

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Eurozone Manufacturing PMI<sup>®</sup> – final data

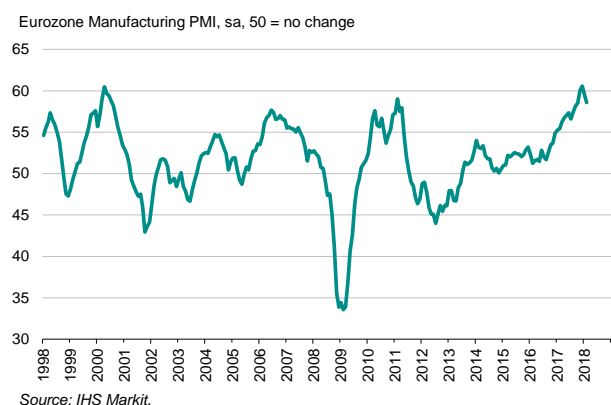
### Eurozone manufacturing upturn remains robust in February

#### Key findings:

- Final Eurozone Manufacturing PMI at 58.6 in February (Flash: 58.5, January Final: 59.6)
- Broad-based expansion seen across all nations and sub-sectors in February
- Selling price inflation accelerates to 82-month high, despite slower increase in input costs

Data collected February 12-21

#### IHS Markit Eurozone Manufacturing PMI



The eurozone manufacturing sector continued to expand at a robust pace in February. Although rates of increase in output and new orders eased further from the highs reached before the turn of the year, the sector is still enjoying one of its best growth spells over the past 18 years.

The final IHS Markit Eurozone Manufacturing PMI<sup>®</sup> eased to a four-month low of 58.6 in February, down from 59.6 in January, better than the earlier flash estimate of 58.5 and well above its long-run average of 51.8. The PMI has remained above the 50.0 no-change mark, signalling expansion, for 56 months.

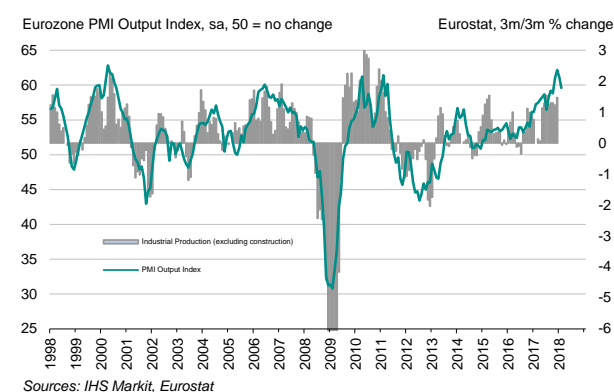
The upturn remained broad-based by sector, with growth seen across the consumer, intermediate and investment goods industries. The strongest rate of increase was signalled by the PMI for the investment

goods category, followed by intermediate goods and then consumer products. However, rates of increase eased across all three sectors.

National PMI data also highlighted the broad-base of the upturn, with expansions seen in all of the countries covered. Growth was led by the Netherlands (survey record expansion), Germany and Austria. Although rates of increase eased in the latter two, and also in France, Italy and Ireland, growth was robust across the board. Spain and Greece both saw faster expansions, with Greece registering its best pace of improvement for 18 years.

#### Countries ranked by Manufacturing PMI: Feb.

Netherlands	63.4	Record high
Germany	60.6 (flash: 60.3)	4-month low
Austria	59.2	9-month low
Italy	56.8	5-month low
Ireland	56.2	4-month low
Greece	56.1	212-month high
Spain	56.0	3-month high
France	55.9 (flash: 56.1)	6-month low



February saw a further marked increase in manufacturing production, albeit the slowest since last October. There were signs that output growth may ease further in the coming months. New orders

and new export business both rose at weaker (albeit still solid) rates. The latter reflected, at least in part, the impact of the recent appreciation in the euro exchange rate.

The upturn still maintained sufficient momentum to test capacity, however, leading backlogs of work to rise for the thirty-fourth successive month in February. Although the pace of increase slowed to a seven-month low, it stayed well above the series average.

Rising levels of work-in-hand (but not yet completed) encouraged job creation at euro area manufacturers. The rate of expansion in employment was only slightly below the survey-record highs achieved in November and December of last year.

Jobs growth was registered in all of the nations covered, with especially marked gains seen in the Netherlands, Germany and Austria. Greece was the only country to see a faster increase, with employment rising at a series-record pace.

Input price inflation across the eurozone manufacturing sector eased from January's 81-month high in February, but remained marked overall. In contrast, average output charges rose at the quickest pace in almost seven years. Rates of increase in both price measures were higher in the intermediate and investment goods sectors compared to consumer goods producers.

Business confidence remained strong in the euro area manufacturing sector during February. Although the overall degree of positive sentiment eased slightly, it remained close to January's series-record high. Optimism improved in France, Italy and Greece, and held steady at a record high level in the Netherlands.

### Comment

Commenting on the final Manufacturing PMI data, Chris Williamson, Chief Business Economist at IHS Markit said:

*“Although the Eurozone Manufacturing PMI fell for a second successive month in February, the survey data indicate that factories are still enjoying their best growth spell for 18 years. The average PMI for the first quarter so far is the second-highest since the spring of 2000, falling just short of the near-record peak seen in the fourth quarter of last year.*

*“The broad-based nature of the upturn is especially welcome, with all surveyed countries reporting solid rates of expansion. Even Greece is enjoying its fastest growth for 18 years.*

*“There are signs, however, that growth could cool further in coming months. A slowdown in growth of new export\* order inflows to an 11-month low suggests that the appreciation of the euro may be starting to curb export sales. Job creation, while still among the highest seen in the twenty-year survey history, has meanwhile moderated as a result of the slower inflows of orders, adding to suspicions that the manufacturing growth peak is behind us.*

*“The rise in input buying was the lowest for seven months, hinting that factories are expecting slower production growth in March.*

*“Some of the slowdown may, however, be due to capacity constraints. Skill shortages are being increasingly reported and supply chains are being stretched to one of the greatest extents on record. These signs of overheating have important implications for inflation. In terms of prices, the stronger euro appears to be helping bring down imported inflation, but widespread cases of demand exceeding supply highlight the ongoing presence of solid underlying core inflationary pressures.”*

-Ends-

\* Includes intra-eurozone trade.

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**Note to Editors:**

The Eurozone Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by IHS Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 89% of eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The February 2018 flash was based on 89% of the replies used in the final data.

The average differences between the flash and final *PMI* index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Eurozone Manufacturing <i>PMI</i>	0.0	0.2

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.

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 revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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