

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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IHS Markit Greece Manufacturing PMI®

Manufacturing sector growth slows for second month running

Key findings:

- Output and new order growth soften in April...
- ...But business confidence hits record high
- Input price inflation moderates again

Data collected April 12-23

Manufacturing sector growth in Greece shifted down a gear at the start of the second quarter, but remained solid given the historical context of the series. New orders from foreign and domestic clients rose to a weaker extent, which in turn filtered through to softer rises in output and employment. Input buying rose to the weakest extent in five months, while stocks of pre- and post-production inventories rose to only marginal extents. Nevertheless, business confidence ticked up from March, hitting another survey record peak.

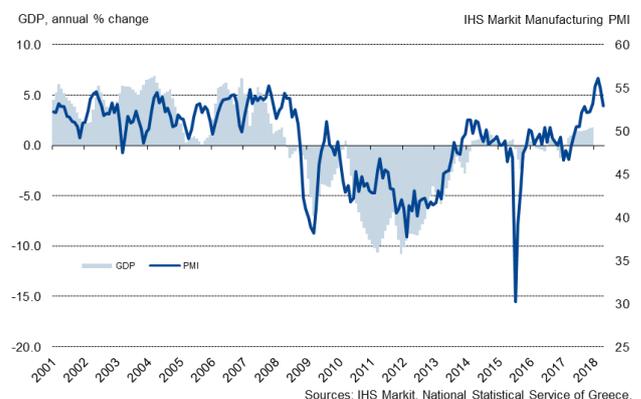
Meanwhile, charge inflation accelerated despite a softer rise in average input costs.

The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – posted above the 50.0 no-change threshold in April. At 52.9, down from 55.0 in March, the index reading signalled a solid rate of growth in April, albeit one that was the weakest since November last year.

The expansion was broad-based, with increases evident in each of the three monitored sub-sectors, led by intermediate goods.

Overall growth was underpinned by a ninth consecutive rise in new orders. New business from abroad also rose, extending the current sequence of export growth to seven months. Nevertheless, the rate of growth softened in each instance.

IHS Markit Greece Manufacturing PMI



Sources: IHS Markit, National Statistical Service of Greece.

In spite of the slowdown in new order growth, Greek manufacturers continued to take on additional workers at a marked pace in April. That said, the rate of job creation did moderate slightly from March's record high. Despite this, backlogs of unfinished work depleted for the first time since December.

Weaker increases in client demand encouraged firms to expand their input buying to a weaker extent in April, which in turn resulted in the softest rise in pre-production inventories in the current four-month period of growth.

Output rose for the eleventh consecutive month in April, albeit to the weakest extent for five months amid softer expansions in operating capacity. The rise was broad-based by sub-sector, led by producers of intermediate goods. Despite a slower rise in output, post-production inventories rose for the first time since July 2017.

Input price inflation softened for the third time in as many months during April, but remained strong, with a number of respondents mentioning higher raw material prices. In contrast, firms raised their

selling prices at an accelerated rate, albeit one that remained well below that for input costs.

Finally, business confidence continued to go from strength-to-strength, hitting another survey record high in April, with more robust financial conditions and strong export demand cited as supporting factors.

Comment:

Alex Gill, Economist at IHS Markit which compiles the *Greece Manufacturing PMI*® survey, said:

“Following a stellar first quarter, Greek manufacturing sector growth moderated in April to a level more in line with that seen for much of the second half of last year.

“The slowdown was broad-based in nature with output, new orders and input buying all expanding at softer rates. Nevertheless, the more forward looking indicators continued to highlight some positive signs, with business confidence and employment growth the sharpest and third-sharpest on record respectively, perhaps suggesting firms expect growth to continue in the coming months, albeit to a weaker extent than in Q1.”

-Ends-

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Note to Editors:

The Greece Manufacturing PMI[®] (*Purchasing Managers' Index*[®]) is produced by IHS Markit. The report features original survey data collected from a representative panel of over 300 companies based in the Greek 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.

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 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>

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