

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

Employment growth hits record high in March

Key findings:

- Rates of growth in output, new orders and input buying moderate...
- ...but job creation accelerates to new record
- Business confidence also at survey record high

Data collected March 12-22

After having hit a post-global financial crisis peak in February, the rate of growth in the Greek manufacturing sector pulled back slightly at the end of the first quarter. Rates of expansion in new orders, purchasing activity and output all softened from their recent peaks in February. Business confidence, however, continued to climb, hitting a series record in March, which in turn contributed to the fastest rise in employment since the survey began.

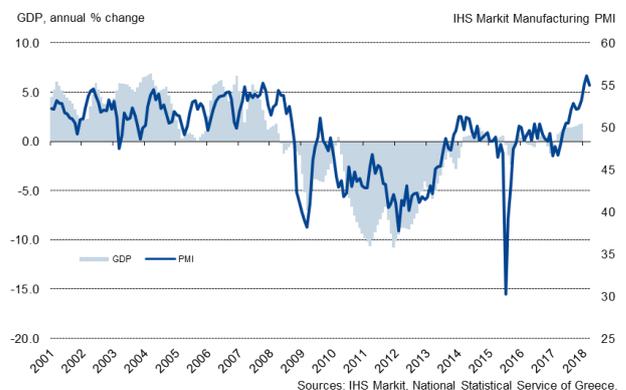
On the price front, input cost inflation softened but remained strong and led to another hike in average selling prices.

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 March. At 55.0, the index reading signalled a marked rate of growth, albeit one that was weaker than the multi-year high seen in February (56.1).

The expansion was broad-based, with increases evident in each of the three monitored sub-sectors, led by intermediate goods.

Overall growth was underpinned by an eighth consecutive rise in new orders, buoyed by strong client demand. New orders from abroad also continued to rise in March. The rates of growth remained marked, but softened from February in both instances.

IHS Markit Greece Manufacturing PMI



Sources: IHS Markit, National Statistical Service of Greece.

Boosted by a strong intake of new orders, Greek manufacturers raised their purchasing activity during March. The rate of expansion eased from the previous month but remained marked overall. In turn, this contributed to the sharpest build-up of pre-production inventories since April 2000.

Strong client demand contributed to a further sharp rise in output. As was the case with new orders, however, the rate of expansion weakened from February.

To support higher production targets, firms took on additional workers in March, extending the current period of jobs growth to 11 months. Contrary to the trend for output, the rate of increase quickened from February and hit a survey record high in March. Consequently, backlogs of unfinished work were broadly unchanged.

Input price inflation eased for the second time in as many months, but remained marked nonetheless amid reports of higher fuel and raw material prices (including plastic). Meanwhile, average charges rose for the third consecutive month as higher costs were passed on to clients. The rate of charge

inflation, however, was marginal and far weaker than for average input costs.

Finally, business confidence continued to improve in March. Indeed, the degree of positive sentiment hit a record high amid expectations of robust foreign demand.

Comment:

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

“March saw a further marked round of growth in the Greek manufacturing sector, despite easing slightly from last month’s multi-year record. New orders continued to expand at strong rates in both domestic and foreign markets, which led to a further sharp rise in output.

“Perhaps most encouraging was a record rise in employment. The latest figure adds to what has been a bumper first quarter for jobs growth, which will hopefully be reflected by a reduction in the official unemployment rate, which stood at 20.8% in December last year.”

-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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