Most European sectors register output growth in July, led by record rise in autos production

Key findings

Fastest month-on-month rise in autos & parts output since series began in January 1998

Autos & parts records fastest rate of job shedding despite topping output growth rankings

Activity falls further in technology equipment, other financials and tourism & recreation

Detailed European sector PMI® data for July indicated a rebound in growth of output across most areas of the private sector economy, as lockdown restrictions across the continent continued to be lifted. That said, almost all sectors continued to record cuts to workforces during the month.

European Sector PMI indices are compiled from responses to IHS Markit’s European PMI surveys, 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.

Out of 20 detailed sectors monitored, 17 registered growth of output in July. The strongest rate of expansion was seen in autos & autos parts, which was also a record rate of growth for the series since it began in January 1998. Forestry & paper products and construction materials also registered sharp increases, while banks was the fastest-growing service sector in fourth place overall. The only sectors to record falling output in July were technology equipment, other financials and tourism & recreation. Other financials even recorded a faster decline in activity than in June, while the other two sectors posted slower falls.

In contrast to output, employment fell across all but two sectors in July. Software & services and pharmaceuticals & biotechnology were the only sectors to record higher staffing, with the latter seeing only a fractional rise since June. The strongest rate of job cuts was in autos & auto parts, despite the rapid increase in output in the sector during the month.
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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.

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