

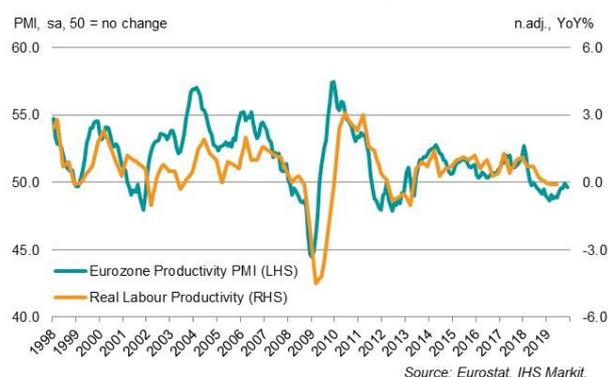
## IHS Markit Eurozone Productivity PMI<sup>®</sup>

### Marginal fall in eurozone productivity during November

#### Key findings:

- Manufacturing productivity declines further, services back in contraction
- Manufacturing productivity decreases in France, Germany and Italy
- Workforce efficiency improves in France and Italy's service sectors, worsens in Germany

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



PMI data for November showed a mild acceleration in the rate of contraction in eurozone productivity, following a slowdown in October. This reflected a quicker fall in the manufacturing industry and a renewed reduction in the service economy. Private sector labour market efficiency continued to deteriorate in Germany and Italy, while a fourth successive improvement was evident in France.

The seasonally adjusted **Eurozone Productivity PMI<sup>®</sup>** – derived from IHS Markit's national manufacturing and services PMI survey data – fell marginally from October's 16-month high of 49.9 to 49.7 in November. The latest reading extended the current sequence of contraction that started in July 2018, though pointed to a fractional rate of deterioration in labour efficiency.

The headline figure was dragged down by worsening trends in both the manufacturing and service sectors. Service providers saw a deterioration in workforce

efficiency, following a fractional improvement at the start of the fourth quarter. Meanwhile, manufacturing productivity fell to a greater extent in November.

France was the only nation for which data are published to see an increase in private sector productivity during November. The upturn was centred on the service economy, where workforce efficiency improved for the fourth month running. Concurrently, French goods producers saw a modest decline in productivity that was nonetheless the joint-fastest in the current 13-month sequence of contraction. Both factory production and employment expanded in November, with the stronger pace of growth noted for the latter.

Once again, the worst trend for productivity was noted in Germany. The fall accelerated from October, but remained slight overall. There was a renewed deterioration in labour market efficiency in the manufacturing industry, but the pace of contraction was marginal overall. Germany's service sector saw the seventh successive decline in productivity, with the rate of reduction the joint-quickest over this period.

Productivity in Italy decreased only fractionally halfway through the final quarter of 2019 as growth in the service sector partly offset another reduction in the manufacturing industry. Goods producers saw labour market efficiency worsen to a lesser extent than in October, with both production and employment contracting in November. In the service economy, the upturn in productivity was only marginal and weaker than seen on average during the series history.

#### Productivity PMI Indices: November 2019

	Total	Manufacturing	Services
France	50.5	48.0	51.1
Germany	48.8	49.7	48.4
Italy	49.9	49.0	50.2
<b>EZ</b>	<b>49.7</b>	<b>49.0</b>	<b>49.9</b>

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## 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).

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*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>.

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