

## News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 1000 (CEST) / 0800 (UTC) May 30<sup>th</sup> 2017**

### UniCredit Bank Austria Manufacturing PMI<sup>®</sup>

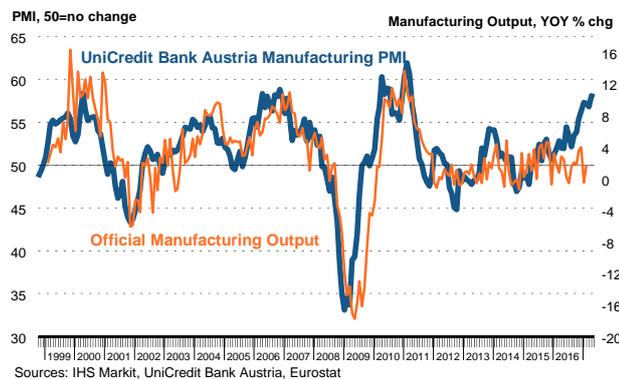
#### Growth remains sharp in the Austrian manufacturing sector

##### Key findings:

- Headline PMI remains elevated at 58.0, despite easing fractionally since April
- Sharp growth in output and new orders
- Price pressures ease

Data collected from May 12-22

##### UniCredit Bank Austria Manufacturing PMI



The latest PMI<sup>®</sup> survey data indicated another month of sharp growth in the Austrian manufacturing economy. The rate at which business conditions improved was close to the six-year high seen in April's survey. Accelerating production growth, strong inflows of new orders (domestic and export) and sharp job creation were all major contributors towards the sector's strong growth performance. In terms of inflation, cost pressures eased for Austrian manufacturing firms, leading to a dip in output price inflation.

The UniCredit Bank Austria Manufacturing PMI – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – posted 58.0 in May, down from 58.1 in April. Although dipping fractionally, the headline PMI index remained similar to its six-year high seen in the preceding survey. Growth was seen across the

three monitored goods categories, with the sharpest rate of expansion experienced in the investment goods sector.

According to anecdotal evidence, the improvement in business operating conditions was driven by increased investment and an economic upturn in the Austrian economy. This was a key factor behind the latest growth in new orders, which rose sharply again in May.

Higher levels of new orders led to a rise in output requirements for Austrian manufacturers. Production rose at the sharpest rate for three months in the latest survey, continuing the recent trend of steep growth, the strongest seen for six years.

New export orders also rose sharply in the latest survey, albeit at a marginally slower pace than in April. Firms commonly noted that an upturn in the global economy had led to increased demand for Austrian-produced goods. Of the three monitored goods categories, the investment goods sector experienced the quickest growth in exports.

Rising raw material costs meant that input price inflation remained sharp overall. However, the rate of increase dipped for the second month in a row.

The easing in input price inflation was partly reflected in the trend in output charges, which rose at a slower rate for the first time in three months. That said, output charge inflation remained relatively sharp overall in May. Firms commonly noted they had passed on part of the burden of higher raw material costs.

Growth in employment was sharp in May, and was driven by increased production requirements, according to anecdotal evidence. The latest data extended the current sequence of growth to 14

months. The fastest rate of job creation was seen in the investment goods category.

Finally, sentiment towards the year-ahead outlook remained strongly positive in May.

### For further information, please contact:

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### Note to Editors:

The UniCredit Bank Austria Manufacturing *PMI*<sup>®</sup> is based on data compiled from monthly replies to questionnaires sent to purchasing executives in 300 industrial companies. 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. All data are seasonally adjusted.

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 UniCredit Bank Austria Manufacturing *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 *PMI* is designed to show a convenient single-figure summary of the health of the manufacturing sector.

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