

## News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 0955 (CEST) / 0755 (UTC) October 2 2017**

# IHS Markit/BME Germany Manufacturing PMI® – final data

## Manufacturing growth surges to fastest since early-2011

### Key findings:

- Factory production rises at strongest rate since April 2011
- Highest incidence of supplier delivery delays in over six years
- Price pressures strengthen for second month running

Data collected September 12-22

German manufacturing saw its strongest growth performance for over six years in September, recording marked and accelerated increases in both production levels and employment, according to the latest *PMI*® survey data from IHS Markit and BME. However, there was also evidence of increasing supply-side pressures, as firms faced near-record delivery delays and sharply rising input costs.

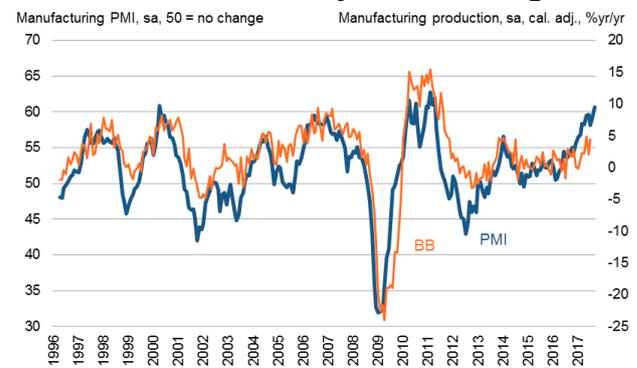
The headline IHS Markit/BME Germany Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of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

At 60.6 in September, up from August's 59.3, the final IHS Markit/BME Germany Manufacturing PMI recorded its highest reading since April 2011 and signalled a strong improvement in the overall health of the goods-producing economy.

A faster rate of production growth helped lift the headline PMI higher in September. Makers of intermediate goods recorded the steepest overall rise in output during the month, although there were also strong positive contributions from the consumer and capital goods sectors.

Survey evidence suggested that stronger demand was the main factor driving the upturn seen at the end of the third quarter. Overall order books

### IHS Markit / BME Germany Manufacturing PMI



expanded at the fastest rate since June, supported by ongoing steep growth in new business from abroad, and from Asian markets in particular.

It was a similarly positive picture for factory employment in September, with manufacturers upping their rate of job creation to the fastest seen since May 2011. Despite firms taking on extra workers, data showed ongoing pressure on operating capacity, as backlogs rose at the fastest rate seen for over seven years.

With manufacturers demanding greater volumes of inputs in order to support higher production, the strain on supply chains also intensified during the month. Incidences of delivery delays on purchased items were in fact among the most widespread since data collection began in 1996.

In turn, supply shortages helped drive up average prices paid for inputs, including chemicals and a range of metals, with the rate of cost inflation at a five-month high. The combination of strong cost pressures and supportive demand conditions led to the greatest hike in prices charged since mid-2011.

Worries about lengthening lead times for inputs resulted in manufacturers building up safety stocks. In contrast, inventories of finished goods fell for the

fifth month running as firms struggled to keep pace with demand.

Finally, latest survey data showed manufacturers' confidence towards future output rebound to a three-month high.

### Comment

Commenting on the final IHS Markit/BME Germany Manufacturing PMI<sup>®</sup> survey data, **Phil Smith**, Principal Economist at IHS Markit said:

*“Germany’s manufacturers ended the third quarter on a particularly high note, according to latest survey data. The PMI rose for the second month running to put it in territory unseen since the temporary rebound that followed the global financial crisis.*

*“Factory production levels rose sharply again in September on the back of sustained strong growth in order books, and businesses reacted to the corresponding squeeze on capacity by upping the rate of job creation.*

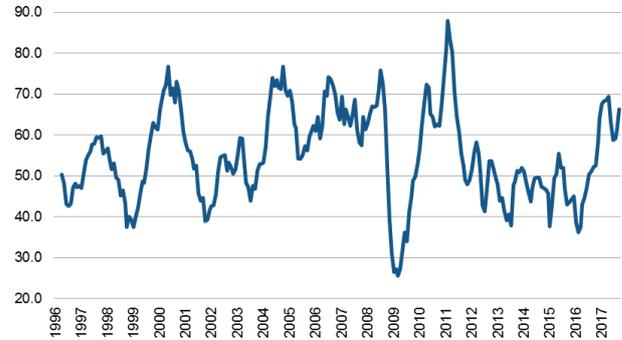
*“The current phase of expansion is now approaching it’s third year, but there are increasing signs of pressures building in supply chains. Delivery times on inputs showed the greatest increase since early-2011, leading goods producers to take action and augment safety stocks.*

*“Growing demand for materials manifested itself in a strong rise in average purchase prices, with the rate of inflation approaching the highs seen in the first half of the year. Robust client demand meant that firms could protect margins by hiking their unit prices, which showed the steepest rise in over six years.”*

-Ends-

### Input Prices Index

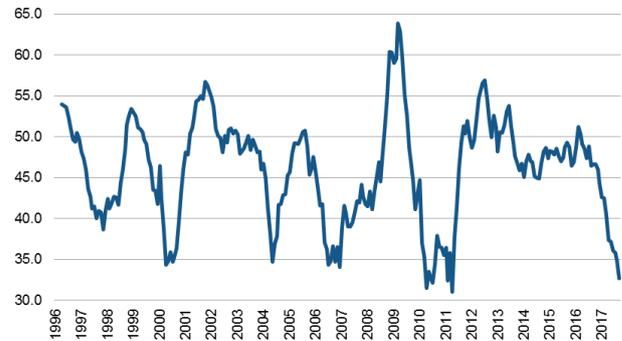
Input Prices Index, sa, 50 = no change



Source: IHS Markit.

### Suppliers' Delivery Times Index

Suppliers' Delivery Times Index, sa, 50 = no change



Source: IHS Markit.

**For further information, please contact:**

**IHS Markit**

Phil Smith, Principal Economist  
Telephone +44-1491-461-009  
Email: [phil.smith@ihsmarkit.com](mailto:phil.smith@ihsmarkit.com)

Joanna Vickers, Corporate Communications  
Telephone +44207 260 2234  
Email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

**Note to Editors:**

The Germany Manufacturing PMI® (Purchasing Managers' Index®) is produced by IHS Markit and is based on original survey data collected from a representative panel of over 400 companies based in the German manufacturing sector.

The final Germany Manufacturing PMI follows on from the flash estimate which is released a week earlier and is typically based on at least 75% of total PMI survey responses each month. The September flash was based on 94% of the replies used in the final data.

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
Germany Manufacturing PMI <sup>3</sup>	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.

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).

**Notes**

1. The Composite Output PMI is a weighted average of the Manufacturing Output Index and the Services Business Activity Index.
2. The Services Business Activity Index is the direct equivalent of the Manufacturing Output Index, based on the survey question "Is the level of business activity at your company higher, the same or lower than one month ago?"
3. The Manufacturing PMI is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.
4. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"

**About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))**

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.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2017 IHS Markit Ltd. All rights reserved.

**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).

The intellectual property rights to the IHS Markit/BME Germany Manufacturing PMI® 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 trademarks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd.

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