

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 09:15 (Madrid) / 08:15 (UTC) February 1st 2018**

## IHS Markit Spain Manufacturing PMI®

### Manufacturing output rises sharply at start of 2018

#### Key findings:

- Further steep increase in production in January
- Rate of job creation remains elevated
- Fastest rise in input costs for ten months

Data collected January 12-24

Business conditions in the Spanish manufacturing sector continued to improve markedly at the start of 2018. Output rose sharply amid further increases in new orders. In order to facilitate growth of production, panellists took on extra staff and increased purchasing activity. Moreover, sentiment regarding the 12-month outlook strengthened to a one-year high.

Meanwhile, input cost inflation accelerated. This partly reflected an increase in the oil price, but also higher costs for raw materials given further strong demand for inputs.

The headline IHS Markit Spain 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 55.2 in January, from 55.8 in December, the PMI pointed to another marked monthly improvement in the health of the manufacturing sector. Business conditions have now improved in 50 successive months.

Although the rate of expansion eased slightly from the previous month, manufacturing output rose sharply again in January. Higher production was mainly linked to new order growth and fed through to a fifth successive increase in stocks of finished goods.

#### IHS Markit Spain Manufacturing PMI v Official data



The pace of expansion in new business ticked up at the start of the year. Meanwhile, new export orders rose at a sharp and accelerated pace.

Rising new orders were reflected in a solid monthly increase in backlogs of work, and one that was broadly in line with that seen in December.

Higher output requirements, efforts to build stocks and preparation for further increases in workloads encouraged manufacturers to take on extra staff. The rate of job creation was sharp, and only slightly weaker than in the previous month.

Similar factors also supported a rise in purchasing activity, which in turn helped lead to a modest accumulation of stocks of purchases. A further lengthening of suppliers' delivery times was recorded amid reports from panellists of raw material shortages.

The rate of input cost inflation accelerated in January and was the highest since March 2017. Higher prices for oil and petrol were mentioned, as well as rising costs for raw materials such as steel.

Firms responded to higher cost burdens by increasing their selling prices. Output prices rose at a solid pace, and one that was the fastest in nine months.

Strengthening economic conditions and a good pipeline of new orders led to optimism among manufacturers that output will increase over the coming year. Moreover, sentiment rose markedly to the highest since January 2017.

## Comment

Commenting on the PMI data, Andrew Harker, Associate Director at IHS Markit said:

*“The Spanish manufacturing sector began the new year in a similar vein to which it ended the last, with solid new order growth feeding through to sharp rises in output and employment. A jump in business confidence suggests that firms see little reason to doubt the sustainability of the current upturn.*

*“Strong demand conditions are bringing with them increased inflationary pressures amid shortages of raw materials, while higher oil prices were also mentioned. Both input costs and output prices rose at sharper rates in January.”*

-Ends-

## For further information, please contact:

### IHS Markit

Andrew Harker, Associate Director  
Telephone +44-1491-461-016  
Email [andrew.harker@ihsmarkit.com](mailto:andrew.harker@ihsmarkit.com)

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

## Note to Editors:

The Spain Manufacturing PMI® (*Purchasing Managers' Index*®) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 400 companies based in the Spanish 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.

#### **About IHS Markit ([www.ihsmarkit.com](http://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 © 2018 IHS Markit Ltd. All rights reserved.

#### **About PMI**

Purchasing Managers' Index® (PMI®) 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>.

#### **About AERCE**

AERCE is the Spanish Association of Purchasing and Supply Management. Founded in 1981 has 1,000 members, representing more than 10,000 related professionals, which include the most important companies in the country, institutions and professionals belonging to various industrial sectors, services and the public sector.

AERCE is a member of the International Federation of Purchasing and Supply Management (IFPSM).

AERCE

BARCELONA

Rambla Catalunya 120, 1º 1ª

08008 Barcelona - Spain

MADRID

Paseo de la Castellana 121, 7º D

28046 Madrid - Spain

Tel: +34 934 510 960

e-mail: [info@aerce.org](mailto:info@aerce.org)

website: [www.aerce.org](http://www.aerce.org)

The intellectual property rights to the Spain 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](mailto:joanna.vickers@ihsmarkit.com). To read our privacy policy, [click here](#).

In conjunction with

