

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 09:15 (Madrid) / 08:15 (UTC) January 4th 2018

IHS Markit Spain Services PMI®

New order growth improves in December

Key findings:

- Rates of expansion in new orders and activity quicken for first time in three months
- Further marked rise in employment
- Business confidence improves

Data collected December 5-18

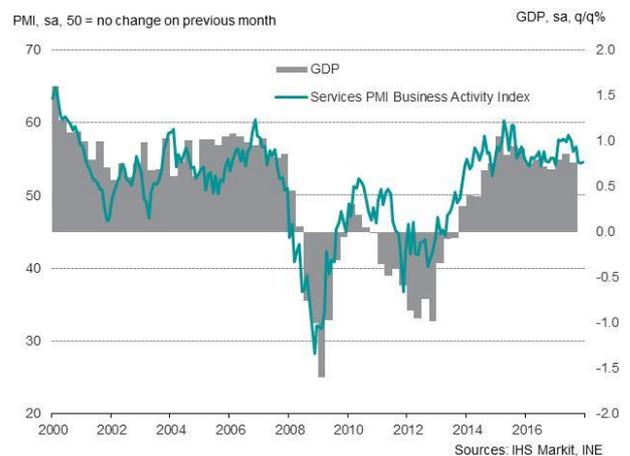
After having eased in recent months, rates of growth in services business activity and new orders improved in December. Meanwhile, confidence regarding the 12-month outlook for activity also strengthened. Rising workloads led companies to increase their staffing levels markedly again. On the price front, input costs continued to rise sharply while firms raised charges in line with improving customer demand.

The headline seasonally adjusted Business Activity Index ticked up to 54.6 in December from 54.4 in November, signalling a slightly sharper increase in activity over the month. This followed two successive months in which the rate of growth had slowed. Activity rose markedly at the end of 2017, extending the current sequence of expansion to 50 months.

Transport & Storage was the best-performing sector, seeing the fastest increases in both activity and new business. All but one of the monitored categories saw output rise, the exception being Hotels & Restaurants.

General improvements in economic conditions were reportedly behind rises in both activity and new business, while expanded sales teams were also mentioned. New business increased at a marked pace that was sharper than that recorded during November.

IHS Markit Spain Services PMI v Official data



New order growth fed through to another monthly rise in backlogs of work, extending the current sequence of accumulation to 11 months. The pace at which outstanding business rose was solid and faster than in the previous month.

The rate of job creation remained sharp in December, having been broadly unchanged from that seen in November. Respondents indicated that rising staffing levels were mainly a result of new order growth. Each monitored sector saw employment increase, led by Financial Intermediation.

Rises in prices for fuel and energy, as well as higher staff costs, led to another monthly increase in input prices. Although slowing from November, the rate of inflation was still above the series average.

Output prices rose for the fourteenth month running in December, albeit at a slightly slower pace. Where an increase in charges was noted, panellists

indicated that stronger client demand had enabled them to raise their selling prices. The Post & Telecommunications and Transport & Storage sectors saw the sharpest increases, with only Financial Intermediation posting a decline.

Confidence among firms in the Spanish service sector improved to a three-month high in December. More than 45% of respondents predict a rise in activity over the coming year, linked to expectations of improving economic conditions, the launch of new products and expanded sales teams.

Comment

Commenting on the PMI data, Andrew Harker, Associate Director at IHS Markit said:

“After seeing growth slow in each of the previous two months, there was a welcome pick-up in the final month of the year, with both output and new

orders rising at sharper rates. Reports of issues related to the political situation in Catalonia were less prevalent than in recent months as business conditions stabilised in the lead up to the December 21st election.

“Although the final quarter of 2017 saw a weaker expansion in activity than the other three quarters of the year, the economy continued to grow at a healthy pace. Overall, 2017 has been a positive year for the Spanish economy, leaving it well placed heading into 2018.”

-Ends-

For further information, please contact:

IHS Markit

Andrew Harker, Associate Director
Telephone +44-1491-461-016
Email andrew.harker@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44-207-260-2234
E-mail joanna.vickers@ihsmarkit.com

Note to Editors:

The Spain Services *PMI*® (*Purchasing Managers' Index*®) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 350 companies based in the Spanish service sector.

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 *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.

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 © 2018 IHS Markit Ltd. All rights reserved.

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.

About AERCE

AERCE is the Spanish Association of Purchasing and Supply Management. Founded in 1981 has 1,000 members, representing more than 10,000 related professionals, which include the most important companies in the country, institutions and professionals belonging to various industrial sectors, services and the public sector.

AERCE is a member of the International Federation of Purchasing and Supply Management (IFPSM).

AERCE

BARCELONA

Rambla Catalunya 120, 1º 1ª

08008 Barcelona - Spain

MADRID

Paseo de la Castellana 121, 7º D

28046 Madrid - Spain

Tel: +34 934 510 960

e-mail: info@aerce.org

website: www.aerce.org

The intellectual property rights to the Spain Services 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](#).

