

# News Release

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## IHS MARKIT EUROPE SECTOR PMI®

### Downturns in autos, metals and real estate sectors intensify in December

#### KEY FINDINGS

Sharpest drop in autos & parts production in nearly six years

Metals & mining output falls at fastest pace since start of 2013

Real estate activity declines at faster rate as new business contracts sharply

European Sector PMI® indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in 11 countries.

Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

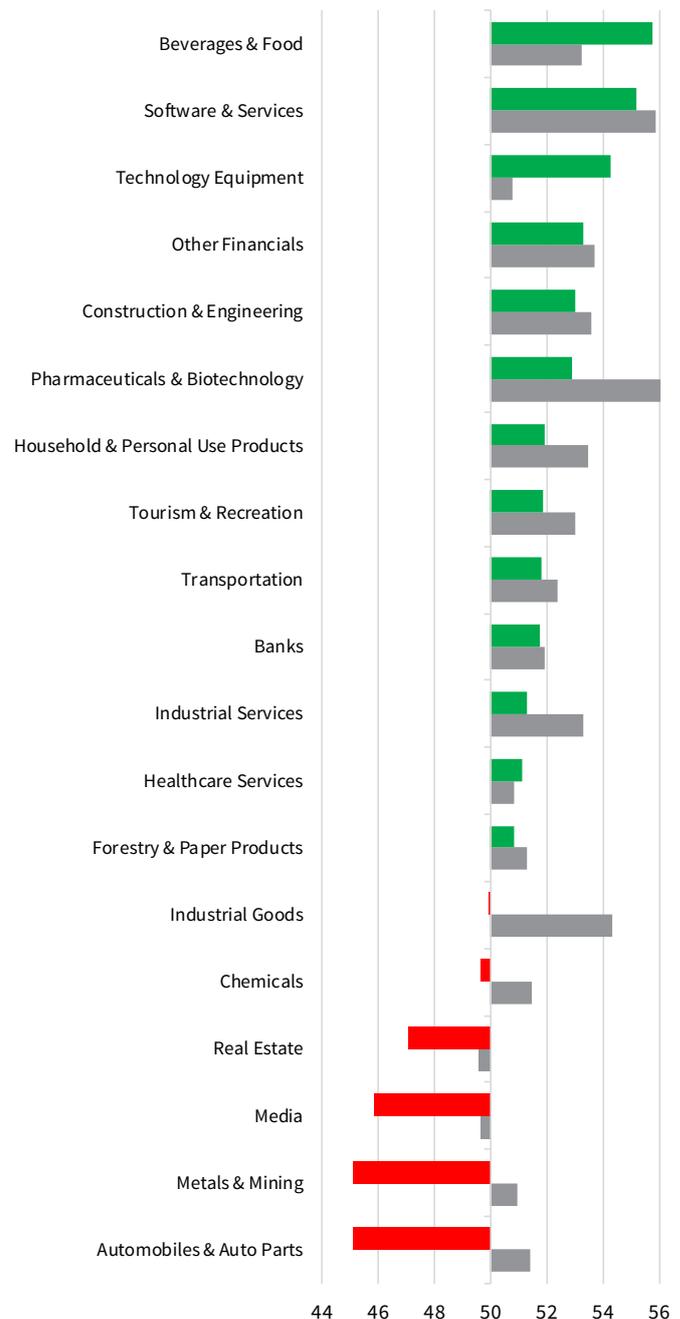
Latest data indicated a worsening downturn in the European autos sector at the end of 2018. Production of **automobiles & parts** fell for the third month running, and at the fastest rate since March 2013. New orders fell sharply, with new export business (including intra-European trade) declining at the fastest rate in six years.

European **metals & mining** output also fell sharply in December, posting the steepest drop since January 2013. New export business fell for the ninth month in a row.

Another weak European sector in December was **real estate**, where activity fell at the sharpest pace in nearly six years. Moreover, new business contracted markedly.

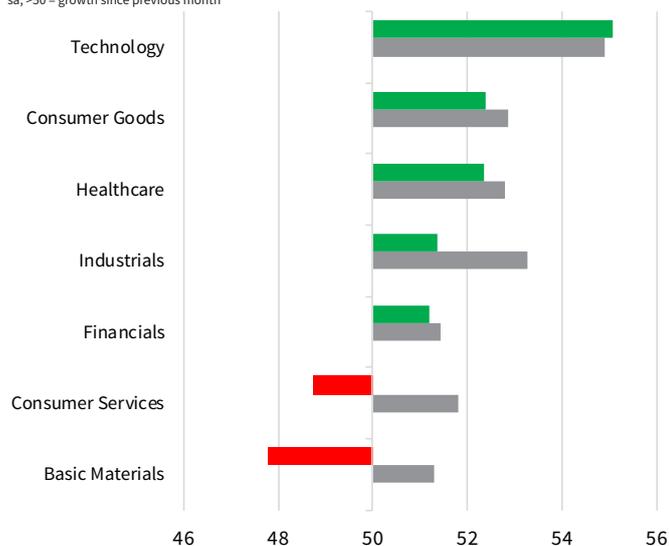
Other sectors to record declining or unchanged output in December were **media, chemicals** and **industrial goods**. At the other end of the rankings, **beverages & food** posted the fastest growth, followed by **software & services** and **technology equipment**. Total output of the latter two sectors – the **technology** group – rose at a faster pace, albeit still the second-weakest in 2018.

Output Index / Employment Index, Dec '18  
sa, >50 = growth since previous month



Output Index / Employment Index, Dec '18

sa, >50 = growth since previous month



Europe Automobiles & Auto Parts Output Index

sa, >50 = growth since previous month



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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](mailto:economics@ihsmarkit.com).

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