

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Eurozone Manufacturing PMI® – final data

### Manufacturing growth remains strong in November

#### Key findings:

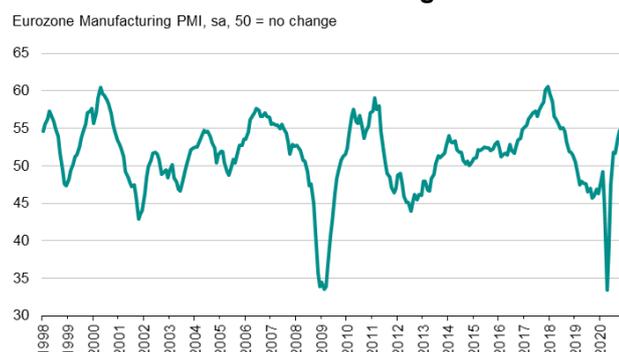
- Final Eurozone Manufacturing PMI at 53.8 in November (Flash: 53.6, October Final: 54.8)
- Slower, but still marked, gains in output and new orders
- Job losses continue but confidence improves further

Data collected 12-23 November

#### Countries ranked by Manufacturing PMI: November

Germany	57.8 (flash: 57.9)	2-month low
Netherlands	54.4	22-month high
Ireland	52.2	3-month high
Austria	51.7	2-month low
Italy	51.5	5-month low
Spain	49.8	5-month low
France	49.6 (flash: 49.1)	6-month low
Greece	42.3	6-month low

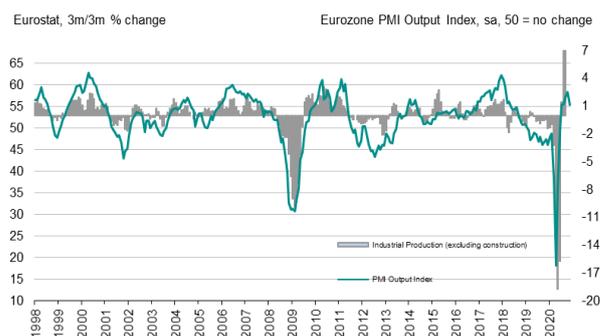
#### IHS Markit Eurozone Manufacturing PMI



Source: IHS Markit.

The seasonally adjusted IHS Markit Eurozone Manufacturing PMI® fell slightly during November but remained at a level indicative of strong growth. Although the headline index slipped to 53.8, from 54.8 in October, it was slightly better than the earlier flash reading and signalled an improvement in manufacturing operating conditions for the fifth successive month. Moreover, growth remained well above the long-run survey average.

There was some notable divergence in performance across the broad market groups data during November. On the one hand, the capital and intermediate goods sectors continued to expand at marked monthly rates. However, in contrast, consumer goods producers registered a modest deterioration in operating conditions for the first time in six months.



Source: IHS Markit, Eurostat

Except for the Netherlands and Ireland, all countries recorded a weakening of their respective PMIs during the latest survey period. Germany remained the best-performing country, followed by the Netherlands and Ireland.

Solid growth was seen in Austria and Italy, in contrast to marginal contractions recorded in both Spain and France. Greece remained by far the worst-performing in November, contracting at a steep and accelerated rate.

For the fifth successive month an increase in manufacturing production was recorded, although growth eased on October's two-and-a-half year peak and was the slowest since July. A similar trend was seen for new orders, where growth eased to the weakest in the current five-month sequence amid a slowdown in gains across domestic and external markets.

Indeed, new export\* orders rose at the slowest pace since August, though growth remained solid. Germany, the Netherlands and Austria recorded the strongest gains in export trade during November.

Some pressure on capacity was signalled by a fourth successive monthly increase in backlogs of work, which continued to rise at a solid pace. Firms instead focused on productivity gains by lowering their staffing levels for a nineteenth successive month. Job losses were most prevalent in Greece, Germany and Austria.

Increased production and order requirements meant that firms continued to increase their purchasing activity, with growth amongst the best seen in the past two-and-a-half years. This served to further add pressure on suppliers, with average lead times for the delivery of inputs deteriorating to the greatest extent for seven months.

Inventories of raw materials and semi-manufactured goods were subsequently utilised wherever possible to ensure production lines could be sustained. Stocks of purchases fell markedly and for a twenty-second successive month in succession. Warehouse inventories were also depleted sharply, with latest data showing the greatest monthly fall since the end of 2009.

On the price front, input cost inflation accelerated to the sharpest recorded by the survey for nearly two years. All countries recorded stronger rises in input prices compared to the previous month.

Efforts to protect margins led to a second successive monthly rise in output prices, with the rate of inflation modest but nonetheless the strongest for a year-and-a-half.

Finally, looking ahead to the coming 12 months, business confidence improved to its highest for over two-and-a-half years. Dutch, Italian and German companies were the most confident manufacturers in November.

\* Includes intra-eurozone trade.

## Comment

Commenting on the final Manufacturing PMI data, Chris Williamson, Chief Business Economist at IHS Markit said:

*“Eurozone manufacturing output continued to grow at a decent pace in November. Although the rate of expansion cooled from October’s 32-month high amid new lockdown measures, the sustained expansion should help to soften the economic blow of COVID-19 restrictions, which have hit the service sector hard. The survey therefore adds to evidence that the region will avoid in the final quarter of the year a similar scale of downturn recorded in the second quarter.*”

*“Germany was once again the main engine behind the region’s expansion, enjoying a rate of output and order book growth that has been rarely exceeded over the survey’s 25-year history. Excluding Germany, output growth came close to stalling, and new order inflows fell for the first time since June. The resulting divergence between Germany and the rest of the region in terms of production growth is now the widest on record.*”

*“Encouragingly, a brighter outlook is indicated by the upturn in optimism for the year ahead, suggesting that the upturn should gather strength again in the coming months as lockdown measures ease and spending, especially investment, picks up in response to the recent news on vaccine development. The reliance on Germany may soon also diminish, as business expectations improved or remained buoyant in all countries with the notable exception of France, which looks set to continue to lag the region’s recovery.*”

*“Shortages of inputs are meanwhile contributing to higher price pressures, with suppliers’ increasingly able to raise prices amid a sellers’ market for many key inputs. Such a restoration of pricing power bodes well for profits and helps ease broader deflationary concerns.”*

-Ends-

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**Note to Editors:**

The Eurozone Manufacturing *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 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 89% of eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The November 2020 flash was based on 92% 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 Manufacturing <i>PMI</i>	0.0	0.1

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

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