

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
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IHS Markit Poland Manufacturing PMI[®]

Solid growth signalled in Polish manufacturing sector

Key findings:

- Headline PMI up to 53.1, rising from 52.7
- Marked expansions in new orders and production
- Price pressures ease further

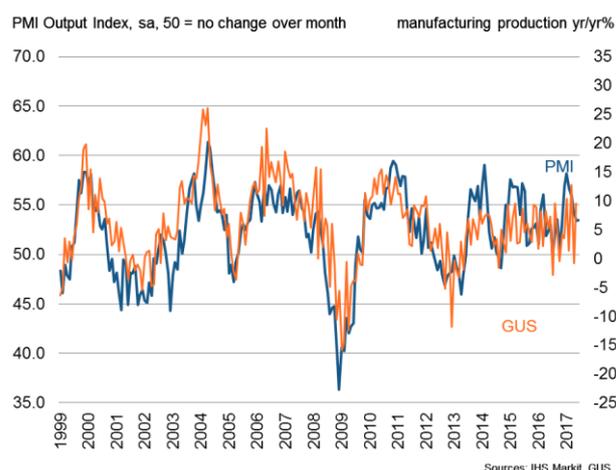
Data collected June 12-26

June's PMI[®] survey indicated a solid improvement in business conditions in the Polish manufacturing sector. Strong rises in output and new orders both contributed to the latest upturn. In addition, June's data continued to signal growth in employment and new export orders, albeit at slower rates than in the preceding survey. Price pressures eased further, though input cost inflation remained sharp overall.

The headline IHS Markit Poland 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.

At 53.1 in June, the latest headline figure was up from 52.7 in May. The reading was above the series' long-run average and indicated a strong finish to the second quarter of 2017.

IHS Markit Poland Manufacturing PMI



There was a solid increase in production in the latest survey. Furthermore, the rate of growth was fractionally higher than in May. Anecdotal evidence linked the rise in output to an increase in new orders placed at Polish manufacturing firms.

June saw sharp growth in new orders. The expansion was faster than in May, and extended the current sequence of growth to eight months. Many firms noted that economic expansion in Poland led to the increase in demand for goods produced in the manufacturing sector.

In contrast to the preceding survey period, total new orders increased at a greater rate than exports. The level of new business from abroad grew at only a moderate rate in June, with expansion easing since May.

Employment continued to rise in June, albeit at the

slowest rate in 34 months. The latest result extended the current sequence of expansion to nearly four years.

On the price front, rates of input costs and output price inflation softened further. Output price inflation eased to a seven-month low. Input price inflation slowed markedly, though the increase in average cost burdens facing Polish manufacturing firms was still sharp overall in June.

Purchasing activity rose markedly in June. Anecdotal evidence linked this to the increase in production demands faced by Polish manufacturing companies. Firms also noted that greater pressure on suppliers led to a deterioration in vendor performance, as indicated by a lengthening of average delivery times.

Finally, confidence towards future output growth was strong in June. In fact, Polish manufacturers were more confident than in May. An expected economic upturn, increased business investment and product development all contributed to positive sentiment during the latest survey period.

Comment

Commenting on the Poland Manufacturing PMI survey data, Sam Teague, economist at IHS Markit and author of the report, said:

“Polish manufacturers ended the strong second quarter on a strong footing, with a robust improvement in business conditions recorded in June. A solid expansion in production was fuelled by a near two-year high rate of growth in new orders. In addition, a further softening of price pressures painted a healthy picture of the current operating environment.

“Business confidence remained strong in June, indicating that growth momentum will be carried forward into the second half of the year. The latest survey results support IHS Markit’s forecast of 3.6% y/y GDP growth in 2017.”

-Ends-

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Note to Editors:

The Poland Manufacturing *PMI*® (*Purchasing Managers’ Index*®) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 200 companies based in the Polish manufacturing sector. The panel is stratified by GDP and 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.

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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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.

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