

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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IHS Markit Greece Manufacturing PMI®

Business conditions improve at fastest pace since June 2008

Key findings:

- New order growth most marked in over nine-and-a-half years...
- ...supporting joint-steepest expansion in output since August 2008
- Business confidence highest on record

Data collected December 5-14

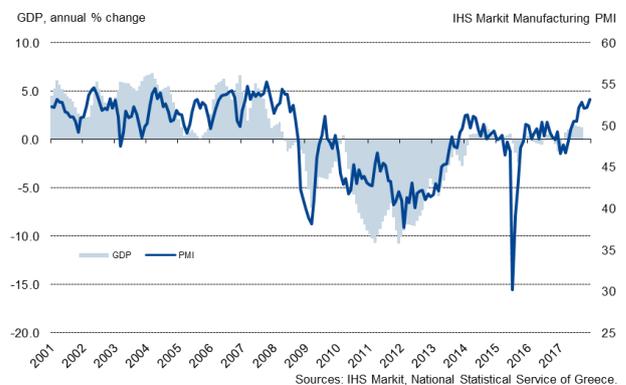
Business conditions in the Greek manufacturing sector continued to improve in the final month of 2017, and to the greatest extent for nine-and-a-half years. Growth was driven by further marked rises in new orders, in both domestic and foreign markets. In response, firms expanded their purchasing activity and headcounts, which contributed to the joint-sharpest rise in output since August 2008. Meanwhile, business confidence hit a five-and-a-half year high.

On the price front, average selling prices fell to a greater degree than in November, despite a broadly unchanged rate of input price inflation.

The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – posted above the 50.0 no-change threshold in December. Moreover, at 53.1, up from 52.2 in November, the index reading signalled the sharpest improvement in business conditions since June 2008. The expansion also extends the current period of overall growth to seven months, by far the longest since 2008. The consumer goods category maintained its position as the best performing sector over the month.

The sharpest rise in new orders in over nine-and-a-half years underpinned overall growth, which itself was driven by strong client demand in both domestic and foreign markets. Indeed, new export orders rose to the greatest extent since April 2008.

IHS Markit Greece Manufacturing PMI



In response to higher new order intakes, firms took on additional workers for the eighth time in as many months during December. In turn, this contributed to a fall in unfinished work, thereby continuing a trend that has been observed since July 2008. Moreover, the rate of backlog depletion quickened from the previous month.

Firms also expanded their input buying over the latest survey period. Indeed, the rate of expansion was the most marked in over ten years. In spite of this, manufacturers reported a further fall in pre-production inventories. That said, the rate of decline was the least marked in the current near ten-year period of decline.

Strong demand conditions combined with enhanced operating capacity led to a further rise in output during the month. Indeed, following a similar trend to new orders, the rate of expansion was the joint-fastest since August 2008. Nevertheless, firms continued to deplete their stocks of finished goods.

Robust client demand failed to boost average selling prices. Indeed, the rate of decline quickened from November. This was despite a broadly unchanged round of input price inflation, suggesting a squeeze on gross margins.

Finally, business confidence improved to its highest level since data collection began for this series in

July 2012. Higher investment was cited among factors expected to buoy growth.

Comment:

Alex Gill, Economist at IHS Markit which compiles the *Greece Manufacturing PMI[®]* survey, said:

“The Greek manufacturing sector closed out 2017 on a firmly positive footing, with business conditions improving to the greatest extent in nine-and-a-half years. Strong expansions in new orders, on both a domestic and foreign basis continued to drive the upturn which, in turn, contributed to a further round of job creation and the joint-sharpest growth in output since August 2008.

“The data will buoy hopes that the Greek economy has finally turned a corner and is on a path to recovery. Indeed, with business confidence hitting a record high, investment spending (a prerequisite to a long-term recovery) looks set to increase and support growth, at least in the short-term. Issues pertaining to the country’s debt burden remain unchanged, however, and provide an obvious caveat to the latest numbers.”

-Ends-

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Note to Editors:

The Greece Manufacturing PMI[®] (*Purchasing Managers' Index*[®]) is produced by IHS Markit. The report features original survey data collected from a representative panel of over 300 companies based in the Greek manufacturing sector. The panel is stratified by GDP and company workforce size.

Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

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.

The Manufacturing Purchasing Managers' Index (PMI) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times Index inverted so that it moves in a comparable direction.

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.

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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. To learn more go to www.markit.com/product/pmi.

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