

# News Release

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## S&P Global Spain Manufacturing PMI<sup>®</sup>

### Output growth slows further as finished goods stocks build up at record pace

#### Key findings

Marginal rise in output as new orders fall further

Transport strikes lead to record increase in final goods stocks

Manufacturers hike prices at record pace as costs soar

April PMI<sup>®</sup> survey data from S&P Global signalled a further loss of momentum in the Spanish manufacturing sector, reflecting the impact of recent transport strikes, uncertainty over the ongoing war in Ukraine and inflation concerns. Output rose only fractionally, while new orders fell for the second successive month. The near-stagnation in output partly reflected a record build-up in stocks of finished goods due to the recent transport strikes. Confidence partially recovered from March's record slump, but failed to return to the levels seen at the start of 2022 as uncertainty around the war in Ukraine and inflation persisted. Manufacturing output prices rose at the fastest rate on record in April.

The headline S&P Global Spain Manufacturing PMI – a composite single-figure indicator of manufacturing performance – fell to 53.3 in April, from 54.2 in March. This signalled the weakest overall improvement in manufacturing business conditions since February 2021. The PMI remained above its long-run trend level, but this continued to reflect the impact of the suppliers' delivery times component due to ongoing global supply chain difficulties.

Looking beyond the headline figure, operating conditions remained challenging for manufacturers, as new orders fell for the second month running. Firms linked weaker demand to due to the impact of the transport strikes, shortages, uncertainty linked to the war in Ukraine and high prices. That said, the rate of decline eased since March.

Output rose for the fifteenth consecutive month, but the rate of growth slowed further to the weakest in this sequence. This was linked to a lack of incoming new work, the impact on supply from the recent transport strikes and wider supply disruption due to the war in Ukraine. The slowdown also reflected a record build-up in stocks of finished goods during April due to the recent transportation strikes. The overall volume of outstanding work rose only slightly, however, reflecting the recent downturn in new orders.

Spain Manufacturing PMI  
sa, >50 = growth since previous month



Source: S&P Global.  
Data were collected 11-22 April 2022

#### Comment

Paul Smith, Economics Director at S&P Global, said:

*“Spain’s manufacturing economy continued to face an extremely difficult combination of challenges during April: ongoing supply-side disruption, exacerbated by the war in Ukraine, transportation strikes, and rapid cost inflation all weighed on the sector.*

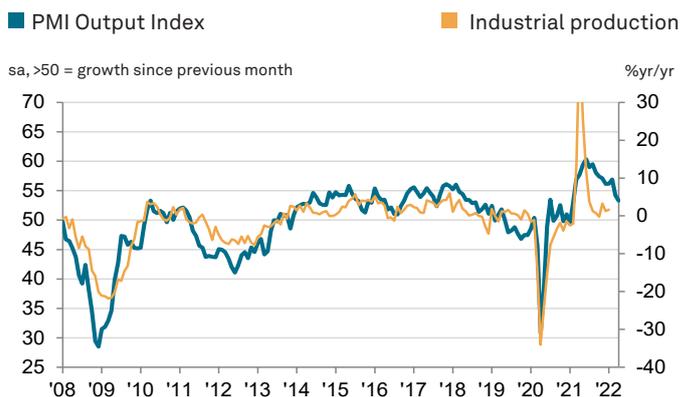
*“These factors subsequently dampened production and hit order books, whilst manufacturers ended up with a record increase in warehouse inventories. Firms subsequently remained fairly subdued about the outlook, despite seeing a rebound since March’s low. This subsequently fed into employment and purchasing decisions, which both rose only marginally on the month.*

*“Although supply-side pressures showed some signs of easing, these remain severe, leading to another severe round of inflationary pressures. Firms, acutely aware that price and supply side difficulties are not going away anytime soon, subsequently continue to guard against these by further building up their safety stocks.”*

The ongoing war in Ukraine and concerns over the impact on demand from high inflation continued to weigh on output expectations in April. Confidence recovered from March's 22-month low, but remained below the levels seen in January and February prior to the Russian invasion of Ukraine.

Uncertainty also impacted hiring and purchasing decisions in April. Manufacturing employment rose for the fourteenth successive month, but at the slowest rate over this period. The level of inputs ordered rose following March's decline, but at only a marginal pace as some firms were deterred by high prices. Stocks of inputs continued to increase, however, and at one of the fastest rates on record as firms continued to implement buffer stock policies.

Pressure on supply chains remained strong in April, with input delivery times lengthening to a historically marked degree. Firms blamed delays on the impact of the recent transport strikes, global shortages, the war in Ukraine and new COVID lockdowns in China. That said, the extend of delays was among the lowest seen over the past year.



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### Survey methodology

The S&P Global Spain Manufacturing PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in February 1998.

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).

### About S&P Global

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### About AERCE

AERCE is the Spanish Association of Purchasing and Supply Management. Founded in 1981 has 1,000 members, representing more than 10,000 related professionals, which include the most important companies in the country, institutions and professionals belonging to various industrial sectors, services and the public sector.

AERCE is a member of the International Federation of Purchasing and Supply Management (IFPSM).

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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. [ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html).

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