

## News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 1000 (CEST) / 0800 (UTC) May 28 2018**

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

#### Austrian manufacturing slowdown resumes in May

##### Key findings:

- Weakest rise in new orders since September 2016
- Output growth at 19-month low
- Employment growth remains historically strong

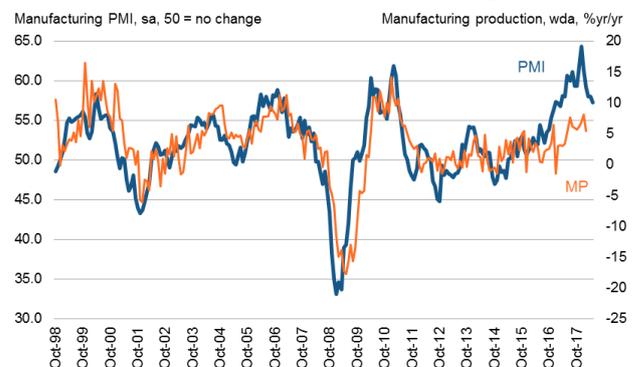
Data collected May 11-23

The May PMI<sup>®</sup> data from Unicredit Bank Austria signalled a further loss of growth momentum in the Austrian manufacturing sector, with business conditions improving at the slowest overall pace in 14 months. This mainly reflected weaker growth of output and new orders, with the latter rising at the slowest rate since September 2016. Employment was more resilient, however, growing at one of the fastest rates on record. Meanwhile, cost pressures eased for the fourth time in five months, but remained strong overall.

The headline UniCredit Bank Austria 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.

The PMI fell for the fourth time in five months to 57.3 in May, down from 58.0 in April. The latest figure was the lowest since March 2017 but still well above the long-run average of 52.2, signalling a strong overall improvement in business conditions. At 38 months, the current sequence of positive PMI readings is the longest in the survey's near-twenty year history.

##### UniCredit Bank Austria Manufacturing PMI



Sources: Unicredit Bank Austria, IHS Markit, Eurostat.

New orders increased for the twenty-ninth consecutive month in May. The rate of growth weakened for the fifth month running, however, to the slowest since September 2016. Growth of new export business also moderated further to a 19-month low.

Output also rose more slowly in May, with the rate of expansion the weakest since October 2016. Growth of consumer goods output remained comparatively weak compared with the trends for intermediate and investment goods.

Manufacturing employment growth remained historically sharp in May. The rate of job creation eased fractionally since April but was still the fifth-highest on record. Producers of investment goods continued to expand their workforces at a particularly marked pace.

Backlogs of work continued to rise in May. Outstanding contracts have risen continuously since September 2016, and the rate of growth was strong despite easing to the slowest since November 2016.

Supply chains remained under intense pressure in May, although input delivery times lengthened by the least since September 2017. This partly reflected the slowest growth of purchasing activity since October 2016.

Input price inflation remained strong in May, despite easing for the fourth time in five months. Similarly, output prices rose at a strong overall rate, albeit the slowest since September 2017.

Finally, output expectations among Austrian manufacturers remained positive overall in May, but moderated to an 18-month low.

### For further information, please contact:

#### IHS Markit

Trevor Balchin, Director  
Telephone +44-1491-461-065  
Email: [trevor.balchin@ihsmarkit.com](mailto:trevor.balchin@ihsmarkit.com)

Joanna Vickers, Corporate Communications  
Telephone +44207 260 2234  
Email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

### 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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#### 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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