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IHS MARKIT GREECE MANUFACTURING PMI®

PMI rises to highest since June 2000

KEY FINDINGS

Sharp improvement in operating conditions

Rates of output and new order expansion accelerate

Employment growth quickens to reach series high

According to the latest PMI data, Greek manufacturing firms signalled a steep improvement in overall business conditions in April. Overall growth was supported by quicker upturns in output, new orders and the fastest increase in employment since data collection for the series began in May 1999. Stronger domestic and foreign client demand contributed to greater input buying and the depletion of both pre- and post-production inventories as stocks supplemented output. Meanwhile, manufacturers increased their factory gate charges further, despite a slower rise in input costs.

Goods producers also indicated the strongest degree of confidence towards a rise in output over the coming year since data collection for the series began in July 2012.

The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – registered 56.6 in April, up from 54.7 in March. The latest headline figure signalled a sharp improvement in the health of the Greek manufacturing sector that was the strongest since June 2000.

Output levels continued to increase in April, extending the current sequence of expansion that began in June 2017. The rise was the fastest since October 2007 and was marked overall. Panellists stated that the upturn was driven by stronger domestic and foreign client demand and greater new order volumes.

New business received by Greek manufacturers rose sharply in April, and at the quickest pace since February 2018. More

Manufacturing PMI
sa, >50 = improvement since previous month



robust demand from new and existing clients reportedly drove the latest upturn in new orders. Similarly, stronger foreign demand conditions led to the fastest expansion in new business from abroad since January's recent peak.

Subsequently, goods producers expanded their workforce numbers sharply. The rate of job creation accelerated to a series high in line with greater production requirements and efforts to ensure deliveries were made in a timely manner. Backlogs, meanwhile, were broadly unchanged following back-to-back contractions in work-in-hand.

A sustained upturn in new business and greater domestic and foreign client demand contributed to the greatest degree of optimism in future output growth since July 2012.

Meanwhile, input purchasing rose at a faster rate in April, following more robust production requirements. Stocks of inputs and finished goods were depleted further as inventories were used to supplement production. Consequently, vendor performance deteriorated further as raw material shortages resulted in supplier delivery delays.

Finally, the rate of input price inflation eased in April and was softer than the series trend. Nonetheless, manufacturing firms increased their factory gate prices at the quickest pace since last September.

COMMENT

Siân Jones at IHS Markit, which compiles the Greece Manufacturing PMI survey, commented:

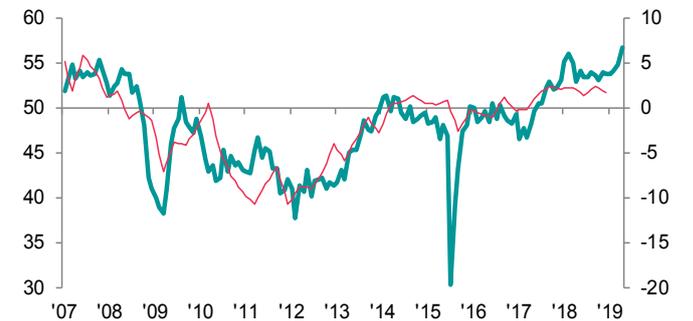
“Greek manufacturers continued to show signs of post-crisis recovery in April, with a steep improvement in operating conditions. Stronger client demand reportedly drove faster upturns in output and new orders. Foreign client demand showed no signs of abating as new export business rose at the strongest pace for three months. Meanwhile, greater production requirements contributed to employment growth, which reached a series high.

“Encouragingly, goods producers were able to continue to increase factory gate charges despite the rate of input price inflation easing.

“Firms were buoyed by a sustained rise in new business and strong demand conditions. Subsequently, output expectations towards the year ahead were at the highest level since data collection for the series began in July 2012.”

PMI

sa, >50 = improvement since previous month



Source: IHS Markit, National Statistical Service of Greece.

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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.

April 2019 data were collected 10-23 April 2019.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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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. To learn more go to [ihsmarkit.com/products/pmi.html](https://www.ihsmarkit.com/products/pmi.html).