

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 0900 (CEST) / 0700 (UTC) April 3 2017**

## Markit Poland Manufacturing PMI®

### Polish manufacturing upturn eases slightly but remains robust

#### Key findings:

- Output, new orders and employment all rise more slowly...
- ...but rates of growth remain solid overall
- Price pressures still elevated, driven by rising costs

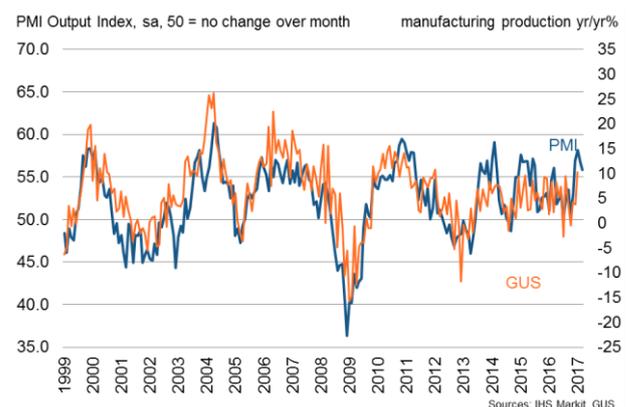
Data collected March 13-27

Polish manufacturing remained in good health at the end of the first quarter of the year, according to Markit PMI® data for March. Business conditions improved solidly amid further rises in output, new orders and employment. That said, rates of growth were below those seen earlier in the quarter. Substantial price pressures continued to affect manufacturers, although optimism about the year ahead picked up to a 13-month high.

The headline Markit Poland 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 53.5, down from 54.2 in February, the PMI highlighted a solid improvement in the health of the Polish manufacturing sector during March. The latest reading rounded off the best quarter of growth (average: 54.2) in two years. The strong quarterly trend was helped in part by January's marked upturn (54.8).

#### Markit Poland Manufacturing PMI



Both output and new orders rose solidly in March. Robust expansions of total new business and new work from abroad were reinforced by anecdotal evidence of stronger client demand. Output increased sharply as a result, albeit to the least extent since last November.

The rise in new orders led to another round of job creation at Polish goods producers. The rate of hiring eased to a five-month low, however. A larger workforce enabled some firms to work through their backlogs. Volumes of unfinished business dropped for the twenty-fifth month in succession.

Purchasing activity rose in line with greater new orders and output requirements during March. The rate of growth quickened slightly since February and was among the fastest seen over the past two years. Suppliers' delivery times lengthened again, as the increase in buying activity led to shortages at vendors. Meanwhile, stocks of both purchases and finished goods declined, the former falling after two successive months of expansion.

On the price front, exchange rate volatility remained a factor behind cost inflation. The rate at which input prices rose was the steepest since April 2011. The respective seasonally adjusted index has signalled considerable cost pressures in each of the past four months.

With purchase costs continuing to rise, Polish manufacturing companies raised their charges further in March. Although easing slightly since February, the rate of inflation was the second-quickest in around six years.

Sentiment remained strongly positive despite mounting price pressures. In fact, the degree of optimism in the Polish manufacturing sector climbed to its highest in over a year. Output was expected to rise on the back of new products, new clients, enhanced marketing and greater investment.

#### For further information, please contact:

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#### Note to Editors:

The Poland Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit. The report features original survey data collected from a representative panel of around 200 companies based in the Polish manufacturing sector. The panel is stratified by GDP and 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.

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).

The Manufacturing *Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) 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 *Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) 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.

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#### Comment

Commenting on the Poland Manufacturing PMI survey data, Sam Teague, economist at IHS Markit and author of the report, said:

*"March PMI data signalled a strong end to the first quarter at Polish manufacturers. The goods-producing sector has expanded at a robust pace throughout the first three months of 2017, with key variables including output, new orders and employment all rising at relatively sharp rates. A slight slowdown in growth and substantial price pressures in the latest period failed to cast a shadow over manufacturing firms – optimism instead improved to a 13-month high."*

-Ends-

**About PMI**

*Purchasing Managers' Index*® (*PMI*®) 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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