

Embargoed until 0930 GMT (0930 UTC) 4 February 2021

IHS Markit Europe Sector PMI®

Widespread slowdown in growth of manufacturing output by sector in January

Key findings

Seven manufacturing sectors record softer growth of output in January

Banking is only service-related sector to record expansion

Output of food and beverages rises for first time in three months

The latest detailed European sector PMI® data indicated rising output in nine out of 20 monitored sectors in January, the same total as in November and December and the joint-lowest since last May. Of these, all were located in manufacturing except Banks, which was ranked fifth overall. That said, there were signs of a widespread slowdown in manufacturing output growth by sector, while in services a number of sectors registered faster declines in January.

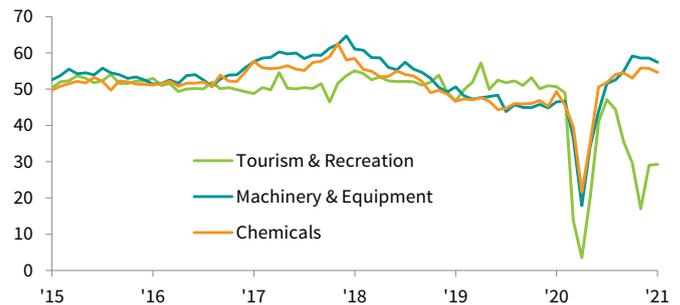
Although manufacturing dominated the growth rankings in January in terms of output growth, seven segments registered weaker rates of expansion than in December: Machinery & Equipment, Chemicals, Metals & Mining, Automobiles & Auto Parts, Construction Materials, Forestry & Paper Products and Technology Equipment. Beverages & Food was the sole exception, registering higher output for the first time since last October. Household & Personal Use Products was the only pure manufacturing sector to post lower output in January.

The only service-related European sector to record higher activity in January was Banks. Activity rose for the eighth month running, albeit at the slowest pace since last June. Tourism & Recreation posted the fastest rate of decline of all sectors for the fifth successive month, although the current downturn at least did not accelerate in January. Four service sectors registered faster declines than in December: Healthcare Services, Other Financials, Real Estate and Media. Transportation activity fell for the fourth month running while Industrial Services posted a decline for the second time in three months.

Looking ahead 12 months, all sectors had positive output forecasts in January. Sentiment improved in 11 sectors and was strongest overall in Technology Equipment, followed by Banks.

Europe Output Index

sa, >50 = growth since previous month

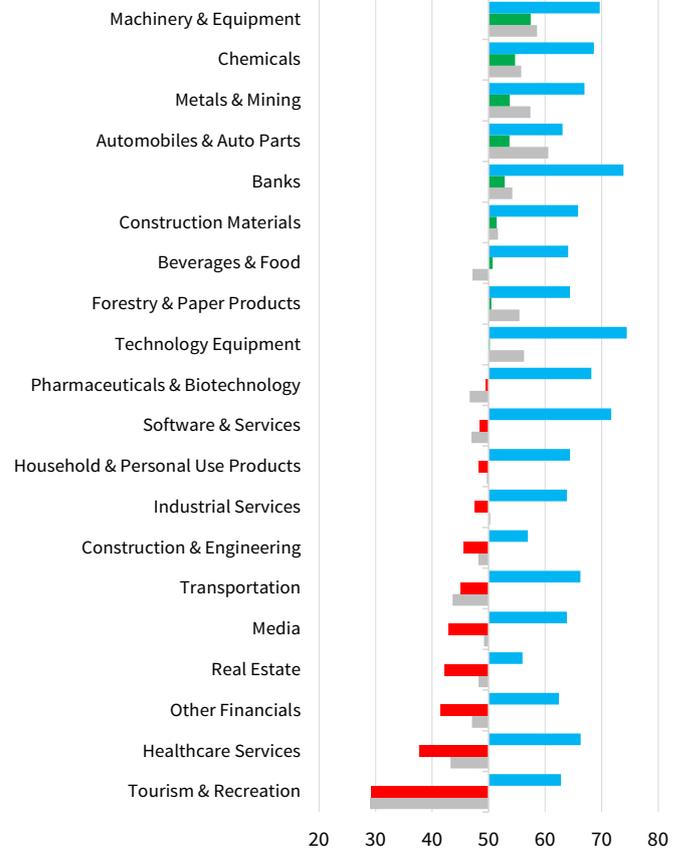


Source: IHS Markit.

Output Index, Jan '21 / Dec '20

Future Output Index*, Jan '21

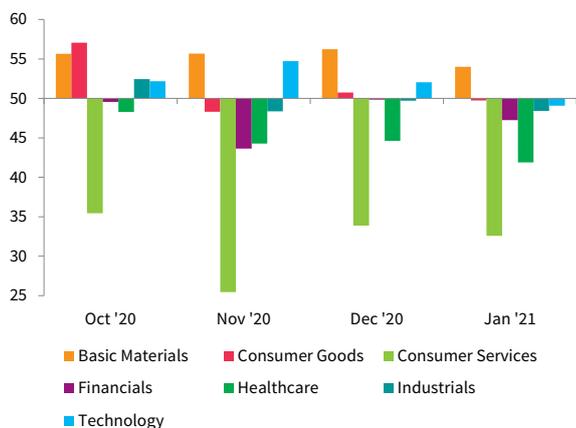
sa, >50 = growth since previous month / *>50 = growth expected over next 12 months



Source: IHS Markit.

Output Index

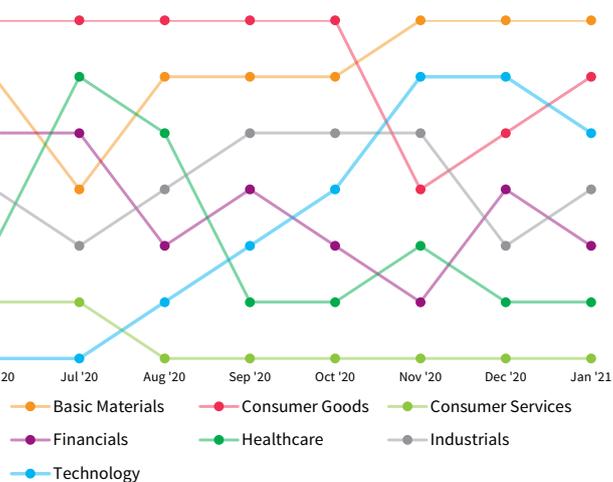
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

Rank



Source: IHS Markit.

Contact

Chris Williamson
 Chief Business Economist
 IHS Markit
 T: ++44-20-7260-2329
chris.williamson@ihsmarkit.com

Trevor Balchin
 Economics Director
 IHS Markit
 T: +44-1491-461-065
trevor.balchin@ihsmarkit.com

Katherine Smith
 Public Relations
 IHS Markit
 T: +1 781 301 9311
katherine.smith@ihsmarkit.com

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.

Disclaimer

The intellectual property rights to the data 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.

About IHS Markit

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 © 2021 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.

ihsmarkit.com/products/pmi.html

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