

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 1000 (CEST) / 0800 (UTC) June 1st 2017**

## IHS Markit Eurozone Manufacturing PMI<sup>®</sup> – final data

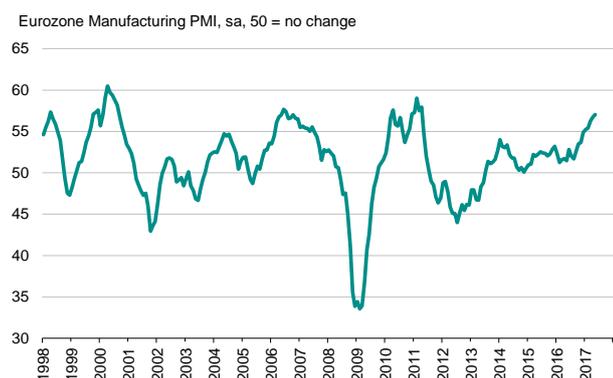
### Eurozone manufacturing employment rises at 20-year survey-record pace

#### Key findings:

- Final Eurozone Manufacturing PMI at 57.0 in May (Flash: 57.0, April Final: 56.7)
- Strong growth of production and new business support survey-record job creation
- Germany stays atop the PMI growth rankings with fastest gains in output, new orders and jobs

Data collected May 12-23

#### IHS Markit Eurozone Manufacturing PMI



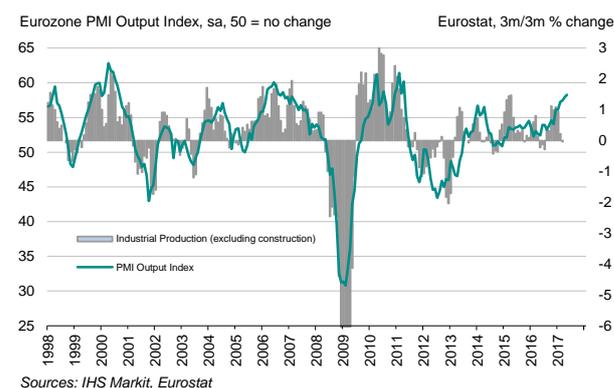
The ongoing expansion of the eurozone manufacturing sector gathered further momentum in May. Growth in output and new orders accelerated to the best seen for around six years, to underpin the strongest job creation in the 20-year survey history.

The final IHS Markit Eurozone Manufacturing PMI<sup>®</sup> rose to a 73-month high of 57.0 in May, up from 56.7 in April and unchanged from the earlier flash estimate. The PMI has signalled expansion in each of the past 47 months.

Improved business conditions were signalled in seven out of the eight nations covered by the survey. The growth acceleration was mainly driven by a stronger expansion in Germany, where the rate of increase was the fastest in over six years.

#### Countries ranked by Manufacturing PMI: May

Germany	59.5 (flash: 59.4)	73-month high
Austria	58.0	2-month low
Netherlands	57.6	4-month low
Ireland	55.9	22-month high
Spain	55.4	4-month high
Italy	55.1	3-month low
France	53.8 (flash: 54.0)	2-month low
Greece	49.6	9-month high



This placed Germany atop the PMI growth rankings for the third successive month. Austria and the Netherlands also saw rates of manufacturing expansion above the euro area average, despite seeing growth slow slightly over the month. Accelerations were registered in Ireland and Spain, and mild decelerations in France and Italy.

Greece was the only monitored country to signal contraction in May. However, the rate of decline was only moderate and the weakest during the current nine-month sequence of deterioration.

Eurozone manufacturing production rose at the fastest pace since April 2011, underpinned by the strongest growth of new work in 74 months. This led to survey-record job creation, with employment rising in all of the nations covered for the first time since last November.

Staffing levels rose at quicker rates in Germany (six-year high), Italy (just below October 1999's series-record), Spain (fastest in 19 years), Ireland (two-year peak) and Austria (two-month high). Slower increases were registered in France and the Netherlands, while Greece reported jobs growth for the first time in six months.

Companies reported improved inflows of new business from both domestic and export markets, with the rate of expansion in new export orders\* hitting a 73-month record. Levels of new export business improved in almost all of the nations covered, the sole exception being Greece. The standout performer was Germany, where the rate of expansion rose to a seven-year high.

The improved performance of the eurozone manufacturing sector and expectations of brighter conditions in future led companies to forecast increased production in one year's time. Business optimism remained close to January's series-record high despite easing to a five-month low.

The latest survey data pointed to continued pressure on capacity during May. Backlogs of work at manufacturers rose for the twenty-fifth successive month, with the rate of accumulation the highest since April 2011. Supplier capacity was also under strain, as highlighted by the steepest lengthening in vendor lead times for over six years.

These supply chain factors also contributed to a further increase in average input costs in May, continuing the trend towards a sellers' market developing for many items. However, there were signs that price inflationary pressures were easing from recent highs, as highlighted by slower rates of increase in both input costs (six-month low) and output charges (four-month low).

## Comment

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

*"The eurozone upturn is developing deeper roots as factories enjoy a spring growth spurt. Demand for goods is growing at the steepest rate for six years, encouraging manufacturers to step up production and take on extra staff at a rate not previously seen in the two-decade history of the PMI survey.*

*"The fact that the upturn is being accompanied by such strong jobs growth sends a signal that increasing numbers of companies are moving away from a focus on cost cutting towards investing in expansion, underscoring the elevated levels of business optimism seen across the region. The record hiring adds to the sense that the upturn is looking more and more robust as each month goes by.*

*"Germany is leading the upturn but is by no means the only engine of growth. Solid upturns are being recorded in other countries such as the Netherlands, Austria, Spain, Italy and Ireland. While France is lagging behind, it is nonetheless enjoying its best quarter for six years.*

*"The marked easing of input cost inflation during May will meanwhile be welcome news to policymakers eager to see signs that the recent uplift in consumer price inflation will prove short-lived."*

-Ends-

\* Including intra-eurozone trade

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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 May 2017 flash was based on 88% 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> <sup>®</sup>	0.0	0.2

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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