orders for over 21 years as export conditions also improved.

"Although easing from the highs seen in June, inflationary pressures remained historically elevated amid seemingly relentless supplier shortages and delays to material deliveries. Our current forecast expects marked increases in producer prices to feed through to overall consumer prices as 2021 progresses.

"On a more positive note, the pace of job creation accelerated as firms sought to stay on top of inflows of new orders amid dwindling stocks of finished goods."

demand since May 2000. Some companies stated that the upturn was linked to the further reopening of the economy and growth in key overseas markets. At the same time, foreign client demand also strengthened, as new export orders rose at sharp rate that was quicker than that seen in July.

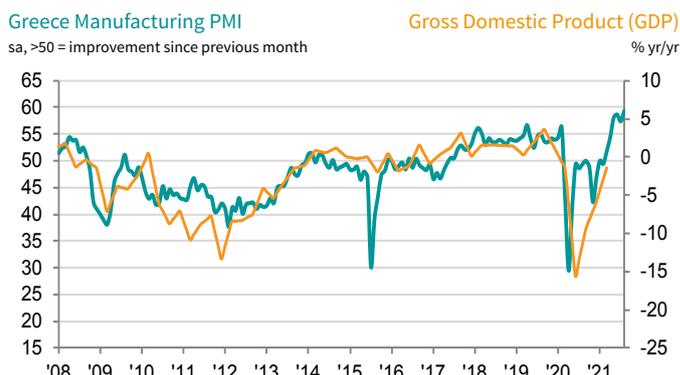
Meanwhile, cost burdens faced by Greek goods producers rose at a steep pace despite easing to a five-month low. With the exception of the historic highs seen since April, the rate of inflation was the steepest since the series began in May 1999. The rise in input prices was commonly linked to severe supplier shortages and greater global demand for inputs.

Output charges increased markedly in August, as firms sought to partially pass on higher costs to clients. The rate of charge inflation softened from June's historic high and was the slowest for six months.

Nevertheless, manufacturers expanded their input buying at the fastest pace since April 2019. Greater purchasing was linked to increased production requirements and further contractions in both pre- and post-production inventories. The fall in stocks of purchases was widely attributed to one of the most severe deteriorations in vendor performance on record, as material deliveries were delayed further.

Manufacturers registered a strong rise in workforce numbers in August in an effort to reduce pressure on capacity. Subsequently, the rate of increase in backlogs of work softened to the slowest in three months.

Finally, output expectations regarding the year ahead improved during August amid hopes of further upturns in client demand. The degree of confidence was strong overall and above the series average.



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 12-23 August 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 © 2021 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)