

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Spain Services PMI®

### New order growth eases to weakest in year-to-date

#### Key findings:

- Slower rises in activity and new business
- Employment growth quickens
- Fastest increase in input prices since March 2011

Data collected November 13-27

The Spanish service sector continued to grow solidly in November, although there were further slowdowns in rates of expansion for business activity and new orders. There were some reports that political uncertainty in Catalonia acted to dampen demand. On a more positive note, the rate of job creation quickened for the second month running. Meanwhile, the rate of input cost inflation reached the highest since March 2011 and output prices rose at a faster pace.

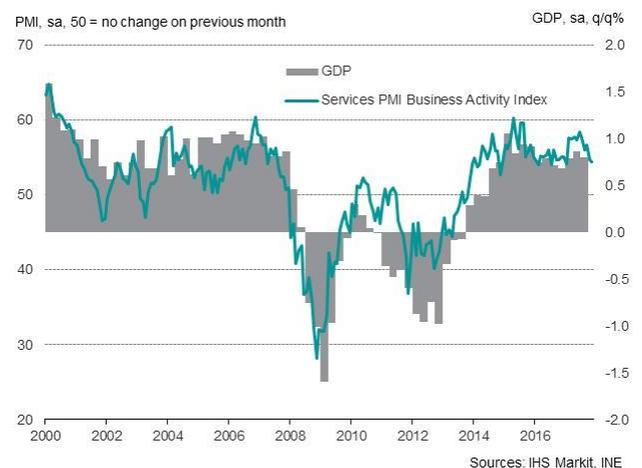
The headline seasonally adjusted Business Activity Index posted 54.4 in November, down from 54.6 in October and signalling the weakest rise in business activity since January. That said, output has now increased on a monthly basis in each of the past 49 months.

Higher new business was reportedly the main factor leading activity to rise, with the hiring of additional sales staff helping to generate new orders. On the other hand, some panellists reported a drop in activity linked to political uncertainty in Catalonia.

Each of the broad sectors covered by the survey saw activity increase, led by Transport & Storage and Financial Intermediation.

New orders followed a similar trend to activity, seeing the rate of growth ease for the second month running. The marked rise in new business was the weakest in the year-to-date.

#### IHS Markit Spain Services PMI v Official data



Backlogs of work rose modestly in November, largely reflecting new order growth. That said, the rate of accumulation eased to a three-month low.

In contrast to slower increases in activity and new business, the rate of job creation quickened in November. Employment rose sharply and at the fastest pace since August. Staffing levels have risen in 38 consecutive months. Employment rose across all monitored sectors, led by Financial Intermediation.

Services companies experienced a sharp rise in input costs during November. Moreover, the rate of inflation accelerated to the fastest since March 2011. Respondents mainly linked higher input costs to increased prices for fuel and energy. The Hotels & Restaurants and Transport & Storage sectors posted the strongest rises in input costs.

Output prices also rose at a sharper pace in November as companies responded to higher input costs. Some panellists reported raising prices in

line with new product launches. The rate of inflation was solid, but much weaker than that seen for input costs.

Business sentiment dipped for the second month running amid uncertainty surrounding Catalonia. That said, companies remained confident that activity will increase over the coming year, linked to predictions of new order growth and the launch of new products.

## Comment

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

*“Although the pace of expansion in Spanish services activity remained solid in November,*

*growth in the final quarter of the year looks set to be the weakest for some time. This is in marked contrast to the strengthening performance of the manufacturing sector as was highlighted by last week’s PMI release. As was the case in October, companies mainly attributed slower growth to the political situation in Catalonia which has acted to dampen demand.*

*“On a more positive note, the rate of job creation picked up for the second month running, suggesting that companies expect the current soft patch to come to an end soon, perhaps following the Catalan elections in December.”*

-Ends-

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## 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](mailto: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.

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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](http://www.markit.com/product/pmi).

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

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