

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 1000 (CET) / 0900 (UTC) December 5th 2018**

## IHS Markit Eurozone Composite PMI® – final data

Includes IHS Markit Eurozone Services PMI®

### Eurozone economic growth continues to slow in November

**Key findings:**

- Final Eurozone Composite Output Index: **52.7** (Flash: 52.4, October Final: 53.1)
- Final Eurozone Services Business Activity Index: **53.4** (Flash: 53.1, October Final: 53.7)

Data collected November 12-27

After accounting for seasonal factors, November's final **IHS Markit Eurozone PMI® Composite Output Index** registered its lowest level since September 2016. Posting 52.7 in November, the index was down from October's 53.1 though slightly higher than the earlier flash estimate of 52.4.

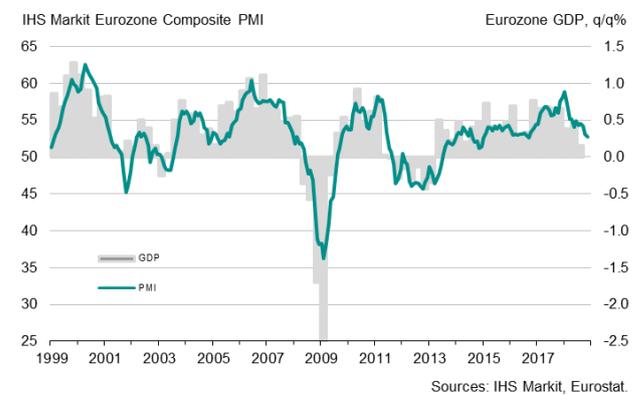
It was in Germany where the euro area's growth slowdown was centred, with latest data showing the weakest expansion here in nearly four years.

However, Italy remained the weakest-performing country, with activity slightly down for a second successive month. In contrast, firmer growth was seen in Ireland, France and Spain, although rates of expansion remained down on those seen earlier in the year.

Despite the latest slowdown at the composite euro area level, growth has now been registered throughout the past five-and-a-half years, with both the manufacturing and service sectors continuing to expand in November. Goods producers did, however, record only a marginal increase in output, the weakest in the current expansionary cycle which began in July 2013. Service sector growth remained at a solid level, albeit the weakest seen in over two years.

The downturn in overall activity growth was closely correlated with a similar fall in the rate of new business expansion to a 27-month low.

#### IHS Markit Eurozone Composite PMI



#### Countries ranked by Composite PMI\*:

Ireland	56.6	2-month high
France	54.2 (flash: 54.0)	3-month high
Spain	53.9	5-month high
Germany	52.3 (flash: 52.2)	47-month low
Italy	49.3	unchanged

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

Jobs continued to be created during November, albeit to a lesser degree than seen in previous months. Although solid, employment growth was the slowest recorded since the start of 2017 with weaker gains seen in Germany, France and Ireland.

Where jobs were created, growth was linked to ongoing capacity pressures as evidenced by another increase in backlogs of work. However, with falls in unfinished business seen in Germany and Italy, plus slower growth in France, the net gain in overall work outstanding was only marginal.

On the price front, input cost pressures remained elevated in November and above the survey's long-term trend. There were reports of increased wages

being paid, plus ongoing evidence of high energy and fuel bills.

Higher input prices encouraged companies to raise their own charges. Competitive pressures, however, served to restrict pricing power, especially in Italy, France and Spain where only modest rates of inflation were recorded. Subsequently, output charges at the aggregate level rose to the weakest degree for six months.

Finally, expectations regarding activity were at their lowest level in nearly four years during November. Political and economic uncertainties, especially around trade, continued to weigh on sentiment.

## Services

The final **IHS Markit Eurozone PMI® Services Business Activity Index** was slightly down on October's 53.7 during November, dropping to a level of 53.4. That was the lowest reading recorded for over two years.

The slowdown of growth was principally centred on Germany, where activity rose at its weakest rate since May. France continued to record a marked increase in activity, whilst Spain saw growth hold steady at a solid level. In Italy, activity rose slightly following October's contraction.

New business volumes also rose at the slowest rate in over two years but at a sufficiently strong enough degree to generate another rise in work outstanding. Backlogs rose modestly and have now increased throughout the past two-and-a-half years.

Rising workloads subsequently encouraged further job creation, with growth in staffing levels remaining solid despite easing to a six-month low. The sharpest increases in employment were again seen in Germany and Ireland, which also recorded the strongest rises in input costs amid evidence of higher wages being paid.

With energy and fuel costs also reported to be higher, overall input prices in the eurozone service sector continued to increase at an elevated rate. In response, output charges were again raised at a solid pace although limited pricing power in France, Italy and Spain served to restrict overall inflation.

Finally, business confidence deteriorated to its lowest level since August 2016. Optimism about the

future was at its lowest level for two years in both France and Germany.

## Comment

Chris Williamson, Chief Business Economist at IHS Markit said:

*"The final eurozone PMI for November came in higher than the flash reading but still only points to modest GDP growth of approximately 0.3% in the fourth quarter, suggesting the region remains stuck in a soft-patch.*

*"Output and order books are growing at the slowest rates for over two years as a manufacturing-led slowdown showed further signs of spreading to the service sector. The survey responses highlighted intensifying headwinds of Brexit and trade war worries, a struggling autos sector and rising uncertainty regarding the economic and political outlook.*

*"Business optimism is running at its lowest since late 2014, adding to downside risks for growth as we move into 2019. Furthermore, hiring, which has hitherto shown surprising resilience as firms have hoarded labour despite the slowdown in demand, is now also showing signs of weakness. Employment growth in November was the lowest for almost two years.*

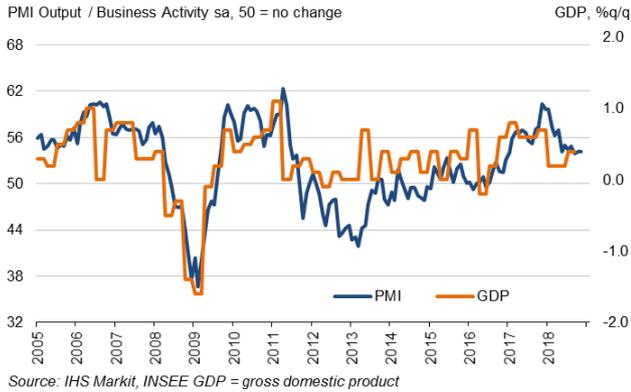
*"Hardest hit has been Italy, where business activity declined for a second successive month in November, suggesting the economy is on course to contract again in the fourth quarter. However, with Germany reporting the weakest growth for nearly four years, the survey raises question marks about the extent to which GDP will rebound in the fourth quarter. Growth looks more resilient in France and Spain, thanks mainly to robust service sector performances."*

-Ends-

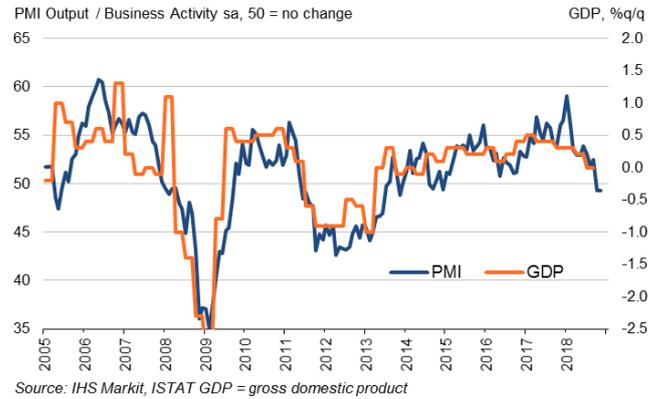
\*\* [Click here](#) for further details of using the PMI to measure GDP in advance.

† 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.

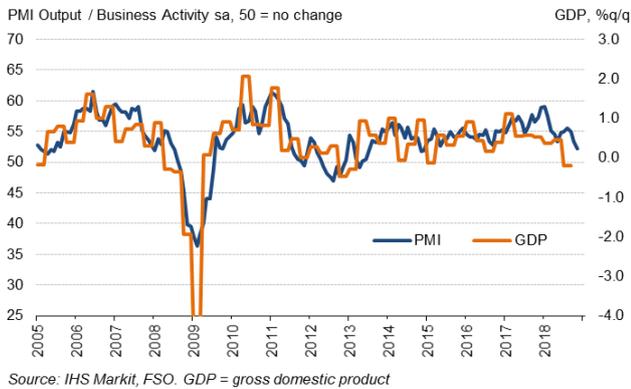
### France



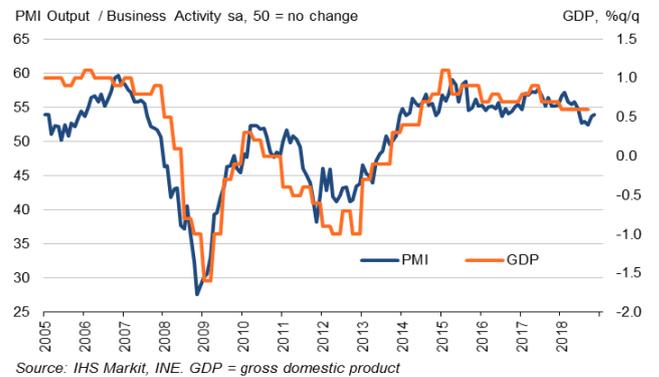
### Italy



### Germany



### Spain



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**Note to Editors:**

The Eurozone Composite *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by IHS 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 IHS 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 November composite flash was based on 89% of the replies used in the final data. The November services flash was based on 84% of the replies used in the final data. **Data were collected 12-27 November.**

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>	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.

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).

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*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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