

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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IHS Markit Greece Manufacturing PMI®

Greek manufacturing sector growth sharpest in over ten years

Key findings:

- Headline PMI highest since October 2007
- Employment growth joint-sharpest on record
- Business confidence strongest since series began

Data collected January 12-24

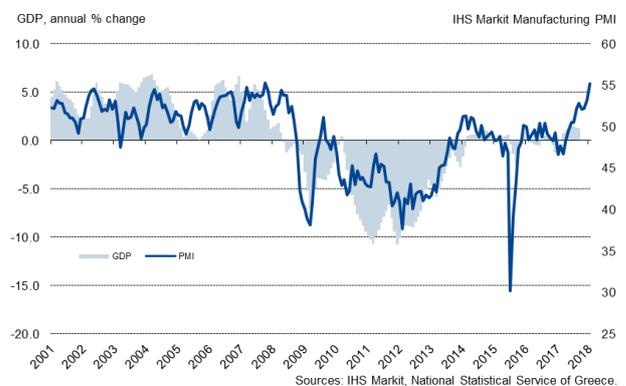
The Greek manufacturing sector hit the ground running during the first month of the year, with business conditions improving to the greatest extent in over ten years. Growth was underpinned by strong client demand in both domestic and foreign markets. This encouraged firms to add to their staffing numbers at the joint-sharpest rate in the survey history, in turn contributing to another marked rise in output. Nonetheless, backlogs of work accumulated for the first time since June 2008. Meanwhile, business confidence hit a new high.

The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – posted above the 50.0 no-change threshold in January. Moreover, at 55.2, up from 53.1 in December, the index reading signalled the sharpest improvement in business conditions since October 2007. The expansion was also the eighth in as many months, highlighting by far the longest sequence of expansion since 2008.

The rates of growth were broadly similar across the three monitored sub-sectors of consumer, intermediate and investment goods.

The overall expansion was driven by a steep rise in new orders, indeed the sharpest since October 2007. Strong client demand was reported in both domestic and foreign markets, with export orders rising at the quickest pace in over ten-and-a-half years.

IHS Markit Greece Manufacturing PMI



A strong demand environment encouraged firms to hire additional workers at the joint-quickest pace since the survey's inception over 18-and-a-half years ago. Backlogs of unfinished work accumulated nonetheless, ending a nine-and-a-half year period of depletion.

Meanwhile, manufacturers expanded their purchasing activity to the greatest extent since November 2007, which in turn, contributed to the first build-up of pre-production inventories since July 2008.

Enhanced operating capacity allowed firms to boost production during January, thereby extending the current period of expansion to eight months. Moreover, the rate of growth was the steepest in over nine-and-a-half years. In spite of this, firms continued to deplete their stocks of finished goods as they looked to meet high client demand.

These positive trends helped boost business confidence, which improved to a series record high in January amid expectations of increased investment and improving financial conditions.

Input price inflation intensified for the second month in a row amid reports of higher raw material costs. This contributed to a rise in average selling prices as some firms passed higher cost burdens on to their clients. The rate of increase in the former outweighed the latter, however, indicating pressure on margins.

Comment:

Alex Gill, Economist at IHS Markit which compiles the *Greece Manufacturing PMI[®]* survey, said:

“The Greek manufacturing sector hit the ground running at the start of 2018, with the headline PMI signalling the strongest improvement in business conditions in over ten years.

“Robust client demand in both domestic and foreign markets encouraged firms to take on additional workers at the joint-sharpest pace in the series history, which in turn boosted output growth to a nine-and-a-half year peak. Meanwhile, a first accumulation of unfinished work since June 2008 and the sharpest degree of business optimism suggest the sector is well placed for further growth in the coming months.”

-Ends-

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Note to Editors:

The Greece Manufacturing PMI[®] (*Purchasing Managers' Index*[®]) is produced by IHS Markit. The report features original survey data collected from a representative panel of over 300 companies based in the Greek manufacturing sector. 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.

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 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.

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About PMI

Purchasing Managers' Index[®] (PMI[®]) surveys are now available for over 40 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 <https://ihsmarkit.com/products/pmi.html>

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