

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Poland Manufacturing PMI<sup>®</sup>

### Polish manufacturing regains growth momentum in June

#### Key findings:

- PMI recovers from May's nine-month low to highest since January
- Fastest rise in employment since April 2017
- Strongest input price inflation in over seven years

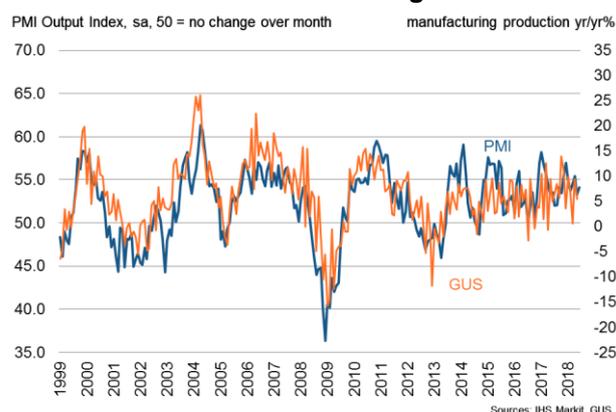
Data collected June 12-25

The latest PMI<sup>®</sup> survey data for June signalled the strongest overall performance of Poland's manufacturing sector since the start of 2018. Output, new orders and employment all registered faster rates of growth than in May. Pressure on capacity remained, as backlogs rose further and suppliers' delivery times lengthened markedly. Cost pressures also intensified, as average input prices rose at the strongest rate since April 2011.

The headline IHS Markit Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The PMI rose from May's nine-month low of 53.3 to 54.2 in June, signalling strong overall growth of the Polish manufacturing sector. That latest reading was the highest in five months and extended the current survey-record expansionary sequence to 45 months. The rise in the PMI in June reflected faster rates of expansion in new orders, output and employment.

#### IHS Markit Poland Manufacturing PMI



Manufacturing output growth accelerated in June. The rate of expansion was broadly in line with the strong trend shown over the current growth phase of 23 months.

The strengthening in output growth reflected a faster increase in new orders. The pace of growth in new work was the strongest in four months, with firms commenting on positive domestic demand. New export business increased modestly having declined slightly in May.

With workloads rising, manufacturers sought to boost headcounts. Employment in the sector increased at the fastest rate since April 2017, and was among the strongest recorded since the series began in June 1998. That said, some firms continued to report staff shortages.

Survey data highlighted growing pressure on manufacturing capacity in June. Backlogs of work increased further, and suppliers' delivery times lengthened. Demand for inputs rose as the volume of purchasing activity undertaken by manufacturers increased at the fastest rate in 2018 so far.

Price pressures intensified in June. The rate of

input price inflation strengthened for the third month running to the highest since April 2011, reflecting increased metal prices in particular. In turn, prices charged by Polish manufacturers for their finished goods increased at the strongest rate since January.

The 12-month outlook for Polish manufacturing output remained positive in June, linked to the introduction of more efficient machinery and expected new business wins. That said, the strength of sentiment eased to the joint-weakest in 19 months.

### Comment

Commenting on the Poland Manufacturing PMI survey data, Trevor Balchin, Economics Director at IHS Markit and author of the report, said:

*“Manufacturers in Poland produced a stronger performance in June, with the headline PMI rising to its highest since the start of 2018. The three main indicators – for new orders, output and jobs – all signalled faster growth. This was despite further challenging conditions in export markets, as new export business rose only modestly having declined in May.*

*“Strong domestic orders continued to place pressure on capacity, as backlogs continued to rise despite faster workforce growth. Although employment increased at the quickest rate since April 2017, some firms continued to report staff shortages. Manufacturers also faced soaring costs, with average purchase prices rising by the most since April 2011.*

*“Looking further ahead, firms are less optimistic about their growth prospects. The level of sentiment eased back to match April’s recent low, which ties in with IHS Markit’s wider forecast of slower economic growth in the second half of the year.”*

-Ends-

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### Note to Editors:

The Poland Manufacturing PMI<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 200 companies based in the Polish manufacturing sector. The panel is stratified by GDP and workforce size.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

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 subsequently revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

The Manufacturing *Purchasing Managers' Index* (PMI) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

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.

### About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))

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### About PMI

*Purchasing Managers' Index*<sup>®</sup> (PMI<sup>®</sup>) 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>.

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