

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 1000 (CET) / 0900 (UTC) 3<sup>rd</sup> December 2021**

## IHS Markit Eurozone Composite PMI® – final data

Includes IHS Markit Eurozone Services PMI®

### Stronger growth in November masks disjointed recoveries by nation and sector

**Key findings:**

- Final Eurozone Composite Output Index: **55.4** (Flash: 55.8, Oct Final: 54.2)
- Final Eurozone Services Business Activity Index: **55.9** (Flash: 56.6, Oct Final: 54.6)

Data collected 10-25 November

Having slowed sharply since peaking in July, economic growth across the euro area re-accelerated November, according to the latest PMI® survey. Overall, the rate of expansion was solid and remained above its historical average, primarily reflecting resilience in the service sector as manufacturers were heavily impeded by severe supply-related constraints.

However, the strongest rates of growth were seen away from the two largest euro area economies monitored by the survey, with Germany in particular recording a weak rate of growth in November.

Meanwhile, there was a further intensification of price pressures across the eurozone in November, with rates of output charge and input cost inflation both accelerating to fresh highs.

After accounting for seasonal factors, the **IHS Markit Eurozone PMI® Composite Output Index** rose to 55.4 in November, from 54.2 in October, indicating a solid and accelerated rate of economic expansion across the euro area. On a positive note, the faster increase ended a three-month sequence of slowing growth in which the headline index shed six points.

That said, solid growth at face value was primarily a reflection of the service sector's performance, masking the second-softest increase in manufacturing production since its recovery began in July 2020.

**IHS Markit Eurozone Composite PMI Output Index**



Sources: IHS Markit, Eurostat.

**Countries ranked by Composite PMI\*:**

Ireland	59.3	7-month low
Spain	58.3	3-month high
Italy	57.6	3-month high
France	56.1 (flash: 56.3)	4-month high
Germany	52.2 (flash: 52.8)	2-month high

\* Composite Output PMI against GDP comparisons for Germany, France, Italy and Spain are included on page 3 of this press release.

As well as sectoral growth differences, data split by member states monitored by the survey also varied notably during November. Ireland registered the fastest expansion in combined manufacturing and services output, despite slowing to a seven-month low. Meanwhile, Spain, Italy and France all recorded quicker upturns which were well in excess of their historical averages. However, it was in the currency bloc's largest economy, Germany, where the slowest expansion was seen. Growth here was little-changed from October's eight-month low.

Back to the eurozone as a whole, new business inflows continued to rise during November. However, the rate of increase was the weakest since April and

represented a continued slowdown from July, where growth was at its strongest for over 21 years. A slower increase in new export business was also recorded.

Nevertheless, capacity pressures grew once again, with backlogs of work increasing for a ninth month in succession. Volumes of outstanding work rose at a particularly sharp rate at manufacturers as supply constraints held back production.

Still, further robust jobs growth was recorded in November as businesses continued in their efforts to boost capacities and make inroads into their backlogs. Strong rates of employment growth were seen at both manufacturers and service providers.

Elsewhere, intense price pressures remained widespread across the euro area, with rates of output charge and input cost inflation accelerating to new survey highs in November.

Lastly, business confidence weakened to a ten-month low in November, reflecting a deterioration in sentiment at service providers.

## Services

The IHS Markit Eurozone **PMI® Services Business Activity Index** increased to 55.9 in November, from 54.6 in October, signalling a solid rate of expansion in output at euro area service providers. Although this was markedly weaker than the growth rates seen in the second and third quarter, November still achieved a rate of growth which was above the survey's historical average.

Demand for services increased for a seventh straight month in November, although the expansion was the weakest over this period. New orders from foreign clients also rose, albeit only marginally.

Nonetheless, capacity pressures continued to build, while firms hired additional staff to support the provision of their services. The rate of jobs growth was the third-quickest in over 14 years.

Lastly, prices data showed accelerated increases in both output charges and input costs. In both cases, rates of inflation reached new survey highs.

## Comment

Chris Williamson, Chief Business Economist at IHS Markit said:

*“An improvement in the rate of economic growth signalled by the eurozone PMI looks likely to be short-lived. Not only did demand growth weaken, but firms’ expectations of future growth also sank lower as worries about the pandemic intensified again. With the data collected prior to news of the Omicron variant, sentiment about near-term prospects will inevitably have been knocked even further.”*

*“Growth is looking especially subdued in Germany and France, where supply shortages have had a notably stronger knock-on effect from manufacturing through to services. More resilient expansions are being recorded in Spain and Italy, though even here recent gains are at risk if social distancing restrictions need to be stepped up.”*

*“Prices have meanwhile continued their relentless rise, with rates of inflation in both firms’ costs and average selling prices for goods and services hitting new highs in November.”*

*“While growth risks have shifted to the downside, risks to the inflation outlook seem tilted to the upside if virus case numbers continue to rise and new restrictions are introduced. Supply chains will be further hit, staff availability will deteriorate and spending could shift from services to goods again, further exacerbating the imbalance of supply and demand.”*

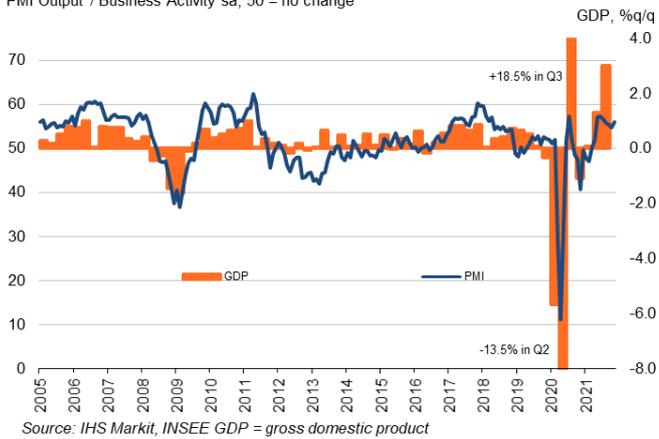
-Ends-

\*\* [Click here](#) for further details of using the PMI to measure GDP in advance.

† for business confidence (optimism), companies are asked whether they expect levels of business activity in one year's time to be higher, the same or lower than the current month.

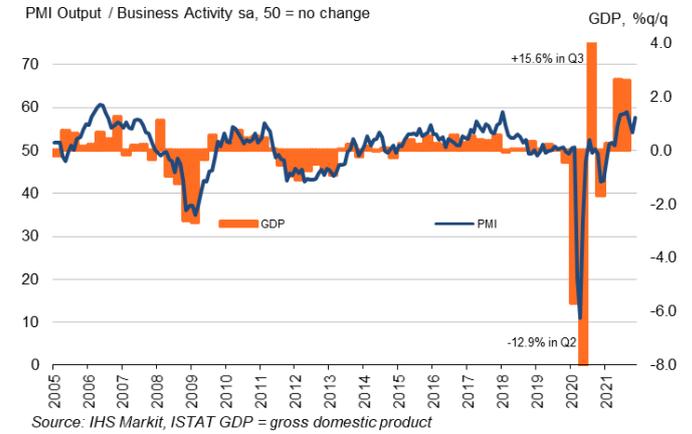
### France

PMI Output / Business Activity sa, 50 = no change



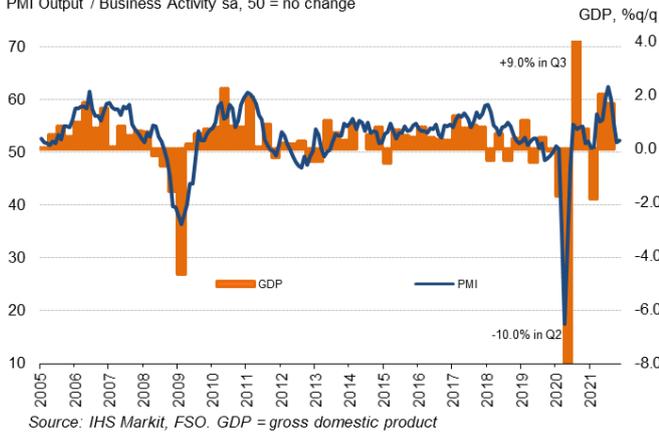
### Italy

PMI Output / Business Activity sa, 50 = no change



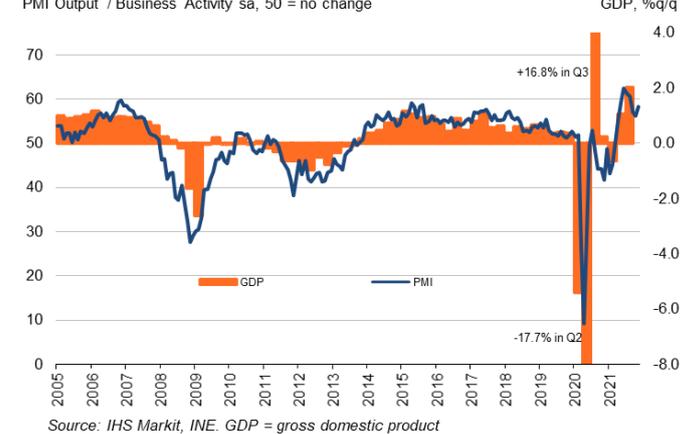
### Germany

PMI Output / Business Activity sa, 50 = no change



### Spain

PMI Output / Business Activity sa, 50 = no change



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**Note to Editors:**

The Eurozone Composite *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 5,000 manufacturing and services firms. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland.

The Eurozone Services *PMI* (*Purchasing Managers' Index*) is produced by IHS Markit and is based on original survey data collected from a representative panel of around 2,000 private service sector firms. National data are included for Germany, France, Italy, Spain and the Republic of Ireland. These countries together account for an estimated 78% of eurozone private sector services output.

The final Eurozone Composite *PMI* and Services *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 75%–85% of total *PMI* survey responses each month. The November composite flash was based on 84% of the replies used in the final data. The November services flash was based on 78% 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 Composite Output <i>PMI</i>	0.0	0.2
Eurozone Services Business Activity <i>PMI</i>	0.0	0.3

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