

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
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IHS Markit Eurozone Composite PMI[®] – final data

Includes IHS Markit Eurozone Services PMI[®]

Eurozone economic expansion strengthens as growth accelerates across ‘big-four’ nations

Key findings:

- Final Eurozone Composite Output Index: **57.5** (Flash: 57.5, October Final: 56.0)
- Final Eurozone Services Business Activity Index: **56.2** (Flash: 56.2, October Final: 55.0)

Data collected November 13-27

The rate of euro area economic expansion moved up a gear in November. Output growth accelerated to the fastest in over six-and-a-half years, while rates of increase for all of the main survey indicators covering demand, employment and inflation also hit multi-year highs.

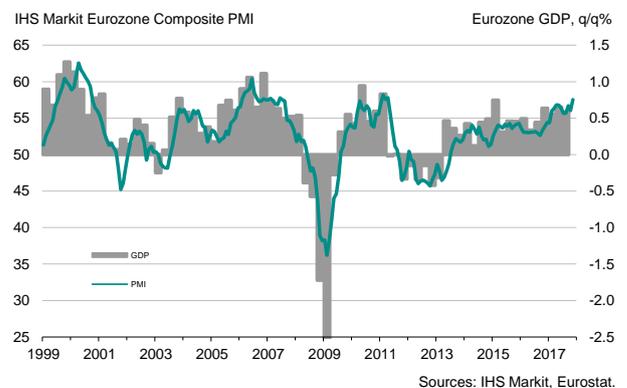
The final **IHS Markit Eurozone PMI[®] Composite Output Index** posted 57.5 in November, up from 56.0 in October and unchanged from the earlier flash estimate. The headline index has signalled expansion in each of the past 53 months.

Growth was again led by a resurgent manufacturing sector. Manufacturing production rose at the quickest pace in almost seven years in November and the headline index from the manufacturing survey – the Manufacturing PMI – posted a level bettered only once in its 20-year history.

The eurozone service sector also registered quicker output growth in November. Business activity rose to one of the greatest extents seen over the past six-and-a-half years.

The acceleration in the pace of economic expansion was broad-based across the countries covered, with pick-ups signalled in the ‘big-four’ nations and Ireland. France stayed at the top of the growth rankings for the second month, with its rate of increase hitting a six-and-a-half year record.

IHS Markit Eurozone Composite PMI



Countries ranked by output growth*: November

France	60.3 (flash: 60.1)	78-month high
Ireland	57.7	3-month high
Germany	57.3 (flash: 57.6)	2-month high
Italy	56.0	4-month high
Spain	55.2	2-month high

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

Ireland was in second position, with growth at a three-month high. Rates of expansion hit two-month highs in Germany and Spain, and a four-month high in Italy.

Inflows of new orders improved at the quickest pace since February 2011. This was led by near-record growth of manufacturing new work, including an unprecedented rise in new export orders.

Strengthening demand led to increased backlogs of work, encouraging firms to raise employment. Job creation hit a 17-year peak, with faster increases signalled in Germany, France, Spain and Ireland.

Price pressures intensified in November, with inflation of both input costs and output charges at or near to six-and-a-half year highs. Both price

measures were substantially higher in the manufacturing sector than at service providers.

Services

The eurozone service economy continued to make solid progress in November. Business activity growth accelerated to a six-month high, as companies raised output in response to increased new order inflows and backlogs of work.

At 56.2 in November, up from 55.0 in October, the final **IHS Markit Eurozone PMI® Services Business Activity Index** indicated an increase in output for the fifty-second successive month. The final index posting was unchanged from the earlier flash estimate.

The pace of increase in new business continued to hold steady at September's six-month high. This tested capacity – backlogs of work rose at the quickest pace since March 2011 – and encouraged further job creation. Employment increased to the greatest extent in just over ten years.

France saw the strongest output growth among the nations covered by the survey. Rates of expansion for services business activity and new work were the best registered for six-and-a-half years, leading to the steepest job creation since July 2001.

Italy also saw output and new order growth accelerate during November, to three-month highs in both cases. The pace of increase in employment also improved slightly.

The other nations covered by the survey saw slower rates of expansion in business activity and new work received. Output growth slipped to a three-month in Germany, a ten-month low in Spain and a 12-month low in Ireland. Rates of job creation also moderated in Germany and Ireland, in contrast to stronger growth in Spain.

Input cost inflation rose to a nine-month high, as faster increases in Italy, France and Spain offset decelerations in Germany and Ireland. Meanwhile, output charge inflation across the euro area service sector held steady at October's seven-month high. Increased output prices were registered in almost all of the nations covered, the exception being Italy.

Comment

Chris Williamson, Chief Business Economist at IHS Markit said:

“The eurozone enjoyed a bumper November, setting the scene for a buoyant end to the year. The PMI surveys signalled faster growth across the board, led by stronger expansions in France and Germany alongside a marked upturn in the pace of growth in Italy. Business conditions in Spain also remained encouragingly resilient in the face of heightened political uncertainty, albeit on course for the weakest quarter of the year.

“Comparisons with GDP indicate that the survey data for the fourth quarter so far are consistent with the eurozone expanding by 0.8%, with growth rates of 0.9% and 0.7% signalled for Germany and France respectively. Spain looks set for a 0.75% expansion while Italy could see GDP rise by 0.4-0.5%.

“The survey data therefore suggest that business as a whole in the eurozone has so far been largely unaffected by political uncertainty in many countries, notably Germany and Spain, once again defying widespread expectations that growth would slow as uncertainty leads to more risk averse decision making. So far, the strengthening of the euro also shows no discernible impact on exports.

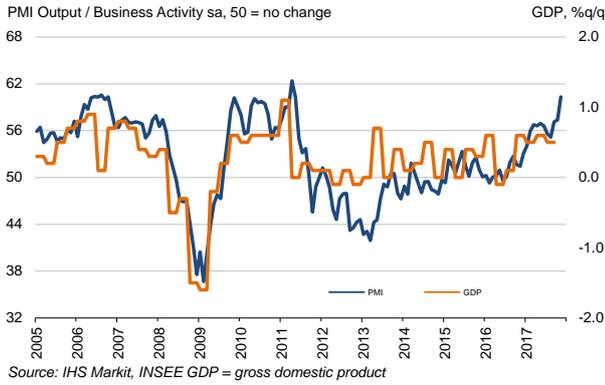
“Heading into 2018 the big questions will be how long this growth spurt can be sustained, and whether price pressures will rise. Given the strength of order book growth and hiring, as well as the elevated level of business optimism, the eurozone should start the New Year on a solid footing. If survey data remain buoyant in December, expect to see 2018 growth forecasts revised higher. In terms of prices, core inflation has so far remained subdued, but the PMI price gauges and indicators of depleted capacity suggest that inflationary pressures will pick up next year.”

-Ends-

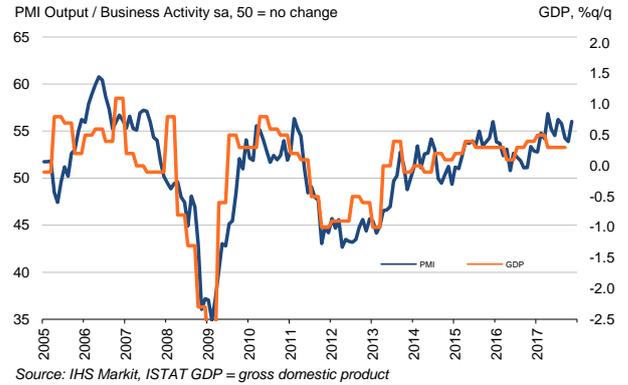
** [Click here](#) for further details of using the PMI to measure GDP in advance.

† 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.

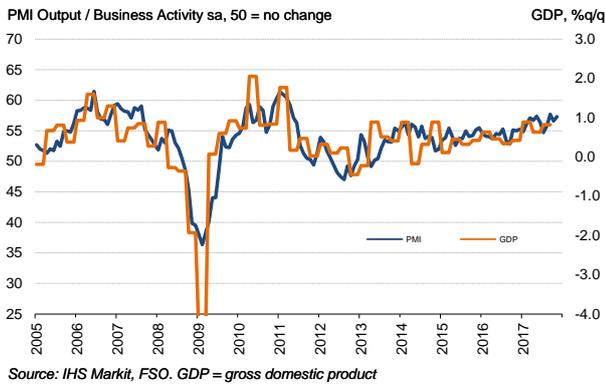
France



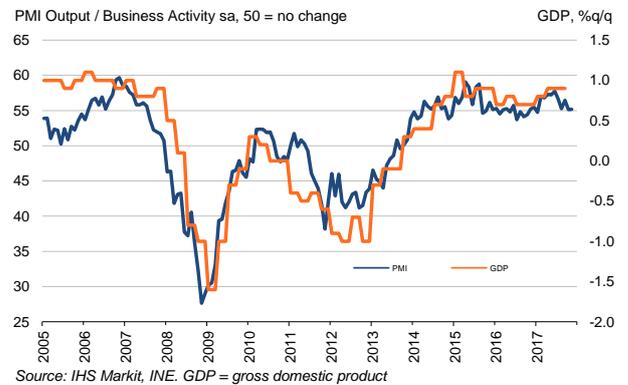
Italy



Germany



Spain



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Note to Editors:

The Eurozone Composite *PMI*[®] (*Purchasing Managers' Index*[®]) 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 88% of the replies used in the final data. The November services flash was based on 79% of the replies used in the final data. **Data were collected 13-27 November.**

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.

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