

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

### PMI at highest since February 2007

#### Key findings:

- Output expands at fastest pace in two-and-a-half years
- Near-record rise in employment
- Growth of exports and purchasing also among the sharpest recorded to-date

Data collected November 13-23

Business conditions in the Spanish manufacturing sector improved to the greatest extent in close to 11 years in November. Output growth hit a two-and-a-half year high amid another marked increase in new orders. In fact, new export business rose at a near-record pace. This was also the case with regard to employment, which increased at the fastest rate since April 1998.

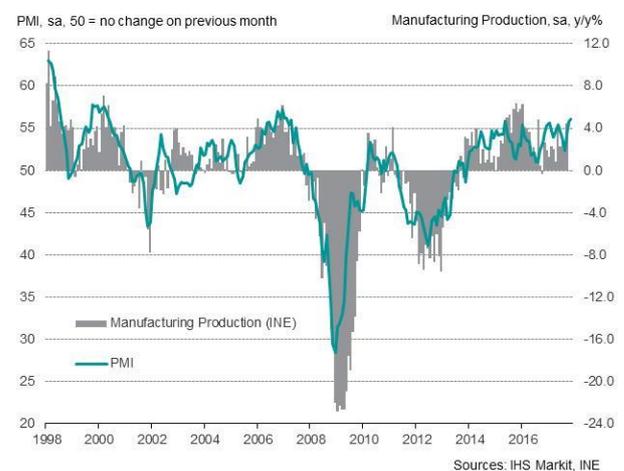
Meanwhile, purchasing activity rose at one of the fastest rates to-date. This increase in demand for inputs contributed to raw material shortages, in turn resulting in delays to deliveries from suppliers. Input costs also continued to rise sharply over the month.

The headline IHS Markit Spain 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 to 56.1 in November from 55.8 in October, the highest reading since February 2007. Operating conditions have now improved on a monthly basis throughout the past four years.

The rate of growth in manufacturing output quickened for the third successive month in November, reaching the strongest since May 2015. The sharp rise in production resulted in a third successive monthly increase in stocks of finished

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



goods, the fastest in nine years.

Production growth largely reflected higher new orders. Total new business increased markedly, albeit at a slightly reduced pace. Meanwhile, the rate of expansion in new export orders was among the fastest since the survey began in February 1998.

Employment growth was also among the sharpest so far, only bettered in the opening three months of the survey. Extra staff were reportedly hired in response to rising workloads and the prospect of further growth in coming months.

There were signs of capacity pressures throughout the sector in November, despite strong hiring. Manufacturers saw their backlogs of work increase to the greatest extent in six months.

Meanwhile, suppliers' delivery times continued to lengthen sharply amid raw material shortages and strong demand for inputs. Purchasing activity among manufacturers increased at the fastest pace since May 1998. Stocks of purchases rose

accordingly.

Input prices continued to increase at a sharp pace, with items such as aluminium, paper and plastics among those reportedly costing more. As a result, output price inflation quickened to a four-month high.

Firms were generally confident that growth will continue over the coming year. Sentiment ticked up from October's two-year low.

## Comment

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

*"The Spanish manufacturing sector continued to motor midway through the final quarter of the year, with output growth quickening to a two-and-a-half year high. Central to the success of the sector is firms' ability to secure new business, often from export markets.*

*"Growth of workloads continues to be good news for the manufacturing labour market, with employment increasing to the greatest extent in the best part of 20 years. The sector is clearly in good shape as 2017 draws to a close, with hopes of continuing strong performance in 2018."*

-Ends-

## For further information, please contact:

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## Note to Editors:

The Spain Manufacturing *PMI*® (*Purchasing Managers' Index*®) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 400 companies based in the Spanish manufacturing sector. The panel is stratified by GDP and company 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](mailto: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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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.

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

#### **About AERCE**

AERCE is the Spanish Association of Purchasing and Supply Management. Founded in 1981 has 1,000 members, representing more than 10,000 related professionals, which include the most important companies in the country, institutions and professionals belonging to various industrial sectors, services and the public sector.

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

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