

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

### Pharmaceuticals sector posts sharp output growth in July

**Key points:**

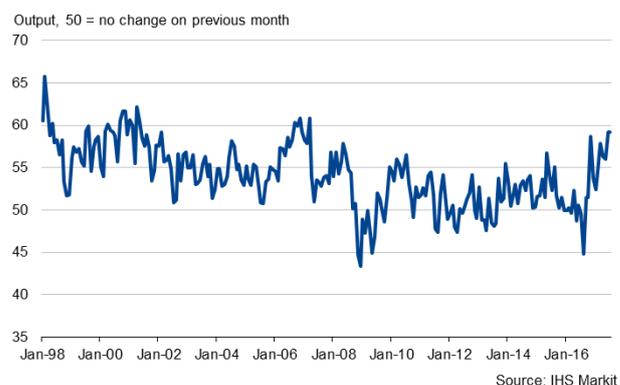
- Pharmaceuticals sees fastest rise in output among all sectors monitored
- Strength in banking and other financials contrasts with weakness in real estate
- Slowest increase in autos output since May 2016

The latest Europe Sector *PMI*<sup>®</sup> data from IHS Markit showed that **pharmaceuticals & biotechnology** saw the fastest rate of expansion in July, with growth holding steady at June's ten-year high. All 22 sectors monitored registered higher business activity compared with June, but rates of expansion slowed in 16 categories.

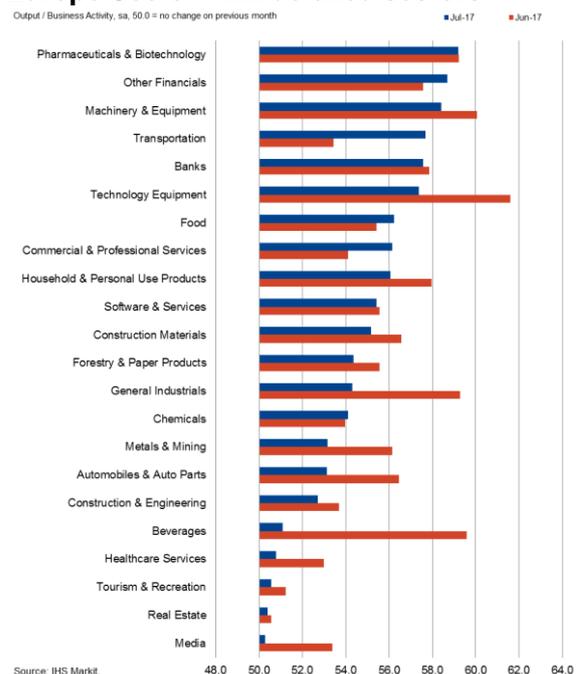
The broad **financials** sector registered solid expansion in July, driven by marked increases in activity in **other financials** – including consumer financial services, investment services and specialty finance – and **banks**. These sectors were ranked second and fifth respectively in the overall league table. In contrast, **real estate** registered the second-slowest growth in activity of all sectors monitored, ahead of **media**.

Among the 16 sectors to record weaker increases in output in July, the most notable slowdowns were seen in **beverages**, **general industrials** and **technology equipment**. Subsequently, these sectors fell 15, 9 and five places in the rankings respectively. Also of note, **automobiles & auto parts** registered the slowest rise in production since May 2016, falling six places to sixteenth in the process.

#### Europe Pharmaceuticals & Biotechnology PMI



#### Europe Sector PMI: detailed sectors



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### Notes to Editors:

*PM*<sup>®</sup> is an acronym for *Purchasing Managers' Index*<sup>®</sup>, a type of survey originally developed for tracking business conditions in the manufacturing sector. IHS Markit now uses '*PMI*' to describe the methodology used for surveys also undertaken in the services, construction and non-oil private sectors.

IHS Markit Europe Sector PMI data are derived from surveys of around 6,500 companies operating in 11 countries, including Austria, Czech Republic, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain and the United Kingdom. The data are typically released on the fifth working day of each month, two days' after the Global Composite PMI, at 0930 UK time.

The Europe Sector PMI data provide corporate planners and decision makers, economic analysts, policy makers and investors with a powerful and unique database with which to monitor business cycles by industry. Sector trends over time can be tracked as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for seven major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, and technology; and a further 26 sectors and subsectors of those groups.

Sector PMI data are generated from the same questionnaire responses as national PMI data, and mapped to IHS Markit's sector classification structure using Standard Industry Classification (SIC) codes. Respondents are asked to state whether business conditions for a number of variables have improved, deteriorated or stayed the same compared with the previous month. Diffusion indexes are calculated for each variable (the percentage of positive responses plus half the percentage of neutral responses). These indexes vary between 0 and 100 with levels of 50.0 signalling no change on the previous month. Readings above 50.0 signal an improvement or increase on the previous month. Readings below 50.0 signal a deterioration or decrease on the previous month. The greater the divergence from 50.0 the greater the rate of change signalled.

Individual company responses will be weighted on the basis of that company's country of origin. Country weights for each sector are derived from a combination of GDP data and detailed industry gross value added.

The PMI diffusion indexes are then adjusted for seasonality using the X-12 ARIMA program.

Detailed historical European sector data are available via a subscription from IHS Markit, and datasets are also available for the US, Asia and at a global level. For further information please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### 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

*Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) 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](http://www.markit.com/product/pmi).

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