

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 1000 (CEST) / 0800 (UTC) August 1st 2017

IHS Markit Eurozone Manufacturing PMI[®] – final data

Eurozone manufacturing growth slows slightly at start of third quarter

Key findings:

- Final Eurozone Manufacturing PMI at 56.6 in July (Flash: 56.8, June Final: 57.4)
- Growth recorded across all nations covered, led by Austria, the Netherlands and Germany
- Input price pressures abate further

Data collected July 12-24

IHS Markit Eurozone Manufacturing PMI



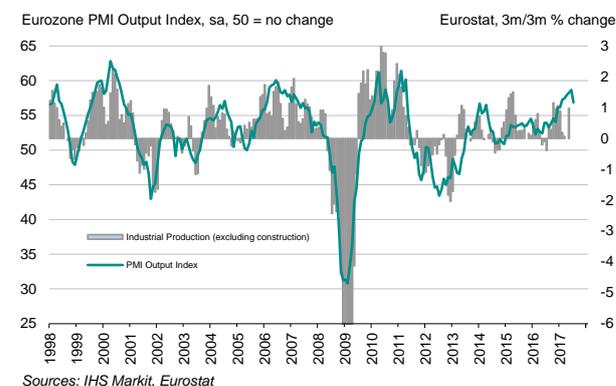
The start of the third quarter saw a slight moderation in the recent strong rate of expansion of the eurozone manufacturing sector. This was signalled by the final IHS Markit Eurozone Manufacturing PMI[®] posting 56.6 in July, down from June's 74-month high of 57.4 and below the earlier flash estimate of 56.8. The PMI has remained above the no-change mark of 50.0 for 49 successive months.

National surveys pointed to broad-based growth, with PMI readings for all eight of the countries monitored signalling expansion. The strongest improvements in operating conditions were registered in Austria, the Netherlands and Germany, although of these nations only the Netherlands saw a faster rate of expansion (75-month high).

Solid increases were also seen in Italy, France, Ireland and Spain. Growth in France accelerated to one of the fastest rates in over six years, whereas the other three nations all recorded slower improvements than in the prior month. The Greece PMI held steady at 50.5, to signal expansion for only the sixth time in the past three years.

Countries ranked by Manufacturing PMI: July

Austria	60.0	2-month low
Netherlands	58.9	75-month high
Germany	58.1 (flash: 58.3)	5-month low
Italy	55.1	2-month low
France	54.9 (flash: 55.4)	3-month high
Ireland	54.6	4-month low
Spain	54.0	4-month low
Greece	50.5	Unchanged



Manufacturing production continued to rise at a marked pace in July. Companies benefitted from solid gains in new business from both domestic and foreign clients. Although rates of expansion in output (six-month low), new orders (five-month low) and new export* business (four-month low) all eased during the latest survey month, they nonetheless remained among the best registered since the first half of 2011.

Rising inflows of new business tested capacity and led to a further accumulation of backlogs of work. Outstanding business increased for the twenty-seventh consecutive month, with the rate of expansion close to June's seven-year high.

The combination of rising order inflows and backlogs of work underpinned further strong job creation. Rates of increase in June and July have been close to May's survey-record high.

Employment rose in all of the nations covered, led by robust increases in Austria, the Netherlands and Germany. Jobs growth improved in France, Spain and the Netherlands, but eased elsewhere. In the case of France, the rate of increase was the fastest in almost 17 years.

The outlook for the eurozone manufacturing sector remained positive in July. Business optimism regarding production volumes in one year's time dipped only slightly from June's series-record high. Almost all of the nations covered (the exceptions being Italy and Ireland) reported relatively strong degrees of optimism.

Price pressures showed further signs of easing in July. Input cost inflation slowed to a nine-month low, while charges rose to the weakest extent during the year so far. Apart from increased raw material prices, cost pressures also reflected a sellers' market developing for a number of purchased goods. This was highlighted by the trend in suppliers' delivery times, which lengthened to the greatest degree since April 2011.

Comment

Commenting on the final Manufacturing PMI data, Chris Williamson, Chief Business Economist at IHS Markit said:

"Eurozone factories were buzzing with activity again in July. The PMI came in slightly below the earlier flash estimate, slipping to a four-month low, but this is still an encouragingly buoyant reading. The survey indicates that manufacturing output was growing at an annual rate of approximately 4% at the start of the third quarter, sustaining the best growth spell that the region has seen for six years.

"Germany clearly remains a major driver of the upturn, with only neighbouring Austria and the Netherlands enjoying faster rates of expansion. But this is a broad-based revival nonetheless, with even Greece enjoying its first back-to-back monthly improvement in manufacturing conditions for three years.

"Employment growth meanwhile continued to run at one of the highest rates seen for at least 20 years, with the hiring boom underscoring the current ebullient mood within euro area factories.

"Despite the near-record rise in employment, companies continued to struggle to meet order book growth, with capacity constraints both at factories and their suppliers becoming increasingly widespread in recent months. While price pressures eased in July, inflationary pressures could pick up again if demand continues to outstrip supply."

-Ends-

* Including intra-eurozone trade

For further information, please contact:

Chris Williamson, Chief Business Economist
Telephone +44-20-7260-2329
Mobile +44-779-5555-061
Email chris.williamson@ihsmarkit.com

Rob Dobson, Director, Economics
Telephone +44-1491-461-095
Mobile +44-7826-913-863
Email rob.dobson@ihsmarkit.com

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

Note to Editors:

The Eurozone Manufacturing *PMI*[®] (*Purchasing Managers' Index*[®]) is produced by IHS Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 89% of eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The July 2017 flash was based on 90% of the replies used in the final data.

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 Manufacturing <i>PMI</i>	0.0	0.2

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 revised data are available to subscribers from IHS Markit. Please contact economics@ihsmarkit.com.

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 © 2017 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 Eurozone 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](#).