

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 0930 (CEST) / 0730 (UTC) August 4<sup>th</sup> 2017**

## IHS Markit Germany Construction PMI®

### Growth of construction activity accelerates in July

#### Key findings:

- Fastest rise in building activity since March
- Supply chains remain under substantial pressure
- Sub-contractor charges continue to increase rapidly

Data collected July 12-28

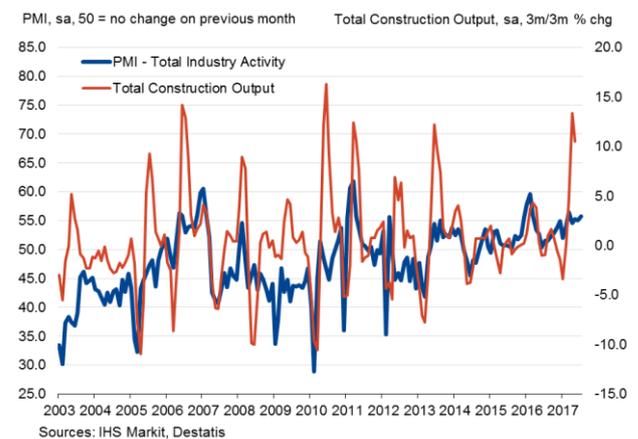
Construction activity in Germany continued to rise sharply in July, according to the latest *PMI*® survey data from IHS Markit. Growth was broad-based across residential, commercial and civil engineering, and new business rose strongly. Subsequently, construction firms boosted employment and usage of sub-contractors during the month, with the latter increasing their charges at the second-fastest rate in the survey history. Purchasing activity increased at a marked rate, and input price inflation remained historically sharp.

Adjusted for seasonal factors, the headline Purchasing Managers' Index® (PMI) – which is based on a single question asking respondents to report on the actual change in their total construction activity compared to one month ago – remained well above 50.0 in July, indicating strong growth in German construction activity. The PMI posted 55.8, up from 55.1 in June, indicating the second-fastest rate of growth since March 2016.

The three monitored areas of the construction sector all registered higher activity in July. The commercial sector continued to see the sharpest rate of growth, just ahead of civil engineering which posted the third-fastest rate of expansion in the survey history.

The volume of new orders received by German construction firms rose for the ninth consecutive month in July. The rate of expansion strengthened since June and was among the strongest signalled

#### IHS Markit Germany Construction PMI



by the survey to date.

To support rising workloads, firms increased their staffing levels at a marked pace. Jobs increased for the twenty-fifth consecutive month, and the rate of expansion accelerated slightly since June.

Usage of sub-contractors also rose markedly in July, albeit at the slowest rate in three months. This partly reflected substantial increases in the rates they charged. Over the past two months sub-contractor charges have increased by more than in any other period since the survey started in September 1999.

Purchasing activity increased at the second-fastest rate since March 2016. This generated further pressure on supply chains, with average input delivery times lengthening to the greatest extent since December 2006. Input prices paid by construction firms continued to rise sharply, and the rate of inflation strengthened to a three-month high.

July survey data signalled that optimism regarding the 12-month outlook for activity remained strong. Sentiment moderated to the lowest in 2017 so far,

but remained among the sharpest registered over the survey history. Firms reported high intakes of new orders and quotations.

### Comment:

Commenting on the PMI data, **Trevor Balchin**, Director, Economics at IHS Markit said:

*“The German construction industry continued to experience booming business conditions in July, with marked increases in activity seen across the commercial, civil engineering and residential sectors. Moreover, new orders increased at one of the fastest rates on record.”*

*“Survey indicators continued to signal capacity pressures, with suppliers’ delivery times lengthening by the most since December 2006 and the availability of sub-contractors declining sharply. For the past two months, rates charged by sub-contractors have increased by more than in any other period since the survey began in September 1999. Construction input prices also continued to rise sharply in July.”*

-Ends-

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### Note to Editors:

The Germany Construction PMI® (Purchasing Managers' Index®) is produced by IHS Markit and is based on original survey data collected from a representative panel of over 200 companies based in the German construction sector.

Data are collected at mid-month, asking respondents to compare a variety of business conditions with the situation one month ago. Data have been collected since September 1999.

A reading of below 50.0 indicates that the economy is generally declining, above 50.0 that it is generally expanding and exactly 50.0 indicates no change on the level recorded the previous month.

The PMI and related indices are directly comparable with all other national Purchasing Managers' Indices, including the United States and Eurozone PMI indices produced by IHS Markit, and are produced using identical methodologies in each country.

#### 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.

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#### About PMI

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