

News Release

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
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UniCredit Bank Austria Manufacturing PMI[®]

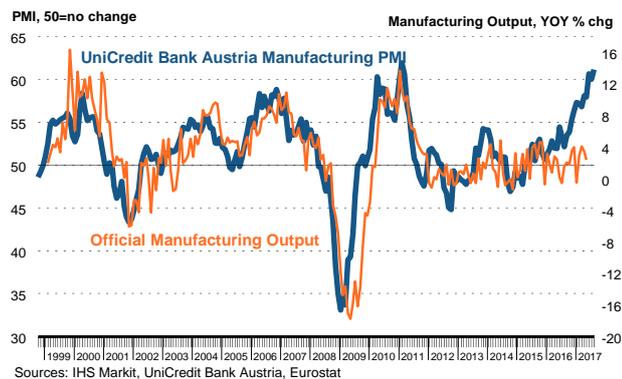
Austrian manufacturing growth at six-and-a-half year high

Key findings:

- Headline PMI rises to 61.1 in August
- Job creation second fastest on record
- Supplier delivery times lengthen to greatest extent in the survey's history

Data collected from August 11-23

UniCredit Bank Austria Manufacturing PMI



August's PMI[®] data signalled a further sharp improvement in the health of the Austrian manufacturing sector, with overall growth reaching a 78-month high in the most recent survey. Upturns in production, new export orders and employment were all key contributors towards August's expansion. Meanwhile, suppliers' delivery times lengthened to the greatest extent on record. Anecdotal evidence pointed towards a shortage in capacity at suppliers as a cause. On the price front, average cost burdens faced by Austrian manufacturers continued to rise sharply in August.

The UniCredit Bank Austria Manufacturing PMI – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – posted 61.1 in August, up from 60.0 in July. The latest figure signalled the fastest pace of expansion in the sector for six-and-a-half years. Furthermore,

the latest data extended the current sequence of growth in the Austrian manufacturing sector to 29 months.

A sharp increase in production was registered in the latest survey. Austrian manufacturers in all three monitored sub-sectors reported growth, with the investment goods category recording the steepest rate of expansion in August.

Despite softening marginally since July, the rate of expansion in new orders remained sharp overall in August. Anecdotal evidence suggested that demand for Austrian-produced goods was strong in both domestic and export markets, with new export orders registering an uptick in growth during the latest survey period.

Job creation in the Austrian manufacturing sector reached a 78-month high in August. Firms noted that they hired additional staff in response to rising production requirements.

Input delivery times in the Austrian manufacturing sector lengthened to the greatest extent on record in August. Furthermore, the latest data extended the current sequence of deteriorating vendor performance to 49 months.

Input prices rose at the fastest rate in four months in August. The uptick in average cost burdens was blamed on a shortage in supply for raw materials such as steel and plastic. Despite easing in the most recent survey, output charge inflation remained marked overall and above the series' historical average.

Buying activity rose at the fastest rate in 77 months during the latest survey period. Anecdotal evidence suggested that firms increased their quantities of purchases to meet higher production requirements.

Finally, optimism towards future output growth prospects was strongly positive in the latest survey. The optimistic growth outlook was supported by

anticipated economic growth in both domestic and export markets.

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Note to Editors:

The UniCredit Bank Austria Manufacturing *PMI*[®] is based on data compiled from monthly replies to questionnaires sent to purchasing executives in 300 industrial companies. 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. All data are seasonally adjusted.

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 UniCredit Bank Austria Manufacturing *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 *PMI* is designed to show a convenient single-figure summary of the health of the manufacturing sector.

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About PMI

Purchasing Managers' Index[®] (PMI[®]) surveys are now available for over 30 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/product/pmi.

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