

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 0930 London (0830 UTC) April 9<sup>th</sup> 2018**

## IHS Markit Europe Sector PMI<sup>®</sup>

### Slower growth evident across wide range of sectors in March

**Key points:**

- Machinery & equipment remains fastest-growing European sector
- Sharpest drop in healthcare services activity in nearly five years
- First decline in construction & engineering activity since August 2016

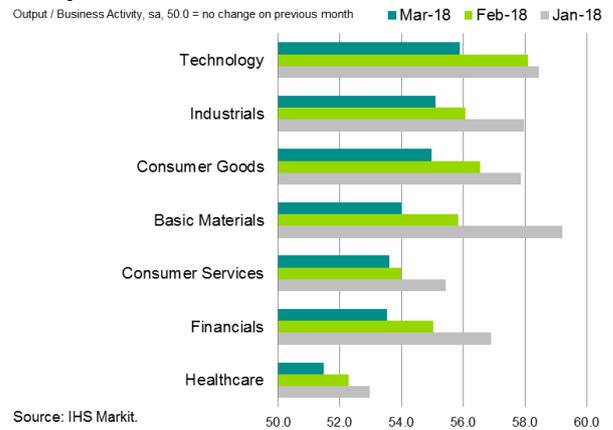
The latest Europe Sector *PMI<sup>®</sup>* data from IHS Markit showed slower rates of output expansion across many sectors in March, continuing the broad trend seen since the start of 2018.

Among seven broad areas monitored, **technology** was the fastest-growing in March, but registered the slowest rise in output since last October. **Healthcare** posted the slowest increase in business activity, as has been the case throughout the first quarter of 2018. Growth eased to a 14-month low in March.

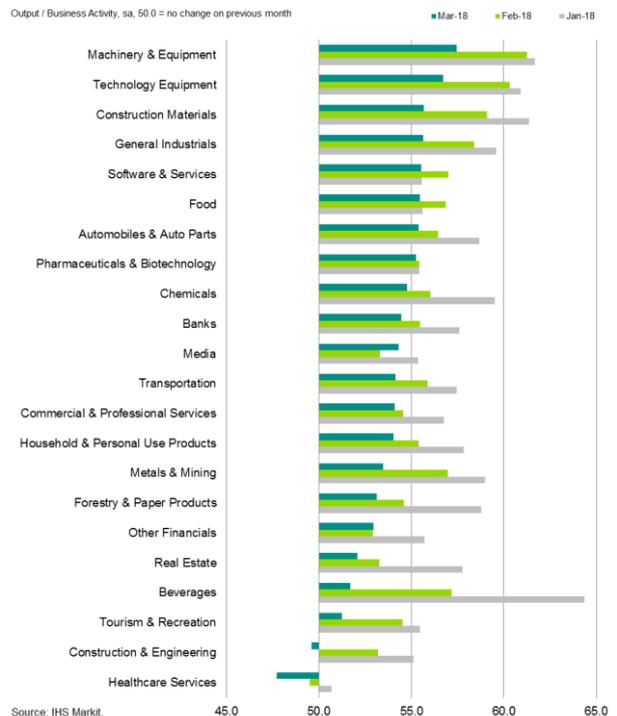
At the detailed level, 20 out of 22 sectors posted increased output in March. That said, growth slowed in all categories except **media** and **other financials**. The fastest-growing sector was **machinery & equipment**, followed by **technology equipment**, **construction materials** and **general industrials** respectively. This mirrored the top four positions in February. Growth was slowest in **tourism & recreation**, possibly influenced by harsh weather.

Two sectors registered lower activity in March: **healthcare services** and **construction materials**. The former posted the sharpest decline since June 2013, while the latter saw a contraction for the first time since August 2016.

#### Europe Sector PMI



#### Detailed sector breakdown



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**Notes to Editors:**

*PMI*<sup>®</sup> is an acronym for *Purchasing Managers' Index*<sup>®</sup>, a type of survey originally developed for tracking business conditions in the manufacturing sector. IHS Markit now uses '*PMI*' to describe the methodology used for surveys also undertaken in the services, construction and non-oil private sectors.

IHS Markit Europe Sector PMI data are derived from surveys of around 6,500 companies operating in 11 countries, including Austria, Czech Republic, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain and the United Kingdom. The data are typically released on the fifth working day of each month, two days' after the Global Composite PMI, at 0930 UK time.

The Europe Sector PMI data provide corporate planners and decision makers, economic analysts, policy makers and investors with a powerful and unique database with which to monitor business cycles by industry. Sector trends over time can be tracked as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for seven major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, and technology; and a further 26 sectors and subsectors of those groups.

Sector PMI data are generated from the same questionnaire responses as national PMI data, and mapped to IHS Markit's sector classification structure using Standard Industry Classification (SIC) codes. Respondents are asked to state whether business conditions for a number of variables have improved, deteriorated or stayed the same compared with the previous month. Diffusion indexes are calculated for each variable (the percentage of positive responses plus half the percentage of neutral responses). These indexes vary between 0 and 100 with levels of 50.0 signalling no change on the previous month. Readings above 50.0 signal an improvement or increase on the previous month. Readings below 50.0 signal a deterioration or decrease on the previous month. The greater the divergence from 50.0 the greater the rate of change signalled.

Individual company responses will be weighted on the basis of that company's country of origin. Country weights for each sector are derived from a combination of GDP data and detailed industry gross value added.

The PMI diffusion indexes are then adjusted for seasonality using the X-12 ARIMA program.

Detailed historical European sector data are available via a subscription from IHS Markit, and datasets are also available for the US, Asia and at a global level. For further information please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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

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**About PMI**

*Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) 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 <https://ihsmarkit.com/products/pmi.html>.

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