

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Greece Manufacturing PMI®

### Greek manufacturing sector returns to growth in June

#### Key findings:

- Output and new orders rise for first time in ten months
- Employment increases to greatest extent since July 2016
- Firms maintain optimistic outlook

Data collected June 12-23

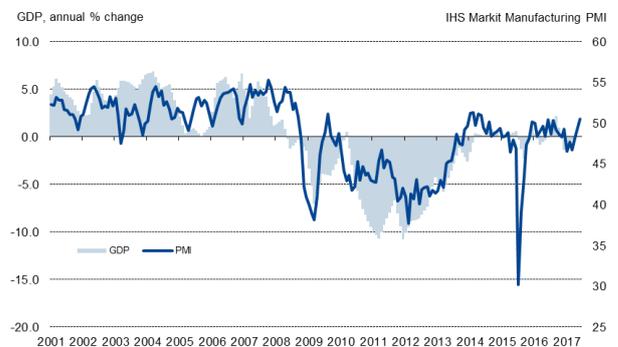
Business conditions in the Greek manufacturing sector improved in June, albeit to a marginal degree. Behind the uptick are increases in new orders and output. This, in turn, contributed to another round of job creation. Purchasing activity decreased again, but to only a fractional extent. Meanwhile, input price inflation was unchanged from May's six-month low but remained marked nonetheless, which helped lead to a rise in average selling prices. Firms remained confident of an increase in their output over the coming 12 months.

June's expansion was signalled by the seasonally adjusted IHS Markit Greece Manufacturing *Purchasing Managers' Index® (PMI®)* – a composite indicator designed to measure the performance of the manufacturing economy – posting above the 50.0 no-change threshold. At 50.5 in June, up from 49.6 in May, the latest figure signalled the first improvement in Greek manufacturing sector conditions since August last year. That said, the rate of growth was only marginal.

Driving the improvement in the Greek manufacturing sector was a rise in **new orders** for only the second time in almost three years. The rate of expansion, however, was fractional overall with reports of higher client demand largely counterbalanced by those of political instability. Conversely, **new orders from abroad** continued to fall in June, albeit to a fractional extent.

In line with the rise in total new orders was an

IHS Markit Greece Manufacturing PMI



Sources: IHS Markit, National Statistical Service of Greece.

expansion in **output** – the first since August 2016. The rate of increase, however, was only marginal. Production growth failed to prevent a further fall in **post-production inventories**, but the rate of decline eased from May.

Bolstered by higher client demand, Greek manufacturers raised their **staffing numbers** for the second successive month in June. Furthermore, the rate of job creation was the most marked for almost one year. Higher payrolls helped lead to a sharper depletion of **unfinished work**.

In spite of the uptick in new orders, firms further curtailed their **input buying** in June. That said, the rate of decline was unchanged from May and fractional overall. Concurrently, **pre-production inventories** continued to fall at a marked pace.

Meanwhile, **input prices** facing Greek manufacturers increased for the fifteenth consecutive month. The rate of inflation remained marked despite stabilising at May's six-month low. In turn, firms raised their average **selling prices** as they looked to pass on higher cost burdens to their clients.

Average **lead times** on inputs continued to increase in June, albeit to the weakest extent since March.

Finally, firms maintained an optimistic **outlook** toward output growth over the coming 12 months.

## Comment:

Alex Gill, Economist at IHS Markit which compiles the *Greece Manufacturing PMI<sup>®</sup>* survey, said:

*“Having endured a miserable start to 2017, the latest survey data is welcome news for Greek manufacturers as the headline PMI pointed to growth for the first time since August last year.*

*“The overall improvement in sector conditions was buoyed by expansions in output and new orders, albeit to marginal degrees. A second successive rise in employment also supported growth in June and will raise hopes of a further fall in the country’s substantial unemployment rate (22.5%).*

*“The positive data comes in the wake of a deal between the EU and Greece to release the next tranche of loans designed to ensure the latter can meet payments on its debt in July. While this may allay some short term uncertainties, the path to long-term, sustainable growth remains a long one, with austerity measures having the potential to restrict customer demand.”*

-Ends-

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### Note to Editors:

The Greece Manufacturing PMI® (*Purchasing Managers' Index*®) is produced by IHS Markit. The report features original survey data collected from a representative panel of over 300 companies based in the Greek manufacturing sector. 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.

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 Manufacturing Purchasing Managers' Index (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 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.

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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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