

## News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
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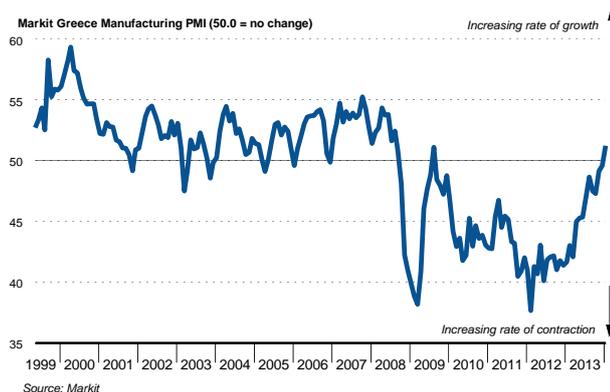
### Markit Greece Manufacturing PMI<sup>®</sup>

#### PMI climbs into expansion territory for first time in 53 months

##### Key points:

- Headline index rises amid faster increases in output and new orders
- Rate of job shedding remains solid
- Factory gate prices fall again

##### Historical overview:



##### Summary:

January saw Greece's manufacturing sector expand, as highlighted by the headline Markit Greece Manufacturing *Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>)* – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – posting at 51.2, up from 49.6 in December. This was the first reading above the 50.0 no-change mark since August 2009, reflecting solid expansions in output levels and new orders. Supporting sales was further price discounting among manufacturers. Meanwhile, despite having moderated, the rate of job shedding at manufacturers remained solid.

Production levels at Greek manufacturers rose for the third month in succession in January. Furthermore, the rate of expansion accelerated to a solid pace that was the fastest since September 2008. Intermediate goods production was the primary driver of the upturn.

Boosting output levels across the sector was a second consecutive monthly rise in incoming new

orders. January's increase was in fact the most marked for just under four-and-a-half years. This partly reflected a slight rise in new export orders, only the second such increase in the past 29 months.

Panel member reports suggested that competitive pricing strategies had contributed to the latest improvement in sales. Prices charged by manufacturers decreased markedly on average in January, and at a faster rate than in the final two months of 2013. This stretched the ongoing sequence of discounting to 35 months.

Average purchase prices faced by manufacturers meanwhile rose for the eighth time in the past nine months, which anecdotal evidence indicated was partly a consequence of suppliers having raised their tariffs. That said, the overall rate of cost inflation remained only mild relative to the historical series trend.

Successive months of growth in both output and new orders failed to prevent a further drop in staffing numbers during January. And despite having eased slightly to the weakest in a little over four years, the overall rate of job shedding in the sector remained solid.

The level of purchasing activity by manufacturers fell further at the start of the year, but at only a marginal pace that was the slowest in the current run of decline. Reflecting the divergence between production requirements and buying levels, stocks of purchases fell sharply again during January. Post-production inventories also decreased as a number of firms sought to reduce their backlogs of work, the level of which decreased further, albeit only fractionally.

Finally, January's survey showed a lengthening of suppliers' delivery times for a twenty-third consecutive month. Moreover, the degree to which vendor performance deteriorated was substantial and the most marked since last June.

*Continued...*

**Comment:**

Phil Smith, Economist at Markit and author of the *Greece Manufacturing PMI*<sup>®</sup>, said:

*“Solid and accelerated increases in both output and new orders lifted the PMI to its highest level in close to five-and-a-half years in January, and perhaps more importantly above the 50.0 mark that distinguishes growth from contraction. A slight rise in new export orders contributed to the improved performance, though data inferred that it was the domestic market that provided the principal boost.*

*“Deflationary pressures persist, with firms lowering their prices again amid ongoing efforts to grow sales. A knock-on effect of this was a further squeeze on profitability, which in turn encouraged the advancement of productivity and more job losses.”*

-Ends-

**For further information, please contact:**

**Markit**

Phil Smith, Economist  
Telephone +44-1491-461-009  
Email [phil.smith@markit.com](mailto:phil.smith@markit.com)

Caroline Lumley, Markit Press Office  
Telephone +44-20-7260-2047  
Mobile +44-781-581-2162  
Email [caroline.lumley@markit.com](mailto:caroline.lumley@markit.com)

**Notes to Editors:**

The Greece Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit Economics. The report features original survey data collected from a representative panel of around 350 companies based in the Greek manufacturing sector. The panel is stratified by Standard Industrial Classification (SIC) group, based on the industry contribution to GDP.

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.

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 Markit. Please contact [economics@markit.com](mailto:economics@markit.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<sup>®</sup> (PMI<sup>®</sup>) surveys are now available for 32 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/economics](http://www.markit.com/economics).

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