

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 0930 (London / UTC) January 8<sup>th</sup> 2018**

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

### Record growth of European basic materials output in December

**Key points:**

- Strongest rise in basic materials output since series began in January 1998
- Four detailed manufacturing sectors also post record increases in production
- Technology equipment grows fastest of any detailed sector in December

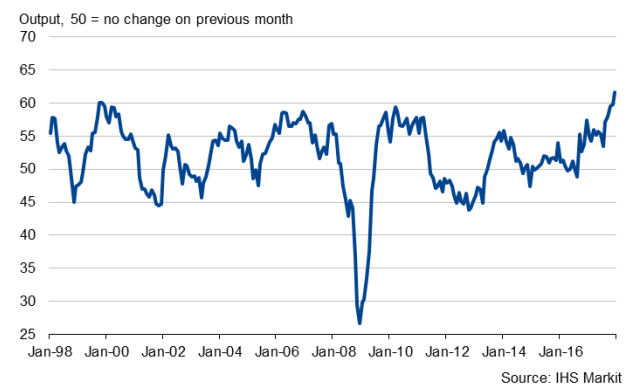
The December Europe Sector *PMI*<sup>®</sup> data from IHS Markit showed further rapid output growth across a wide range of sectors at the end of 2017. The broad **basic materials** sector – comprising **chemicals, metals & mining** and **forestry & paper products** – recorded the fastest expansion in production since the series began in January 1998.

Four detailed manufacturing sectors posted record growth rates: **technology equipment, machinery & equipment, forestry & paper products** and **household & personal use products**. Technology equipment and machinery & equipment were the fastest-growing sectors respectively in both December and over 2017 as a whole.

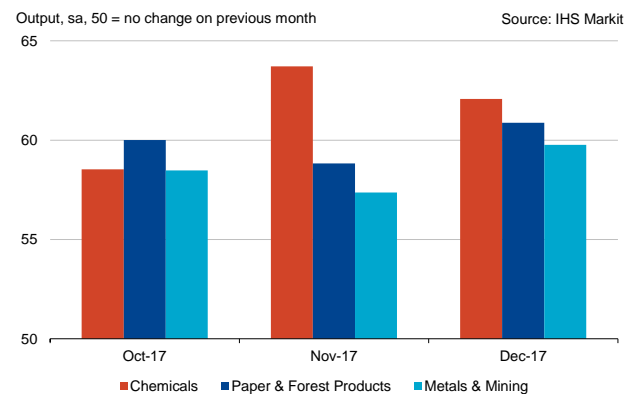
Other notably strong performers in December were **chemicals**, which posted the second-fastest expansion to date (following November's record), **automobiles & auto parts** and **food**, with the latter posting the fourth-fastest increase in output on record.

**Tourism & recreation** registered the strongest increase in business activity since December 2000, but was the slowest-growing sector over 2017 as a whole.

#### Europe Basic Materials PMI



#### Basic Materials: component sectors



#### Record output growth in four manufacturing sectors

	Output Index Dec-17	Highest since	Average since Jan-98
Technology Equipment	65.9	Record high	53.2
Machinery & Equipment	64.9	Record high	53.8
Forestry & Paper Products	60.9	Record high	51.6
Household & Personal Use Products	59.5	Record high	52.0

Source: IHS Markit.

## For further information, please contact:

### IHS Markit

Chris Williamson, Chief Business Economist  
Telephone +44-20-7260-2329  
Mobile +44-779-5555-061  
Email [chris.williamson@ihsmarkit.com](mailto:chris.williamson@ihsmarkit.com)

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

Joanna Vickers, Corporate Communications  
Telephone +44 207 260 2234  
Email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

### 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 [www.markit.com/product/pmi](http://www.markit.com/product/pmi).

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