

# News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 1000 (CET) / 0900 (UTC) March 3 2016**

## Markit Eurozone Composite PMI<sup>®</sup> – final data

Includes Markit Eurozone Services PMI<sup>®</sup>

### Eurozone economic growth at 13-month low as France contracts

#### Data collected 12-24 February

- Final Eurozone Composite Output Index: **53.0** (Flash 52.7, January 53.6)
- Final Eurozone Services Business Activity Index: **53.3** (Flash 53.0, January 53.6)

February saw a broad-based slowdown of the eurozone private sector economy. Rates of output expansion eased across Germany, Italy, Spain and Ireland, while France fell back into contraction for the first time in 13 months. Price pressures also remained on the downside, with modest reductions registered for both output charges and input costs.

The final **Markit Eurozone PMI<sup>®</sup> Composite Output Index** fell to 53.0 in February, its lowest reading since January of last year but above the earlier flash estimate of 52.7. Rates of output growth slowed in both the manufacturing (12-month low) and service (13-month low) sectors.

The level of incoming new business also rose at a weaker pace in February, its least marked in a year. Spain and Ireland reported slower increases, and France saw a contraction, but demand growth ticked higher in Germany and Italy. There were also signs that pressure on capacity eased at eurozone companies, as backlogs of work rose only negligibly.

Employment increased for the sixteenth consecutive month in February, with job creation signalled at both manufacturers and service providers. However, the combined rate of increase eased to a five-month low, reflecting the slower growth trends in output and new business.

Staffing levels were raised across the 'big-four' euro area economies in February. Modest increases were signalled by Germany and Italy, and Spain saw a faster rate of growth. The pace of increase

#### Markit Eurozone PMI and GDP



#### Nations ranked by all-sector output growth\* (Feb.)

|         |                    |              |
|---------|--------------------|--------------|
| Ireland | 59.5               | 4-month low  |
| Spain   | 54.5               | 14-month low |
| Germany | 54.1 (flash: 53.8) | 5-month low  |
| Italy   | 53.7               | 5-month low  |
| France  | 49.3 (flash: 49.8) | 13-month low |

\*All-Sector Output PMI against GDP comparisons for Germany, France, Italy and Spain are included on [page 3](#) of this press release.

also ticked higher in France, but remained marginal and the weakest among the 'big four'.

Deflationary pressures intensified in February. Average prices charged for goods and services both declined at faster rates, as companies competed to win new business.

Selling price reductions were seen in France, Spain and Italy, with the decrease especially sharp in France. Germany and Ireland both registered higher output prices, as increases at service providers offset reductions at manufacturers.

Meanwhile, average input costs fell for the second month running and to a slightly greater extent than in January. Manufacturers reported the steepest drop in their purchase prices in over six-and-a-half years. In contrast, service providers continued to

see costs increase.

### Services:

At 53.3 in February, down from 53.6 in January, the final **Eurozone Services Business Activity Index** fell to its lowest level since January 2015. Three out of the 'big-four' national service economies – Germany, Italy and Spain – saw growth of business activity, while France fell back into contraction.

The slowdown mainly reflected a weaker rate of improvement in new business received. Slower growth of new work meanwhile filtered through to the labour market and business confidence†.

Job creation at euro area service providers slowed to a four-month low, but remained stronger than the average for the current 16-month sequence of growth. All of the nations covered by the surveys reported higher employment.

France reported the weakest increase in payroll numbers and Ireland the fastest, although both saw jobs growth accelerate since January. Germany, Italy and Spain all saw slower expansions in staffing levels than one month earlier.

Business optimism dipped to a three-month low in February. Confidence levels were lower in each of the 'big-four' euro area nations and also in Ireland. However, the overall degree of positive sentiment was broadly in line with the long-run survey average.

Input price inflation faced by euro area services firms was little-changed from the moderate rate seen in January, and well below the long-run series average. Falling fuel prices helped to keep cost pressures low. Meanwhile, average output charges declined for the fifth month in a row. Only Germany and Ireland reported increases in selling prices.

### Comment:

**Chris Williamson, Chief Economist at Markit** said:

*“The final eurozone PMI came in slightly ahead of the earlier flash estimate, but still showed the pace of growth waning for a second successive month in February to the slowest for just over a year.*

*“The survey data raise the prospect of economic growth deteriorating further from the already meagre pace seen late last year, when GDP rose only 0.3%.*

*“Germany and Italy both reported the smallest expansions for five months, while Spain recorded the worst growth for 14 months. It was France, however, that remained the weakest link, seeing business activity fall for the first time in just over a year.*

*“While Germany, Italy and Spain are all seeing PMI surveys signal modest GDP growth in the first quarter so far, France appears to be at risk of stagnating.*

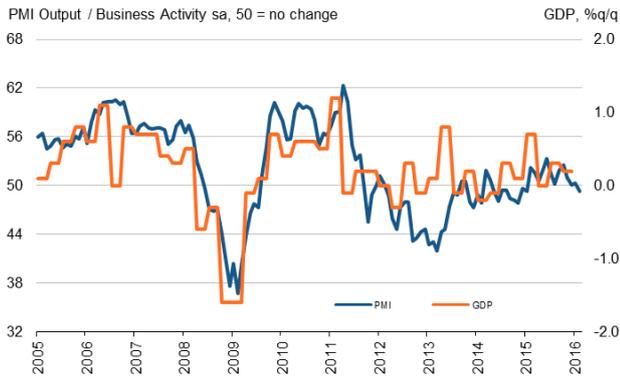
*“The slowdown in growth of business activity, accompanied by a similar easing in the pace of job creation and the steepest fall in prices charged for a year, suggest that the region’s recovery is losing momentum. The broad-based disappointment ups the odds of the ECB acting aggressively to avoid another downturn.”*

-Ends-

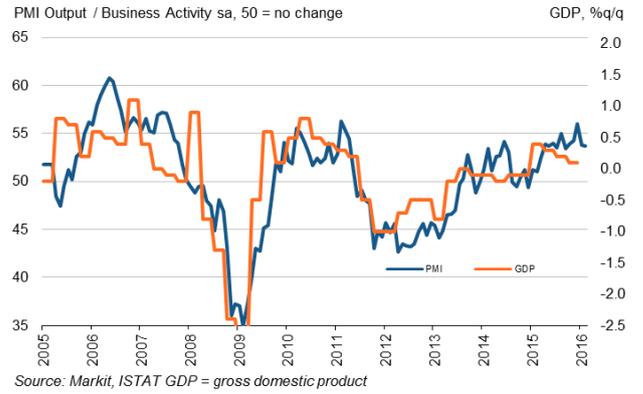
\*\* [Click here](#) for further details of using the PMI to measure GDP in advance.

† for business confidence, companies are asked whether they expect levels of business activity in one year’s time to be higher, the same or lower than the current month.

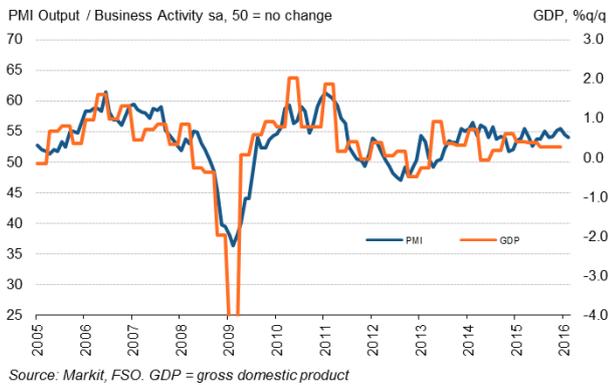
### France



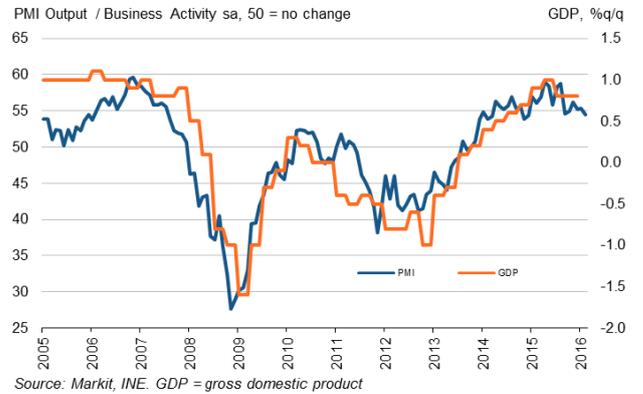
### Italy



### Germany



### Spain



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**Notes to Editors:**

The Eurozone Composite *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by Markit and is based on original survey data collected from a representative panel of around 5,000 manufacturing and services firms. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland.

The Eurozone Services *PMI* (*Purchasing Managers' Index*) is produced by Markit and is based on original survey data collected from a representative panel of around 2,000 private service sector firms. National data are included for Germany, France, Italy, Spain and the Republic of Ireland. These countries together account for an estimated 78% of Eurozone private sector services output.

The final Eurozone Composite *PMI* and Services *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 75%–85% of total *PMI* survey responses each month. The February composite flash was based on 83% of the replies used in the final data. The February services flash was based on 74% of the replies used in the final data. **Data were collected 12-24 February.**

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 Composite Output <i>PMI</i> <sup>®</sup> | 0.0                | 0.2                                  |
| Eurozone Services Business Activity <i>PMI</i>    | 0.0                | 0.3                                  |

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.

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).

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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/economics](http://www.markit.com/economics).

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