

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 1000 (CET) / 0900 (UTC) December 29 2016

Bank Austria Manufacturing PMI®

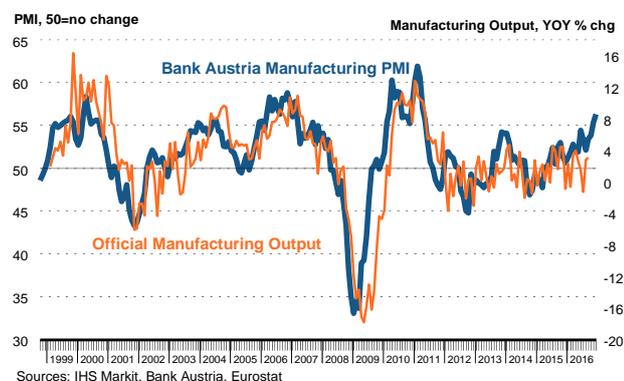
Operating conditions improve at sharpest rate since April 2011

Key findings:

- Strong December PMI rounds off best quarter for five-and-a-half years
- Marked growth of output and new work lead overall expansion
- Cost pressures mount amid rising commodity prices and weaker euro

Data collected from December 6-15

Bank Austria Manufacturing PMI:



Austrian manufacturers enjoyed a strong end to the year, with operating conditions improving to the greatest extent since April 2011. December saw growth of output, new orders and purchasing activity all surge to the highest in over five-and-a-half years. Meanwhile, cost pressures intensified, with goods producers reporting rising commodity prices and a depreciation of the euro relative to the US dollar.

Up from 55.4 in November to 56.3, the seasonally adjusted Bank Austria Manufacturing PMI® – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – was at a 68-month high in December. The latest figure completed a strong final quarter of 2016, with the three-month average (55.2) being the highest

since Q2 2011.

Capital goods producers posted the sharpest improvement in business conditions during December. Intermediate goods firms also saw a marked expansion, but the health of the consumer goods sector improved only modestly.

Growth of new work led the overall upturn. The rise accelerated to the steepest since March 2011, with panellists noting an improvement in underlying client demand. Moreover, the increase in total new orders was bolstered by sharp growth of new work from abroad. Some firms commented on new business wins in Germany.

Austrian manufacturers raised production in line with greater new work during December. Growth picked up to a 69-month high, with expansions seen in all three market groups.

There were also reports of output being raised to cater for existing backlogs of work. Outstanding business rose sharply in December, with the respective index surging to the highest since January 2014.

With incoming new work placing greater strain on capacity, Austrian goods producers took on extra staff in December. The rate of job creation picked up slightly to the fastest since mid-2011.

Purchasing activity also increased in response to rising workloads. The pace of growth was marked, although stocks of purchases and finished goods both fell regardless. A number of panel members suggested that lower inventories reflected deliberate efforts to streamline stocks.

On the price front, the rate of input cost inflation quickened for the fourth month running in December. The latest rise was the most marked in five-and-a-half years. Higher commodity prices

(especially metals) and the weaker euro were cited as key factors behind mounting cost pressures.

Some manufacturers passed on greater costs to clients at the end of 2016. Charges increased at the

quickest rate since February 2013, although the rise remained muted compared to that seen for costs.

For further information, please contact:

IHS Markit

Philip Leake, Economist
Telephone +44-1491-461-014
Email: philip.leake@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44207 260 2234
Email joanna.vickers@ihsmarkit.com

Note to Editors:

The Bank Austria Manufacturing *PMI*[®] is based on data compiled from monthly replies to questionnaires sent to purchasing executives in 300 industrial companies. 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. All data are seasonally adjusted.

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 Markit. Please contact economics@ihsmarkit.com.

The Bank Austria Manufacturing *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 *PMI* is designed to show a convenient single-figure summary of the health of the manufacturing sector.

About IHS Markit (www.ihsmarkit.com)

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2016 IHS Markit Ltd. All rights reserved.

About PMI

Purchasing Managers' Index[®] (*PMI*[®]) surveys are now available for over 30 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.

The intellectual property rights to the Bank Austria Manufacturing *PMI*[®] provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index[®] and *PMI*[®] are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd.

If you prefer not to receive news releases from IHS Markit, please email joanna.vickers@ihsmarkit.com. To read our privacy policy, [click here](#).