News Release

Embargoed until 1100 Athens (0900 UTC) 2 March 2020

IHS MARKIT GREECE MANUFACTURING PMI®

Sharp improvement in operating conditions as PMI reaches ten-month high

KEY FINDINGS

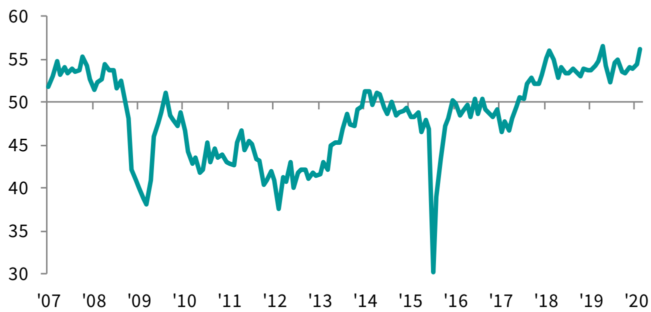
Rates of output and new order growth accelerate to fastest since last April

Business confidence reaches new series high

Marked rise in employment

Manufacturing PMI

sa, >50 = improvement since previous month



Source: IHS Markit

February PMI® survey data pointed to a faster expansion across the Greek manufacturing sector, supported by quicker upturns in production and new orders. Total sales were also boosted by the fastest rise in new business from abroad for almost 13 years. In line with stronger client demand, output expectations strengthened to a new series peak. Meanwhile, greater production requirements resulted in a further sharp increase in workforce numbers. Concurrently, cost pressures eased midway through the first quarter as input prices rose only marginally. Greater demand allowed firms to pass on higher costs to clients, however.

The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – posted 56.2 in February, up from 54.4 in January. The headline figure reached the highest since last April and indicated a sharp improvement in the health of the Greek manufacturing sector.

Overall growth was aided by the fastest increase in production for ten months. The steep rise in output was commonly linked to stronger demand from foreign and domestic clients.

At the same time, new order growth accelerated notably in February, as firms suggested that more favourable demand conditions and better product recognition among clients had supported the upturn. Alongside a sharper increase in total sales, new export orders rose at the steepest pace since March 2007. Anecdotal evidence stated that growth was linked to the acquisition of new clients and a greater number of returning customers.

A sharper rise in new business reportedly drove output expectations higher midway through the first quarter of the year. Firms also noted an improvement in financial conditions, as the degree of optimism reached the highest since the index was added to the survey in July 2012.

Further anticipated production growth also resulted in greater workforce numbers across the Greek manufacturing sector. The rate of job creation was the second-fastest in the series history as firms expanded their capacity in an effort to clear backlogs of work.

Despite growing pressure on global supply chains following the outbreak of coronavirus in China, Greek manufacturers registered a slower rise in input costs. Softer input price inflation was reportedly linked to slower increases in key component costs. Firms were able to pass on a large portion of the hike in purchase prices to clients due to stronger demand conditions.

Meanwhile, supplier shortages led to a renewed deterioration in vendor performance in February, with lead times lengthening solidly. Nonetheless, manufacturers continued to increase their purchasing activity in line with a faster rise in new business. Goods producers also signalled greater efforts to build pre-production inventories, with stocks of finished goods falling as firms used current inventories to supplement production.

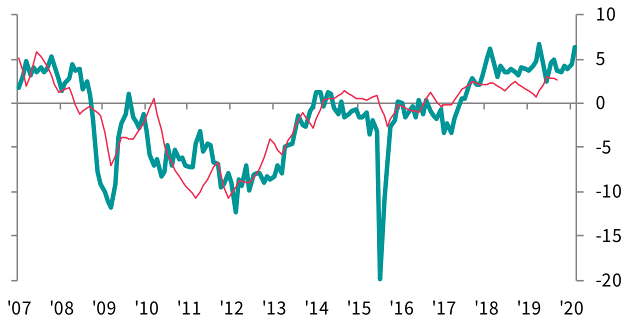
COMMENT

Siân Jones, Economist at IHS Markit, which compiles the Greece Manufacturing PMI survey, commented:

"Greek manufacturers continued to mark improvements in operating conditions in February, with rates of output and new order growth accelerating to ten-month highs. Total sales were supported by strong demand among domestic and foreign clients, with employment also boosted as a result.

"Greater demand for Greek manufactured products also resulted in a fourth successive increase in output charges. Only a modest increase in input prices also allowed firms to pass on a greater proportion of larger cost burdens on to clients.

"Strong new order growth and improved financial conditions helped spark a further uptick in business confidence, which reached a new series high. Our current forecast for industrial production is 1.2% for 2020, with output growth set to accelerate in 2021."



Source: IHS Markit, National Statistical Service of Greece.

CONTACT

IHS Markit

Siân Jones
Economist
T: +44-1491-461-017
sian.jones@ihsmarkit.com

Katherine Smith
Public Relations
T: +1 (781) 301-9311
katherine.smith@ihsmarkit.com

Methodology

The IHS Markit Greece Manufacturing PMI® is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 300 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

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.

February 2020 data were collected 12-21 February 2020.

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.

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.