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## Unicredit Bank Austria Manufacturing PMI®

### Growth of output and new orders stalls in November

#### Key findings

Production and new orders barely rise

Supply delays remain among the worst on record

Higher energy costs help to maintain strong price pressures

Data were collected 12-23 November

The performance of the Austrian manufacturing sector faltered in November, latest PMI® data showed. Growth of both output and new orders stalled, while firms' expectations sank to their lowest for 12 months. Factory employment nevertheless remained a bright spot, rising at one of the quickest rates on record. Supply bottlenecks continued to act as a major drag on activity and drive strong inflationary pressures alongside increased energy costs.

November saw the headline UniCredit Bank Austria Manufacturing PMI® – a single-figure gauge of performance – fall for the fourth time in the past five months to its lowest since January. Still, at 58.1, down from 60.6 in October, the latest reading was still comfortably above the 50.0 no-change threshold. This reflected strong growth in both employment and stocks of purchases, as well as a further marked lengthening of supplier delivery times.

The headline index's output and new orders sub-components displayed much weaker trends, however. Rates of growth slowed sharply on both fronts to near-stagnation, with the marginal increases in production and total new orders in November being the softest seen for 17 months. Anecdotal evidence indicated that supply shortages held back production whilst also leading some customers to cancel or postpone projects. A resurgence in COVID-19 cases was also highlighted as a headwind by some.

Growing worries about rising infections and renewed containment measures weighed on business confidence in November. Manufacturers generally remained hopeful of output levels rising over the coming year, but the degree of optimism weakened for the third month in a row to the lowest since the penultimate month of 2020.

Supply-side constraints were a lingering concern among surveyed businesses. The majority of firms once again recorded longer lead

Austria Manufacturing PMI

sa, >50 = improvement since previous month



Source: IHS Markit.

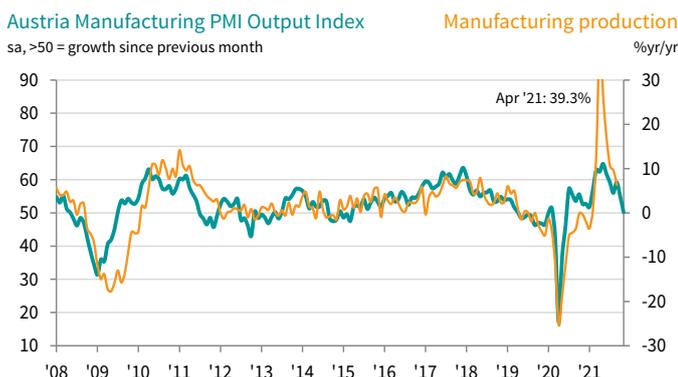
times on raw materials and intermediate products in November, albeit with reports of delays easing to the lowest since August.

General imbalances in supply and demand for inputs continued to put upward pressures on purchase prices. Combined with increased energy bills, this led to a further steep rise in overall input costs in November, with the rate of inflation remaining among the fastest on record (since 1998).

Accordingly, latest data showed another steep rise in average prices charged by Austrian manufacturers. The rate of increase in output charges ticked down to a three-month low, though it remained quicker than at any time in the series history prior to July.

Concerns about supply delays and the prospect of further increases in purchase prices contributed to marked rises in manufacturers' buying levels and stocks of purchases. While growth in purchasing activity eased to a nine-month low, the rate of increase in pre-production inventories accelerated to a new record high. Stocks of finished goods held by Austrian manufacturers also rose in November, after returning to growth for the first time in 16 months in October.

The main positive takeaway from November's survey was a further steep rise in factory employment. The pace of job creation ticked down to the weakest since July but was still one of the fastest recorded since the start of the survey in October 1998. Firms reported higher backlogs of work for the seventeenth month in a row, which they predominantly linked to supply issues. Though remaining strong by historical standards, the rate of accumulation eased to the slowest since February.



Sources: Bank Austria, IHS Markit, Eurostat.

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### Survey methodology

The UniCredit Bank Austria 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

November data were collected 12-23 November 2021.

Survey data were first collected October 1998.

### 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)

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### 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 IHS Markit, 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.

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