

## News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 08:15 (UK Time), 02 March 2015**

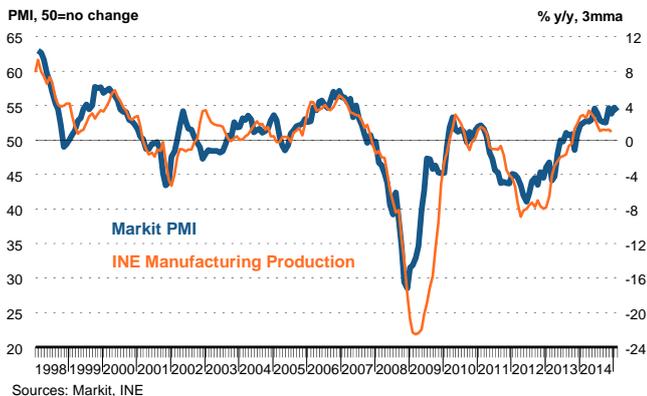
### Markit Spain Manufacturing PMI®

#### Sharpest rise in new orders since April 2007

##### Key points:

- New order growth accelerates
- Further rises in output and employment
- Second successive fall in input prices

##### Historical overview:



##### Summary:

Output in the Spanish manufacturing sector continued to expand during February as new order growth accelerated. Increasing client demand led firms to take on extra staff again and a solid rise in purchasing activity was recorded. Lower oil prices contributed to another reduction in input costs in the sector, with firms passing on savings to customers by way of decreasing output prices.

The seasonally adjusted Markit Spain Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – posted 54.2 in February, down slightly from the reading of 54.7 in January but still signalling a marked monthly improvement in operating conditions. The health of the sector has now strengthened in each of the past 15 months.

Driving the latest improvement in business

conditions was a sharp and accelerated rise in new orders. Moreover, the rate of expansion was the fastest since April 2007. Panellists reported increased client demand in both domestic and export markets. New export business also rose at a faster pace during February, partly helped by the relative weakness of the euro.

Higher new orders led to another rise in output in the sector, extending the current sequence of growth to 15 months. Although weaker than at the start of the year, the rate of expansion remained marked.

A solid accumulation in outstanding business was recorded in February, with the pace of increase the strongest since April 2007. Panellists linked the latest rise to higher new orders.

With customer demand increasing, manufacturers took on extra staff, the fourteenth successive month in which that has been the case. That said, the rate of job creation was the slowest since last October.

A second successive solid reduction in input costs was recorded in February, as oil-related items such as petrol and plastics fell in price. This, allied with competitive pressures, led to a reduction in output prices. That said, the rate of decline in charges was only marginal.

Purchasing activity continued to rise at a solid pace during the month in response to increased output requirements. The rise in demand for inputs, combined with low stock levels at suppliers, led to another lengthening of lead times. Moreover, the rate of deterioration in vendor performance was the strongest since July 2014.

The manufacturing sector saw falls in stocks of both inputs and finished goods during February. The reduction in pre-production inventories was the seventh in as many months, while stocks of finished

goods have decreased for three consecutive months.

**Comment:**

Commenting on the Spanish Manufacturing PMI® survey data, Andrew Harker, senior economist at Markit and author of the report, said:

*“The February manufacturing PMI data for Spain provide more positive signals as the sector continued to grow at a solid pace. The strength of the expansion in new business was particularly pleasing, with the latest rise the fastest since prior to the economic crisis. The same was true for backlogs of work, suggesting that capacity at manufacturing firms is beginning to be tested. Meanwhile, firms continued to see sharp falls in costs, with oil-related items leading the decline.”*

-Ends-

**For further information, please contact:**

**Markit**

Andrew Harker, Senior Economist  
Telephone +44-1491-461-016  
Email [andrew.harker@markit.com](mailto:andrew.harker@markit.com)

Joanna Vickers, Corporate Communications  
Telephone +44207-260-2234  
Email [joanna.vickers@markit.com](mailto:joanna.vickers@markit.com)

**Notes to Editors:**

The Spain Manufacturing PMI® (*Purchasing Managers' Index*®) is produced by Markit Economics. The report features original survey data collected from a representative panel of around 400 companies based in the Spanish manufacturing sector. The panel is stratified by Standard Industrial Classification (SIC) group, based on the industry contribution to GDP.

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.

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 Markit. Please contact [economics@markit.com](mailto:economics@markit.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.

**About Markit**

Markit is a leading global diversified provider of financial information services. We provide products that enhance transparency, reduce risk and improve operational efficiency. Our customers include banks, hedge funds, asset managers, central banks, regulators, auditors, fund

administrators and insurance companies. Founded in 2003, we employ over 3,000 people in 10 countries. Markit shares are listed on NASDAQ under the symbol "MRKT". For more information, please see [www.markit.com](http://www.markit.com)

#### **About PMI**

*Purchasing Managers' Index*® (*PMI*®) surveys are now available for 32 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/economics](http://www.markit.com/economics).

#### **About AERCE**

The Spanish Association of Purchasing Managers and Supply. Established in 1981, it encompasses approximately 1600 members, distributed across ten sections. AERCE represents Spain in the International Federation of Purchasing and Supply Management (I.F.P.S.M).

AERCE: Rosellón 184, 7-4a 08008 Barcelona

Tel: +34 (93) 451 0960; Fax: +34 (93) 451 8056; e-mail: [info@aerce.org](mailto:info@aerce.org); website: [www.aerce.org](http://www.aerce.org)

The intellectual property rights to the Spain Manufacturing PMI® provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Markit is a registered trade mark of Markit Group Limited.

*In conjunction with*

