

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

Output growth accelerates amid higher new orders

Key findings:

- Sharper increases in output and new orders
- Rate of job creation at near-record high
- Fastest rise in output prices since August 2008 amid higher cost burdens

Data collected May 11-23

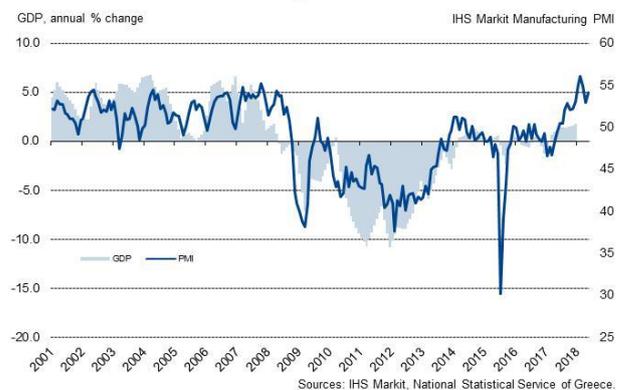
The Greek manufacturing sector's recovery continued in May, with further increases in output, new orders and employment recorded. Moreover, rates of expansion in each of these areas quickened from April. Meanwhile, inflationary pressures picked up as higher raw material costs were often passed on to customers by way of increased selling prices.

The seasonally adjusted IHS Markit Greece Manufacturing *Purchasing Managers' Index*® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – rose to 54.2 in May from 52.9 in April. Business conditions have now improved on a monthly basis throughout the past year, with the strengthening in the health of the sector more marked than was seen in the previous month.

In line with the picture for the headline PMI, manufacturing output has now risen in 12 consecutive months. The increase recorded in May was marked, with panellists reportedly raising production in line with higher new orders.

Growth of total new business increased at a faster pace in May, as did new export orders where growth hit a three-month high. Anecdotal evidence suggested that new orders from domestic clients also contributed to the expansion in total new business.

IHS Markit Greece Manufacturing PMI



Firms responded to higher output requirements by taking on extra staff in May. Moreover, the rate of job creation was only just below March's survey record. This improvement in operating capacity enabled manufacturers to work through backlogs, despite marked new order growth. Outstanding business decreased for the second month running.

As well as taking on additional staff, firms also supported growth of output by increasing their purchasing activity. Furthermore, the rate of expansion quickened.

There was further evidence of pressure on supply chains amid rising demand for inputs. Suppliers' delivery times lengthened solidly, and to a greater extent than was seen in the previous month.

Inflationary pressures intensified in May, with both input costs and output prices rising at sharper rates than in April. The increase in input prices was the fastest since January, with higher costs for raw materials such as oil and metals reported. Meanwhile, the rate of output price inflation was the steepest since August 2008.

Stocks of purchases increased for the fifth

consecutive month during May. In contrast, stocks of finished goods decreased for the first time in three months.

Although easing from April's record high, the level of optimism in the Greek manufacturing sector remained high. More than 45% of respondents predicted a rise in output over the coming year, linked to expectations of improving economic conditions and higher new orders.

Comment:

Andrew Harker, Associate Director at IHS Markit which compiles the *Greece Manufacturing PMI[®]* survey, said:

"May saw the recovery in the Greek manufacturing sector reach an important milestone, with output now having risen on a monthly basis throughout a year. Encouragingly, rates of growth in production, new orders and employment all picked up from the previous month. The road to recovery remains long, however, after a number of years of decline."

"Another key takeaway from the latest PMI survey was the fastest rise in output prices since August 2008. The increased ability of firms to pass on higher cost burdens to clients suggests some confidence in the sustainability of demand."

-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 <https://ihsmarkit.com/products/pmi.html>

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