

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

### New order growth hits 13-month high

#### Key findings:

- Steeper expansions in output and new orders
- Further strong rise in employment
- Input costs continue to increase sharply

Data collected February 12-21

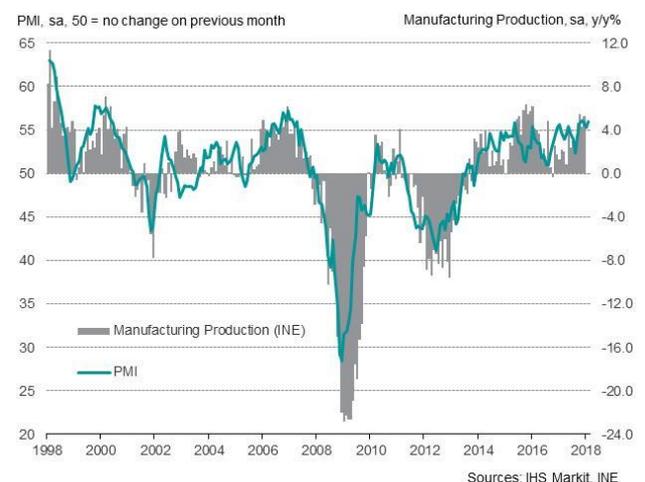
Growth momentum in the Spanish manufacturing sector improved in February, with both output and new orders rising at faster rates than at the start of the year. Linked to this were further sharp increases in employment and purchasing activity. Meanwhile, higher raw material costs resulted in a further sharp increase in input prices, with output charges also continuing to rise.

The headline IHS Markit Spain Manufacturing PMI<sup>®</sup> 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 56.0 in February, the PMI was at a level indicative of a strong monthly improvement in the health of the manufacturing sector. Moreover, the index rose from 55.2 in January and signalled the most marked strengthening of business conditions in three months.

Central to the latest improvement in operating conditions was a sharp and accelerated increase in new business. The rate of expansion was the fastest in 13 months, with panellists reporting higher new orders from both domestic and export customers. New business from abroad also increased at a marked pace during the month.

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



Higher new business fed through to a fifty-first consecutive rise in manufacturing production, and one that was slightly faster than seen in January.

The strength of new order inflows also contributed to an accumulation of outstanding business, which increased solidly.

Manufacturers continued to raise their staffing levels at a sharp pace during February in line with higher output requirements. The rate of job creation was broadly in line with that seen in January.

Purchasing activity also increased in line with production growth, but the latest sharp expansion of input buying was also partly linked to stock building. Stocks of purchases rose for the sixth month running, as was the case with inventories of finished goods which were supported by a strong rise in output.

Rising prices for raw materials led to a further sharp increase in input costs. Steel was widely mentioned as costing more during February. Manufacturers passed on higher input prices to their customers,

resulting in a further solid monthly increase in output prices. That said, the rate of inflation eased slightly from the start of the year.

Vendor delivery times lengthened amid further pressure on supply chains. Lead times lengthened markedly, albeit to the least extent in three months.

Strong optimism regarding the prospects for output growth over the coming year was recorded again in February, linked to predictions of new customers and increasing export business.

## Comment

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

*“Spanish manufacturers backed up a solid opening to 2018 with accelerated growth in February, according to the latest PMI figures. Firms’ success in February was built on their ability to secure new business which increased at the fastest pace in over a year. This then filtered through to faster rises in output and purchasing activity as well as continued strong job creation.”*

-Ends-

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## 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.

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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.

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**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).

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