

Embargoed until 0930 UK (0830 UTC) 5 October 2018

IHS MARKIT EUROPE SECTOR PMI®

Marked growth in European pharmaceuticals output in September

KEY FINDINGS

Strongest growth in pharmaceuticals output since April 2001

Sharp expansions in hi-tech sectors

Slowest rise in autos output in nearly four years

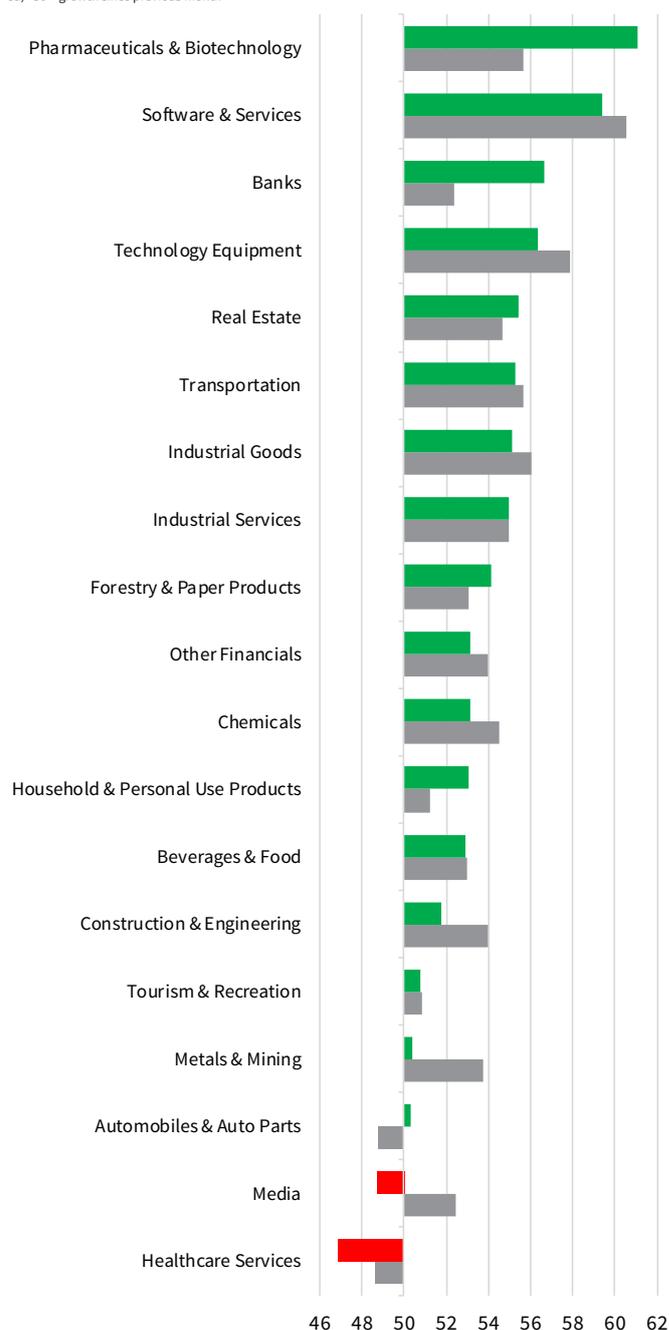
European Sector PMI® indices are compiled from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in 11 countries. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Latest data signalled a rapid increase in European **pharmaceuticals & biotechnology** output in September. The rate of expansion was stronger than all other categories monitored, and the fastest since April 2001. In contrast, its sister sector, **healthcare services**, registered falling business activity for the second month running and at the strongest pace since June 2013.

Software & services registered the second-sharpest increase in business activity of all European sectors in September. Moreover, it led the employment growth rankings for the third month running. Its sister sector, **technology equipment**, registered the fourth-strongest rise in output and the second-fastest jobs growth. Subsequently, the combined **technology** group posted the sharpest increases in both output and jobs among the seven broad areas monitored.

The European **automobiles & auto parts** sector registered a faltering performance in September. Output barely rose since August with the slowest expansion in nearly four years. Moreover, employment and new orders both declined. New export orders (including intra-European trade) fell at the strongest rate in four years.

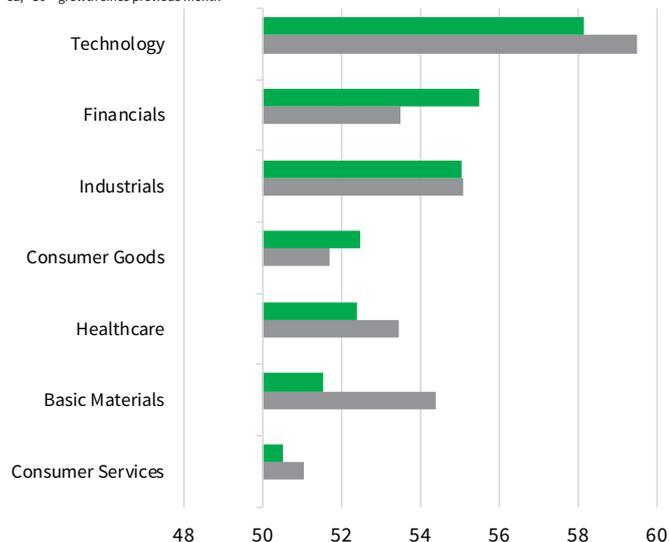
Output Index / Employment Index, Sep'18
sa, >50 = growth since previous month



BROAD SECTOR GROUPS

Output Index / Employment Index, Sep'18

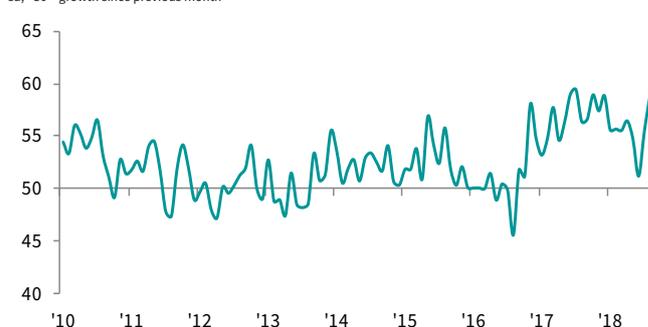
sa, >50 = growth since previous month



PHARMACEUTICALS & BIOTECHNOLOGY

Business Activity Index

sa, >50 = growth since previous month



CONTACT

IHS Markit

Chris Williamson
Chief Business Economist
T: +44-20-7260-2329
chris.williamson@ihsmarkit.com

Trevor Balchin
Economics Director
T: +44-1491-461-065
trevor.balchin@ihsmarkit.com

Joanna Vickers
Corporate Communications
T: +44-207-260-2234
joanna.vickers@ihsmarkit.com

Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

Disclaimer

The intellectual property rights to the data 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. and/or its affiliates.