

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 1000 (CEST) / 0800 (UTC) May 4th 2017**

## Markit Eurozone Composite PMI® – final data

Includes Markit Eurozone Services PMI®

### Eurozone economic growth at six-year high in April

#### Key findings:

- Final Eurozone Composite Output Index: **56.8** (Flash: 56.7, March Final: 56.4)
- Final Eurozone Services Business Activity Index: **56.4** (Flash: 56.2, March Final: 56.0)

Data collected April 11-25

Euro area economic growth accelerated to a six-year high at the start of the second quarter. This was signalled by the final **Markit Eurozone PMI® Composite Output Index** rising to 56.8 in April, up from 56.4 in March and the earlier flash estimate of 56.7. Activity has expanded for 46 months in a row.

Output growth accelerated at manufacturers and service providers, with rates of increase hitting 72-month records in both cases. The slightly sharper expansion was again registered in manufacturing.

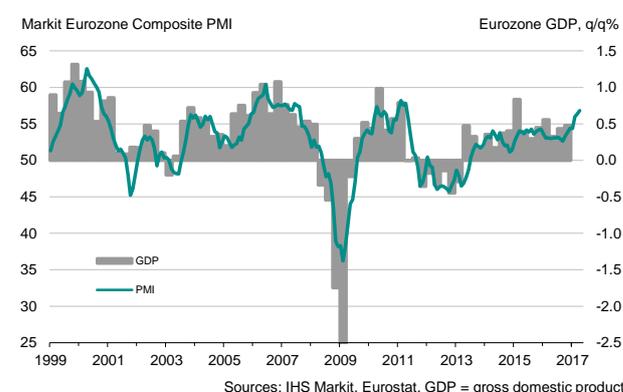
Underpinning growth of economic activity was a strong increase in incoming new business. New orders rose for the twenty-ninth month running, with the rate of expansion staying close to March's high.

The outlook for the economy also remained relatively bright in April, with business optimism about levels of output in one year's time staying close to March's series-record high. Rising backlogs of work also suggested that new order growth was sufficiently robust to test capacity and provide a buffer of incomplete work.

National PMI data indicated that Ireland moved back to the top of the output growth rankings, a position it last held in February. Irish economic output increased at the quickest pace in three months. Spain rose to second position, with growth of economic activity at a 20-month high.

Rates of expansion were broadly similar across the 'big-three' nations in April. Indeed, the spread

#### Markit Eurozone Composite PMI



#### Countries ranked by output growth\*: April

Ireland	58.7	3-month high
Spain	57.3	20-month high
Italy	56.8	117-month high
Germany	56.7 (flash: 56.3)	2-month low
France	56.6 (flash: 57.4)	2-month low

\* Composite Output PMI against GDP comparisons for Germany, France, Italy and Spain are included on page 3 of this press release.

between the Composite PMI Output Index readings for Germany, France and Italy was the joint-narrowest in the euro area survey history. Rates of expansion eased slightly in Germany and France, but hit a near ten-year high in Italy.

Euro area employment rose again in April, continuing a trend seen over the past 30 months. Although the rate of job creation slowed, it was still one of the best seen over the past decade. Accelerated workforce growth in Spain and Ireland partly offset slower increases in Germany and Italy.

Rising global commodity prices, the weak euro and tightening supply chains all contributed to input cost inflation, the rate of which remained elevated in April. Meanwhile, average selling prices rose at a pace close to March's near six-year high.

## Services

The upturn in eurozone service sector business activity gathered pace at the start of the second quarter. Output rose at the quickest pace in six years, as highlighted by the final **Markit Eurozone PMI® Services Business Activity Index** posting 56.4 in April, its highest level since April 2011.

The headline index was also above its earlier flash estimate of 56.2, and has signalled expansion throughout the past 45 months. The latest output growth was broad-based, with solid increases registered across the ‘big-four’ nations and Ireland.

The steepest rates of expansion were signalled by Ireland and Spain – which both saw growth accelerate – followed by France (despite a mild deceleration). Italy saw a sharp pick-up in its rate of output growth to a near ten-year record, underpinned by a similarly strong increase in new business. The pace of output expansion eased slightly in Germany.

Growth of new business remained strong across the eurozone service sector. The rate of increase was well above its long-run trend, despite easing to a three-month low. Business optimism<sup>†</sup> also stayed close to March’s six-year high.

The ongoing growth of new business also tested the capacity of eurozone service providers, leading to a further increase in backlogs of work. This also underpinned job creation, as staffing levels rose for the thirtieth straight month and to one of the greatest extents over the past nine years.

Service sector employment rose in all of the nations covered by the survey in April. The fastest rates of growth were signalled in Ireland and Germany, and the mildest in France and Italy. Spain was the only nation to register a quicker pace of increase than in the prior survey month.

Input cost inflation slowed to a three-month low in April, but nonetheless remained among the highest rates seen over the past five years. This reflected a combination of salary pressures, higher fuel and energy prices, and increased raw material costs. Part of the burden was passed on by businesses in the form of higher prices charged for services, which increased for the sixth month running.

## Comment

Chris Williamson, Chief Business Economist at IHS Markit said:

*“With the final reading coming in slightly above the earlier flash estimate, the PMI surveys portray an economy that is growing at an encouragingly robust pace and that risks are moving from the downside to a more balanced situation.*

*“The April Eurozone PMI is historically consistent with a GDP growth rate of 0.7%, with similar rates of expansion signalled for both Germany and France. Even faster gains are being indicated in Spain and Ireland and Italy is also seeing growth perk up, highlighting the increasingly broad-based nature of the current upturn.*

*“Price pressures remain elevated, and the survey’s price indices suggest that core inflation will trend higher in coming months.*

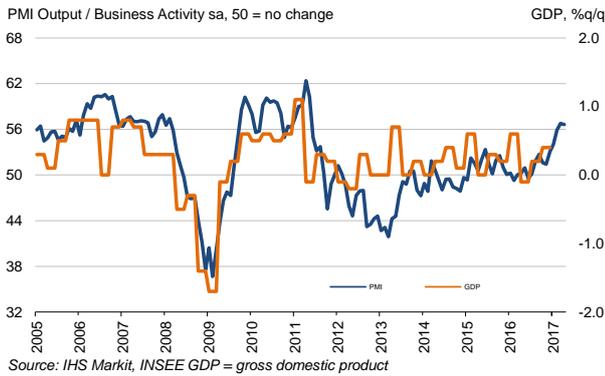
*“The encouraging picture from the survey data is likely to help raise many forecasters’ expectations of eurozone economic growth in 2017, and will also no doubt add to speculation that ECB rhetoric will turn increasingly hawkish.”*

-Ends-

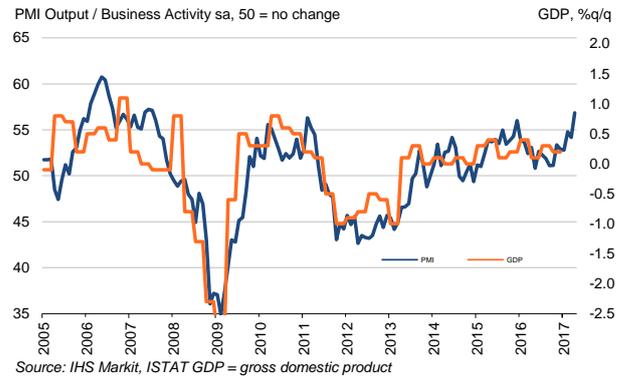
\*\* [Click here](#) for further details of using the PMI to measure GDP in advance.

† for business confidence (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.

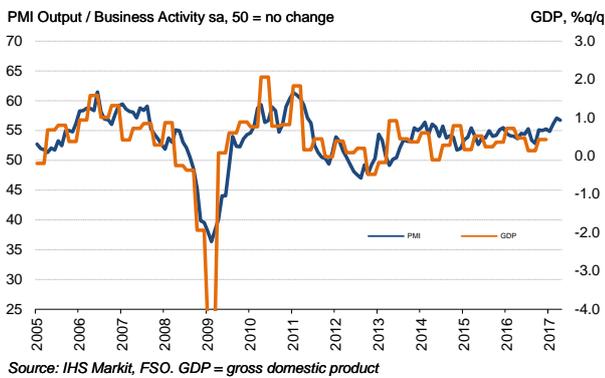
### France



### Italy



### Germany



### Spain



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**Note 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 April composite flash was based on 86% of the replies used in the final data. The April services flash was based on 78% of the replies used in the final data. **Data were collected 11-25 April.**

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	0.3

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@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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*Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) surveys are now available for over 30 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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