

## News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
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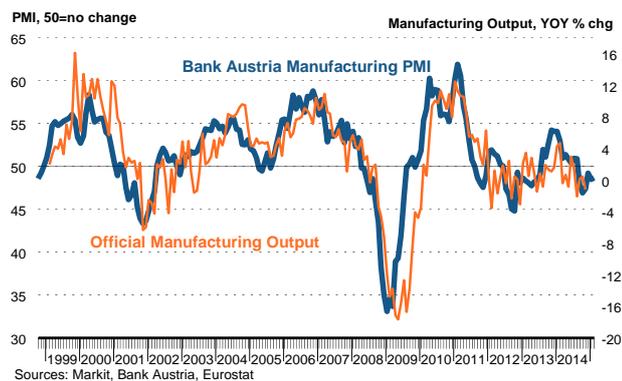
### Bank Austria Manufacturing PMI<sup>®</sup>

#### Operating conditions deteriorate for sixth month running

##### Key points:

- Output edges closer to stabilisation, but new orders fall sharply
- Rate of job losses eases
- Further marked decline in input costs

##### Historical overview:



##### Summary:

The downturn in Austria's goods-producing sector continued in February, with output and new orders falling further. Workforce numbers decreased at a slightly slower pace and backlogs of work were reduced. Meanwhile, companies were cautious about their stock policies and input and output prices both fell sharply.

Operating conditions in Austria's goods-producing sector deteriorated for the sixth straight month in February. This was highlighted by the seasonally adjusted Bank Austria Manufacturing PMI<sup>®</sup> – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – remaining below the neutral 50.0 threshold. At 48.7, up slightly from January's 48.5, the pace of contraction signalled was modest.

As has been the case since June of last year, new orders placed with Austrian manufacturing firms fell

in February. The pace of contraction was little-changed from January's marked rate. The decline in new business was broad-based, as demand from both domestic and foreign markets declined. However, the fall in new export business was slightly weaker than the fall in total new orders. Companies commented on Russian sanctions and weaker demand from South American clients.

With new orders falling further, companies scaled back their production in February. However, the rate of decline eased since the previous month and was only marginal overall. Sector data showed that output decreased at consumer, intermediate and investment goods producers.

Employment fell for the sixth straight month in February, although at the slowest pace in this sequence. Jobs growth at investment goods producers was more than offset by declines at both consumer and intermediate goods manufacturers. Meanwhile, companies signalled ongoing spare capacity, with backlogs of work falling on the month.

Input costs in Austria's manufacturing sector fell for the fifth successive month in February. The rate of decline eased slightly since January, but remained marked overall. Low oil prices continued to exert downward pressure on firms' input costs, according to anecdotal evidence.

With input costs declining, companies reduced their charges further in February. The rate at which selling prices fell was the second-strongest since September 2009.

February's survey data signalled that companies remained cautious about their inventory levels. Purchasing activity declined for the seventh consecutive month, and both pre- and post-production inventories fell further.

Finally, vendor performance deteriorated at the slowest pace in four months during February.

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**Notes to Editors:**

The Bank Austria Manufacturing *PMI*<sup>®</sup> is based on data compiled from monthly replies to questionnaires sent to purchasing executives in 300 industrial companies. The panel is stratified geographically and by Standard Industrial Classification (SIC) group, based on industry contribution to GDP.

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@markit.com](mailto:economics@markit.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.

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*Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) surveys are now available for 32 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/economics](http://www.markit.com/economics).

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