

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
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IHS Markit Poland Manufacturing PMI[®]

Manufacturing continues to grow solidly in April

Key findings:

- PMI at 53.9 in April, first upward movement in 2018 so far
- Strongest increase in output in 2018 so far
- New order growth remains below 2017 trend pace

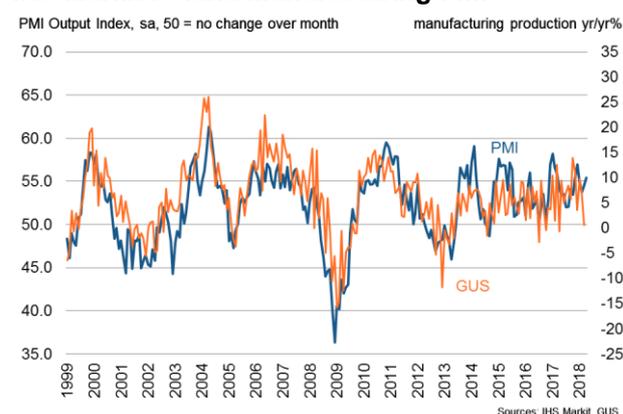
Data collected April 12-24

April PMI[®] survey data signalled a further solid improvement in business conditions in Poland's manufacturing sector, with output increasing at the fastest rate in 2018 so far and another relatively strong increase in employment. New business expanded solidly, although purchasing activity grew at the softest pace since November 2016. Despite this, suppliers' delivery times lengthened to the greatest extent in over seven years.

The headline IHS Markit Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

The PMI rose slightly to 53.9 in April, from 53.7 in March, signalling robust overall growth of the Polish manufacturing sector. Moreover, it was the first upward movement in the index since December 2017. The current expansionary sequence, at 43 months, is the longest since the survey began in June 1998.

IHS Markit Poland Manufacturing PMI



The uptick in the PMI in April reflected faster increases in output and new orders and a greater incidence of supplier delivery delays. These were partially offset by slightly softer growth of jobs and input stocks.

Manufacturing output increased at a slightly faster rate in April, taking it to the strongest in 2018 so far. Incoming new orders also increased at a slightly quicker pace, albeit one that was weaker than output. Consequently, backlogs of work declined for the first time in four months. New export orders increased in April, having been broadly unchanged in March.

Manufacturers in Poland continued to expand their workforces in April. The rate of job creation eased slightly from March's 11-month high, but remained relatively strong nonetheless.

Purchasing activity by Polish goods producers increased for the eighteenth successive month in

April, contributing to another lengthening of supplier delivery times. The rate of expansion in buying activity eased to a 17-month low, but pressure on supply chains remained strong as suppliers' delivery times lengthened to the greatest extent since December 2010. Meanwhile, inventories of inputs increased only marginally.

Inflationary pressures remained strong in April and quickened slightly since March. Input and output price inflation both picked up to two-month highs and remained well above their long-run averages. Firms highlighted increased steel prices in particular.

Expectations for output remained strong in April, but moderated to the weakest since November 2016. Firms linked expected growth of output to new products, marketing and new capacity coming online.

Comment

Commenting on the Poland Manufacturing PMI survey data, Trevor Balchin, Economics Director at IHS Markit and author of the report, said:

“Poland’s manufacturing sector defied a slowdown in new order growth in March with a slightly stronger overall improvement in operating conditions at the start of Q2.

“The slight uptick in the PMI reflected the strongest rise in output of the year so far, a slightly faster increase in new work and the most severe lengthening of suppliers’ delivery times in over seven years.

“That said, new order growth has now trended below that for output for the past two months, and backlogs fell for the first time in four months. This suggests that the expansion in production may moderate in the coming months unless new business growth accelerates.”

-Ends-

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Note to Editors:

The Poland Manufacturing PMI[®] (*Purchasing Managers' Index*[®]) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 200 companies based in the Polish manufacturing sector. The panel is stratified by GDP and 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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