

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Eurozone Manufacturing PMI® – final data

### Eurozone manufacturing PMI hits fresh survey record high in April

#### Key findings:

- Final Eurozone Manufacturing PMI at 62.9 in April (Flash: 63.3, March Final: 62.5)
- Considerable increases in output and new orders signalled again
- Supplier delivery times lengthen at unsurpassed rate helping to drive rapid price increases

Data collected 12-23 April

#### IHS Markit Eurozone Manufacturing PMI



Source: IHS Markit.

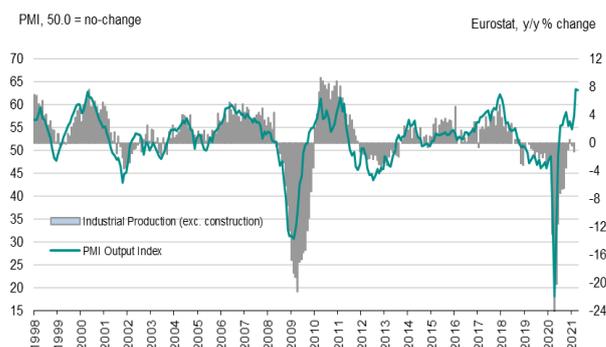
The eurozone manufacturing economy registered another stellar performance in April, with operating conditions improving at a rate that surpassed March's survey record. This was signalled by the seasonally adjusted headline PMI® which improved to 62.9, up from 62.5 in March and its highest ever recorded level (survey data have been available since June 1997). It was also the tenth successive month that the index has posted above the 50.0 no-change mark.

Growth was again broad-based per market group, with both the investment and intermediate goods categories registering considerable gains. Moreover, the improvement seen in investment goods was the strongest ever recorded. Consumer goods meanwhile saw a marked improvement in operating conditions, though growth lagged the two other categories covered by the survey.

#### Countries ranked by Manufacturing PMI: April

Netherlands	67.2	record high
Germany	66.2 (flash: 66.4)	2-month low
Austria	64.7	record high
Italy	60.7	record high
France	58.9 (flash: 59.2)	2-month low
Spain	57.7	256-month high

Note: April data for Ireland and Greece are released on 4 May.



Source: IHS Markit, Eurostat

The Netherlands led the way in terms of absolute PMI readings, posting a new record for that survey, followed by Germany which experienced a slight fall in its headline index since the previous month. Growth momentum was nonetheless seen across most nations, with Italy and Austria also posting survey highs in April.

Growth rates for both aggregate manufacturing output and new orders remained close to March's survey records as firms reported rising market confidence. New order books expanded sharply amid evidence that both manufacturers and clients are anticipating a sharp rise in activity over the coming months, as restrictions related to COVID-19 are relaxed. Moreover, growth came from both domestic and international sources: new export orders\* rose again at a considerable pace in April.

Production growth was limited to some degree by capacity constraints, in turn partly the result of

stretched supply chains. April saw average lead times for the delivery of inputs deteriorate to a degree unsurpassed in the survey's history. A mismatch of supply and demand, allied with ongoing challenges in transportation networks, especially for sea freight, were widely reported as causal factors.

Product shortages subsequently helped to drive input prices up at a rate beaten only once in the survey history (February 2011). Chemicals, metals, and plastics were amongst those inputs reported to be up in price and this led, alongside growing confidence in the outlook, to companies raising their own charges to the strongest degree in over 18 years of data availability.

Fearful of ongoing shortages in supply, and faced with rising output and order requirements, manufacturers increased their purchasing activity at an unprecedented rate. Firms also chose to utilise their inventories of purchases wherever possible, with stocks being depleted for a twenty-seventh successive month. A drop in stocks of finished goods was also reported as firms struggled to meet rising order book requirements. The decline in inventories was the greatest since December 2009.

With new orders continuing to rise sharply, and production in part constrained by supply-side delays, capacity came under increasing pressure. Backlogs of work rose again at a survey record pace and have now risen for nine months in succession.

In response, companies added to their workforce numbers, increasing payroll numbers for a third successive month. The net gain was also the best since February 2018 with all nations registering higher employment numbers. Growth was strongest in Austria and the Netherlands.

Recruitment was in part influenced by positive projections for the coming 12 months. According to the latest data, manufacturers were at their most optimistic in nearly nine years of data availability amid hopes that successful vaccination programmes will lead to a strong uplift in economic activity.

\* Includes intra-eurozone trade.

## Comment

Commenting on the final Manufacturing PMI data, Chris Williamson, Chief Business Economist at IHS Markit said:

*“Eurozone manufacturing is booming, with a new PMI record set for a second month running in April. The past two months have seen output and order books both improve at rates unsurpassed since the survey began in 1997, with surging demand boosted by economies opening up from COVID-19 lockdowns and brightening prospects for the year ahead.*

*“However, supply constraints are also running at unprecedented levels, leading to a record build-up of uncompleted orders at factories.*

*“The consequence of demand running ahead of supply is higher prices being charged by manufacturers, which are now also rising at the fastest rate ever recorded by the survey.*

*“The big uncertainty is how long these upward price pressures will persist for, and the extent to which these higher charges for goods and services will feed-through to consumers.*

*“Encouragement comes from the sharp increase in employment and investment in machinery and equipment signalled by the survey, which suggests firms are scaling up capacity to meet resurgent demand. This should help bring supply and demand more into line, taking some pressure off prices. But this will inevitably take time.”*

-Ends-

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**Note to Editors:**

The Eurozone Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by IHS Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 89% of eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The April 2021 flash was based on 91% of the replies used in the final data.

The average differences between the flash and final *PMI* index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Eurozone Manufacturing <i>PMI</i>	0.0	0.1

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](mailto:economics@ihsmarkit.com).

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