

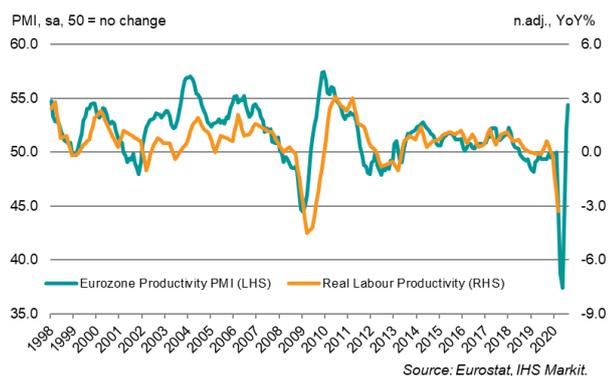
IHS Markit Eurozone Productivity PMI®

Eurozone productivity rises at fastest pace for a decade during August

Key findings:

- Efficiency gains in eurozone private sector gather pace in August
- Higher productivity recorded across Germany, France and Italy
- Both manufacturing and service sectors see productivity gains, with former posting the sharper growth

IHS Markit Eurozone Productivity PMI®



The latest survey data indicated a further rise in eurozone private sector productivity during August, with the rate of increase quickening to the fastest since August 2010. The marked gain in efficiency was driven by output rising further while workforce numbers were reduced again. Productivity improvements were recorded in both manufacturing and services, with the former registering the sharper increase. The eurozone's three largest economies all saw higher productivity in August, with Germany recording the strongest gain in productivity.

The seasonally adjusted **Eurozone Productivity PMI®**, compiled from IHS Markit's national manufacturing and services PMI survey data, rose from 52.1 in July to 54.4 in August, its highest for a decade.

Efficiency gains across the eurozone were fuelled by higher productivity in the manufacturing sector. The rate of increase in manufacturing efficiency accelerated to the greatest for over ten years during August, as factories increasingly raised output to meet a resurgence in demand while streamlining workforces to control costs.

Service sector productivity also improved for a second month running, with the rate of increase the fastest for just over nine years, albeit noticeably slower than the rate seen in manufacturing.

August saw a second straight monthly rise in German private sector productivity, with the rate of improvement accelerating to the fastest since May 2010. While efficiency gains were seen across both the manufacturing and service sectors, the former reported the much faster growth in efficiency. The rate of increase in manufacturing was substantial, and the fastest for over a decade. The efficiency gain in services was modest in comparison, though still the fastest for nearly six years.

Workforce efficiency across France's private sector improved further in August and at the fastest rate for over nine years. The improvement was led by strong productivity increases in both the manufacturing and service sectors. Survey data showed that a gain in output and further job losses drove the overall French productivity improvement.

Finally, Italian productivity increased further in August. Moreover, private sector efficiency improved at the fastest rate for two-and-a-half years, lifted by a marked rise in productivity in the goods producing sector, where the rate of increase quickened to the fastest for over nine years. Service sector efficiency increased further in August, but at a modest pace.

Productivity PMI Indices: August 2020

	Total	Manufacturing	Services
France	54.8	55.3	54.7
Germany	55.7	61.3	52.7
Italy	52.8	55.9	51.6
EZ	54.4	57.7	53.2

For further information, please contact:

Bernard Aw, Principal Economist
Telephone +65 6922 4226
Email bernard.aw@ihsmarkit.com

Katherine Smith, Public Relations
Telephone +1 781 301 9311
Email katherine.smith@ihsmarkit.com

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.

About IHS Markit (www.ihsmarkit.com)

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 © 2020 IHS Markit Ltd. All rights reserved.

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 <https://ihsmarkit.com/products/pmi.html>.

The intellectual property rights to the Eurozone Productivity PMI[®] 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.

If you prefer not to receive news releases from IHS Markit, please email katherine.smith@ihsmarkit.com. To read our privacy policy, [click here](#).