

Embargoed until 1100 Athens (0900 UTC) 1 February 2019

IHS MARKIT GREECE MANUFACTURING PMI®

Strong and accelerated rise in output in January

KEY FINDINGS

Joint-fastest increase in production since March 2018

Joint-strongest rate of job creation in series history

New export order upturn quickens to 12-month high

The Greek manufacturing sector continued to signal a solid improvement in operating conditions in January. The rates of expansion in output and new export orders accelerated and the pace of job creation was one of the strongest in the series history. The upturn in new business remained solid as firms continued to be upbeat towards the year ahead. Meanwhile, price pressures eased as input cost inflation dipped to the slowest since August 2016. Subsequently, output charges fell at a faster rate as firms sought to attract new clients.

The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – registered 53.7 in January, down slightly from 53.8 in December. Although the headline figure dipped to a three-month low, it was broadly in line with those seen since the middle of 2018 and indicated a solid improvement in the health of the Greek manufacturing sector.

Contributing to the headline PMI was a strong and faster rise in production among goods producers in January. The upturn in output was the joint-quickest since last March amid a sustained increase in new business.

The rate of new order expansion matched that seen in December, remaining strong overall and among the quickest since the start of 2018. Greater client demand from both foreign and domestic customers drove the latest increase. Moreover, the rate of new export order growth accelerated to a 12-month high despite current headwinds in global trade. The sixteenth successive rise in new business from abroad

Manufacturing PMI

sa, >50 = improvement since previous month



was commonly linked to new client acquisition.

Consequently, strain was placed on capacity, with backlogs rising for the first time since last March. In line with greater production requirements, Greek manufacturers registered a quicker rate of job creation. The upturn in employment was the joint-strongest in the series history.

On the price front, cost burdens faced by goods producers increased at the slowest pace since August 2016 in January. The solid rise in input prices was reportedly driven by higher raw material costs, especially for packaging and agricultural products.

Survey respondents suggested the weaker rise in input costs was partly passed on to clients through a further fall in output charges. Panellists stated that the solid contraction in factory gate prices was also linked to efforts to attract new clients amid stronger competition.

In line with a further strong rise in new business, manufacturers registered a marked degree of confidence towards the year ahead that was one of the most optimistic since data collection began in July 2012.

Finally, despite a sharp expansion in buying activity and the weakest deterioration in vendor performance since December 2017, pre-production inventories fell at the fastest rate since July 2017.

COMMENT

Siân Jones at IHS Markit, which compiles the Greece Manufacturing PMI survey, commented:

"The performance of the Greek manufacturing sector remained solid in January, with the rate of output growth accelerating to the joint-fastest since last March. Contrasting with reports of global trade tensions being detrimental to export orders, Greek manufacturers registered a sharp expansion in foreign client demand.

"Further gains in new orders placed strain on capacity, with employment rising at the joint-strongest pace since data collection began. Reassuringly, firms expect output growth to continue over the coming year.

"Price pressures eased again in January, with the rate of input cost inflation softening to the slowest since August 2016. In an effort to entice new clients and combat competition, manufacturers dropped their factory gate charges for the second month running."

CONTACT

IHS Markit

Siân Jones
Economist
T: +44-1491-461-017
sian.jones@ihsmarkit.com

Joanna Vickers
Corporate Communications
T: +44-207-260-2234
joanna.vickers@ihsmarkit.com

Methodology

The IHS Markit Greece Manufacturing PMI® is compiled by IHS Markit from responses to questionnaires sent to purchasing managers in a panel of around 300 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

January 2019 data were collected 11-24 January 2019.

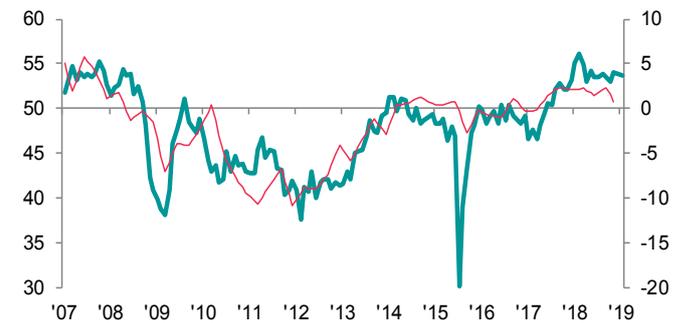
For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.

PMI

sa, >50 = improvement since previous month



Source: IHS Markit, National Statistical Service of Greece.

About IHS Markit

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and 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 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2019 IHS Markit Ltd. All rights reserved.

If you prefer not to receive news releases from IHS Markit, please email joanna.vickers@ihsmarkit.com. To read our privacy policy, click [here](#).

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 [ihsmarkit.com/products/pmi.html](https://www.ihsmarkit.com/products/pmi.html).