

IHS Markit Europe Sector PMI®

European autos output falls sharply in September amid ongoing supply chain difficulties

Key findings

Production of autos and parts falls sharply in September, ending 15-month growth sequence

Technology Equipment sees further strong expansion, topping growth rankings

Transportation sector records drop in activity for first time since March

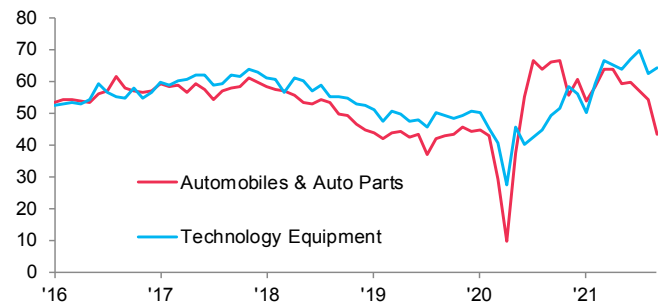
The European Automobiles & Auto Parts sector suffered a sharp drop in output in September, according to the latest Europe Sector PMI® data from IHS Markit. Production fell for the first time since May 2020, ending a 15-month run of sustained strong expansion. New orders also fell, albeit at a comparatively slower pace than production, resulting in another sharp rise in backlogs of work. Suppliers' delivery times continued to lengthen severely, and the 12-month outlook for production was the weakest since May 2020.

Overall, 17 out of 20 sectors registered growth of output in September, the lowest total since March. Moreover, of these, 11 recorded slower rates of expansion than in August. Technology Equipment, Software & Services, Other Financials, Media and Beverages & Food were the only sectors to see faster rates of growth in the latest period. Technology Equipment topped the growth rankings for the third time in four months, and has been in the top two rankings since February. Construction Materials posted a modest resumption in growth following a brief decline in August, while Real Estate activity stagnated in September.

Besides Automobiles & Auto Parts, the only European sector to record lower activity in September was Transportation, which posted a decline for the first time since March.

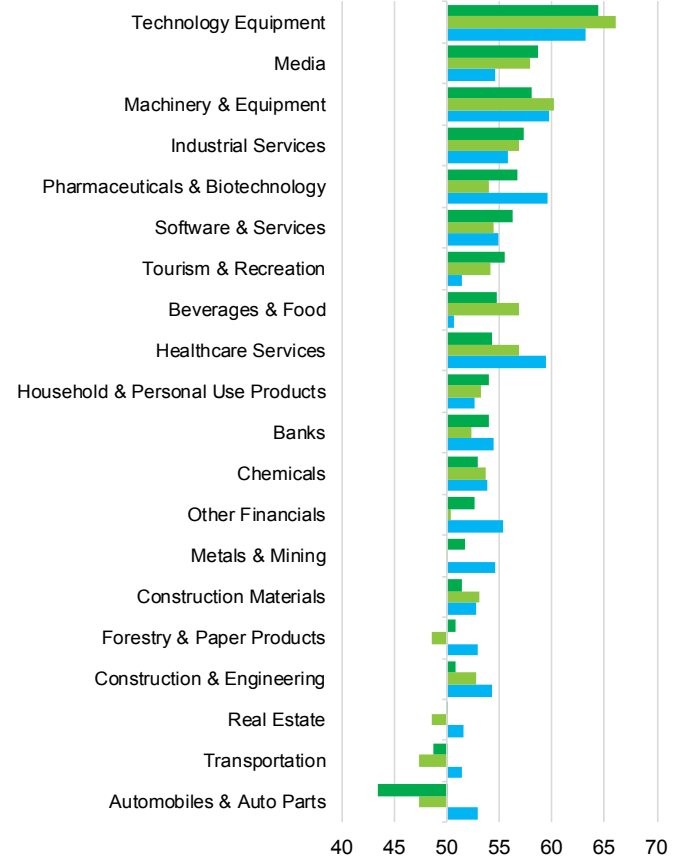
Machinery & Equipment registered the fastest rate of input price inflation of all sectors in September, followed by Automobiles & Auto Parts, Technology Equipment, Household & Personal Use Products and Chemicals. Three sectors registered record rates of input price inflation: Media, Real Estate and Pharmaceuticals & Biotechnology.

Europe Sector PMI Business Activity Index
sa, >50 = growth since previous month



Source: IHS Markit.

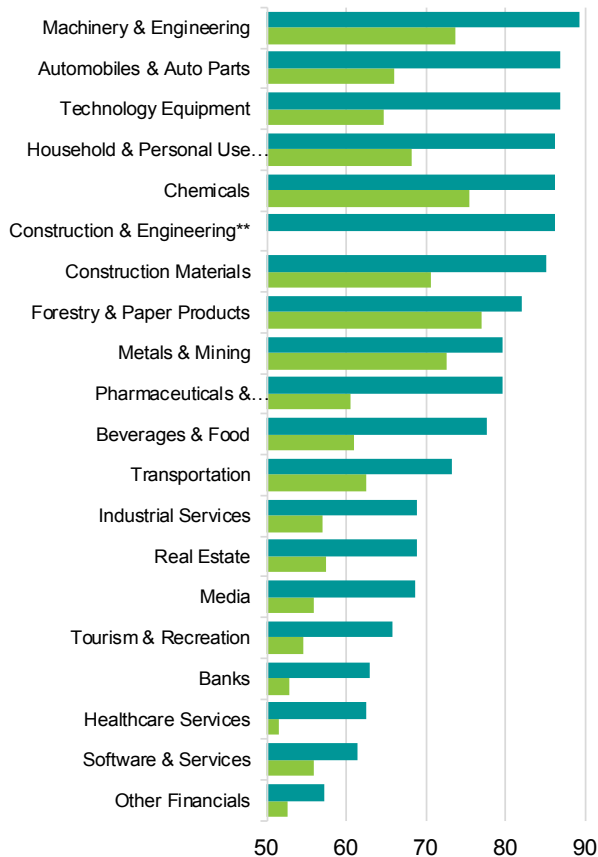
Output Index ■ / New Orders Index ■ / Employment Index ■, Sep '21
sa, >50 = growth since previous month



Source: IHS Markit.

Input Prices Index / Output Prices Index, Sep '21

sa, >50 = inflation since previous month.



Source: IHS Markit. **Output Prices Index not available for Construction & Engineering.

Output Index



Source: IHS Markit.

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Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. 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.

For manufacturing sectors, 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.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

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.

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