

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 1000 (CET) / 0900 (UTC) February 27 2017

Bank Austria Manufacturing PMI®

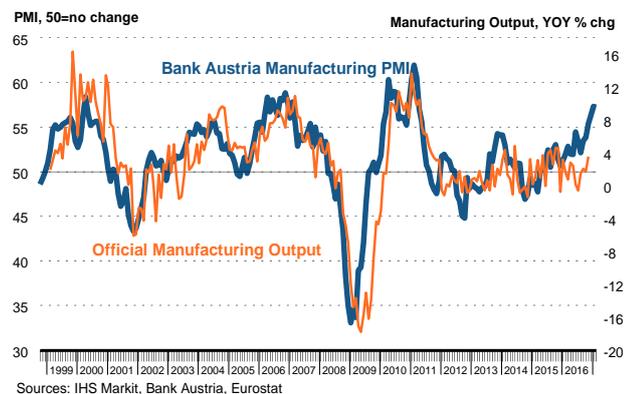
Austrian manufacturing upturn continues at marked pace

Key findings:

- PMI little-changed from January's 70-month high
- Employment rises at fastest rate since mid-2011
- Optimism remains close to highest in series history

Data collected from February 10-21

Bank Austria Manufacturing PMI:



Austria's manufacturing sector continued to enjoy its best period of growth for nearly six years during February. This was signalled by the seasonally adjusted Bank Austria Manufacturing *PMI*® – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – posting 57.2, down only fractionally from January's 70-month high of 57.3.

The sharp improvement in business conditions was again bolstered by higher output and new work. Both rose at substantial rates well in excess of their respective long-run averages. Moreover, data showed that the expansion of new work was broad-based across domestic and export markets. Panellists commented on stronger inflows of new orders from Europe, Asia and the US.

Among the three monitored sub-sectors, producers

of intermediate and investment goods far outperformed their counterparts in consumer goods. Both enjoyed marked improvements in operating conditions, whereas consumer goods producers reported only a modest upturn. That said, growth in the latter sector followed a marginal contraction during January.

Employment was another key contributor to growth of the Austrian manufacturing sector as a whole. The rate of hiring accelerated to the quickest since June 2011. Anecdotal evidence associated hiring with efforts to meet client demand. A larger workforce failed to alleviate capacity pressures, however. Backlogs of work rose markedly, albeit at a slower pace than in the prior two months.

Purchasing activity showed a similar trend, rising sharply in the face of stronger order book volumes. In fact, the rate of expansion picked up to a near six-year high. Companies also mentioned having raised their input buying ahead of anticipated price hikes. As a result, stocks of purchases increased for just the second time since July 2015.

Greater levels of purchasing had the side-effect of increasing pressure on supply chains in February. Average lead times lengthened to the greatest extent in over five-and-a-half years.

Meanwhile, cost pressures faced by Austrian manufacturers remained considerable. The rate of purchase price inflation eased only slightly from January's multi-year high, amid reports of a general rise in raw material costs. Intermediate goods producers saw the sharpest increase.

The rise in input costs led a number of firms to raise their own charges further. That said, the rate of inflation slowed since January and was much weaker than that seen for average costs.

For further information, please contact:

IHS Markit

Paul Smith, Senior Economist
Telephone +44-1491-461-038
Email: paul.smith@ihsmarkit.com

Joanna Vickers, Corporate Communications
Telephone +44207 260 2234
Email joanna.vickers@ihsmarkit.com

Note to Editors:

The Bank Austria Manufacturing *PMI*[®] 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.

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.

The 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.

About IHS Markit (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 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.

The intellectual property rights to the Bank Austria 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 trade marks 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. To read our privacy policy, [click here](#).