

# News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 09:00 (UK Time) 7 April 2015**

## Markit Eurozone Composite PMI® – final data

Includes Markit Eurozone Services PMI®

### Eurozone PMI moves higher as growth accelerates in Germany, Italy and Spain

- Final Eurozone Composite Output Index: **54.0** (Flash 54.1, February 53.3)
- Final Eurozone Services Business Activity Index: **54.2** (Flash 54.3, February 53.7)

The growth rate of the eurozone economy continued to improve in March. At 54.0, up from 53.3 in February, the final **Markit Eurozone PMI® Composite Output Index** rose to an 11-month high and its joint-highest level for almost four years.

The average index reading over the opening quarter as a whole (53.3) signals the best output growth since the second quarter of last year.

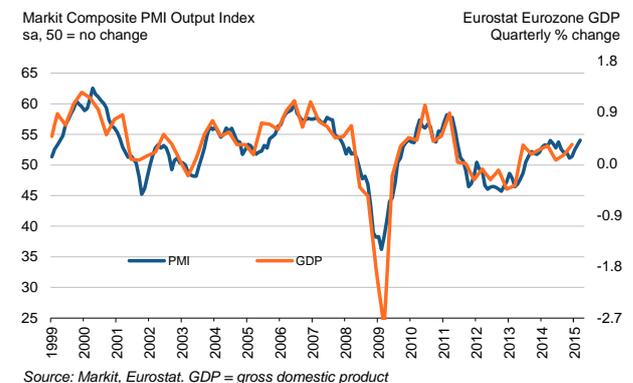
The expansion of economic activity in March was evenly spread across the manufacturing and service sectors. Manufacturing production rose at the fastest pace since May 2014, while service sector activity increased at the sharpest rate for eight months.

There remained, however, wider disparities between the performances of the individual nations. Ireland and Spain continued to lead the charge, backed up by a fast-improving German economy where growth accelerated to an eight-month high.

Although rates of expansion in Italy and France were modest in comparison (even after growth in Italy accelerated to an eight-month peak), March was nonetheless the second month in a row that economic activity rose across each of the big-four nations.

Growth of new business in the euro area likewise accelerated in March, hitting a near four-year record. Strengthening inflows of new work tested the capacity of a number of companies, leading to a moderate accumulation of backlogs of work for the second month running and further job creation.

#### Markit Eurozone PMI and GDP



#### Nations ranked by all-sector output growth\* (Mar.)

Ireland	59.8	9-month low
Spain	56.9	2-month high
Germany	55.4 (flash: 55.3)	8-month high
Italy	52.4	8-month high
France	51.5 (flash: 51.7)	2-month low

\*All-Sector Output PMI against GDP comparisons for Germany, France, Italy and Spain are included on [page 3](#) of this press release.

Employment rose at the quickest pace since August 2011, with continued job growth registered in Germany, Italy, Spain and Ireland. Meanwhile, France saw a slight gain in workforce numbers following losses in each of the prior 16 months.

March saw deflationary pressures ease, as average prices charged declined at the slowest rate since last August and input costs showed the largest monthly increase for eight months. Companies indicated that input prices were driven higher by increased US dollar denominated import prices resulting from the euro's decline, and also from rising staff costs.

## Services:

The performance of the eurozone service sector continued to strengthen in March. Business activity rose at the fastest pace in eight months, spurred on by the sharpest intake of new work since May 2011.

At 54.2 in March, up from 53.7 in February, the **Eurozone Services Business Activity Index** signalled an expansion in output for the twentieth successive month and posted below its earlier flash estimate of 54.3. The average index reading during the opening quarter (53.6) is the best outcome since the second quarter of 2011.

All of the national service economies covered by the survey reported an increase in business activity during March, with the fastest rate of growth again recorded by Ireland. Spain was in second position, seeing its pace of expansion hit a seven-month high, followed by Germany where growth was the sharpest since September of last year. The rate of increase in Italy picked up to a four-month high. Although France was the only nation to report a growth deceleration in March, the pace of expansion remained solid and among the best signalled over the past three-and-a-half years.

The outlook for the eurozone service economy also brightened in March, as the level of business optimism\* rose to a 46-month high.

The stronger current and expected future performance of the sector also led to increased employment. Job creation was recorded for the fifth straight month, with the rate of increase staying close to February's near four-year record. Staffing levels rose in Germany, France, Italy, Spain and Ireland.

Input price inflation accelerated to an eight-month high in March, mainly reflecting higher staffing costs. Trends in input prices strengthened in almost all of the nations covered by the survey, the exception being France.

Average output charges decreased for the fortieth month in a row, albeit to the least marked extent since June of last year. Germany and Ireland both reported higher charges, whereas selling prices fell in France, Italy and Spain.

\* for business optimism, companies are asked whether they expect levels of business activity in one year's time to be higher, the same or lower than the current month.

## Comment:

**Chris Williamson, Chief Economist at Markit** said:

*"Whether the eurozone economy has achieved escape velocity to enjoy a return to a strong and sustainable recovery remains uncertain, but the region is certainly seeing its best growth momentum since 2011.*

*"The PMIs are indicating somewhat sluggish GDP growth of 0.3% for the first quarter. However, the important message from the survey data is that the pace of expansion looks set to gather pace in coming months.*

*"Inflows of new business are rising at the strongest rate since the spring of 2011, and companies are responding to the upturn in demand by taking on staff to an extent not seen for three-and-a-half years.*

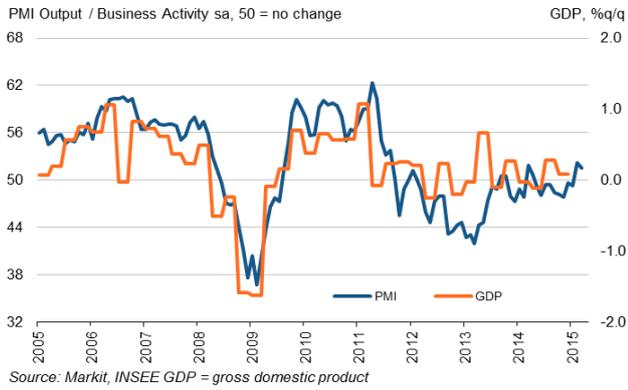
*"Encouragingly, with France returning to growth, all of the four largest euro nations are now back in expansion, indicating a broad-based upturn which should therefore be more self-sustaining.*

*"With the ECB's policy of quantitative easing also set to provide a boost to the nascent recovery in coming months, the economic outlook is therefore brightening as we expect to see more upward revisions to growth forecasts for the year.*

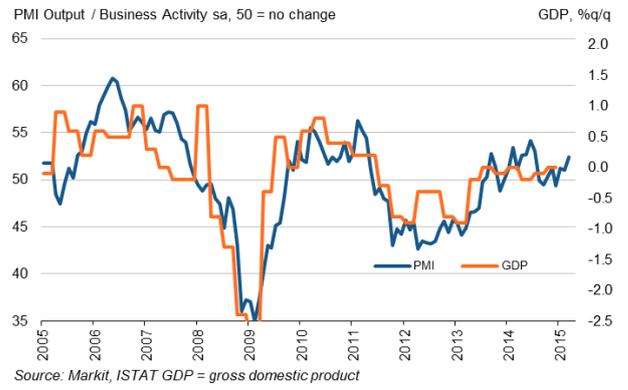
*"An ongoing recovery is no one-way bet, however, with the Greek crisis remaining a critical threat to stability in the region."*

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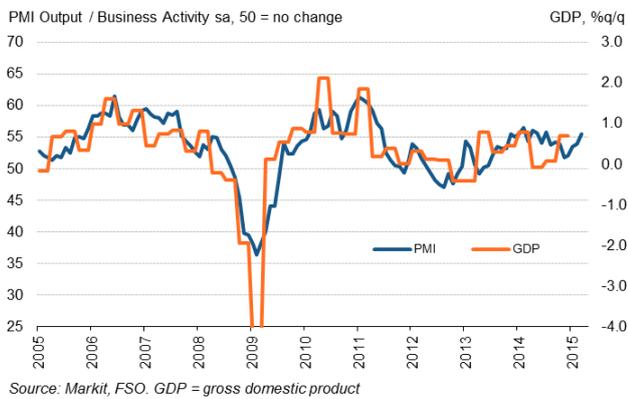
### France



### Italy



### Germany



### Spain



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**Notes to Editors:**

The Eurozone Composite *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit and is based on original survey data collected from a representative panel of around 5,000 manufacturing and services firms. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland.

The Eurozone Services *PMI* (*Purchasing Managers' Index*) is produced by Markit and is based on original survey data collected from a representative panel of around 2,000 private service sector firms. National data are included for Germany, France, Italy, Spain and the Republic of Ireland. These countries together account for an estimated 78% of Eurozone private sector services output.

The final Eurozone Composite *PMI* and Services *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 75%–85% of total *PMI* survey responses each month. The March composite flash was based on 78% of the replies used in the final data. The March services flash was based on 67% of the replies used in the final data. **Data were collected 12-26 March.**

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 Composite Output <i>PMI</i> <sup>®</sup>	0.0	0.2
Eurozone Services Business Activity <i>PMI</i>	0.0	0.4

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.

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).

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**About PMI**

*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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