

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

### Downturn in Greek manufacturing sector softens in May

**Key findings:**

- Output and new orders fall at weaker rates
- Employment increases for first time in six months
- Delivery times lengthen amid issues of liquidity

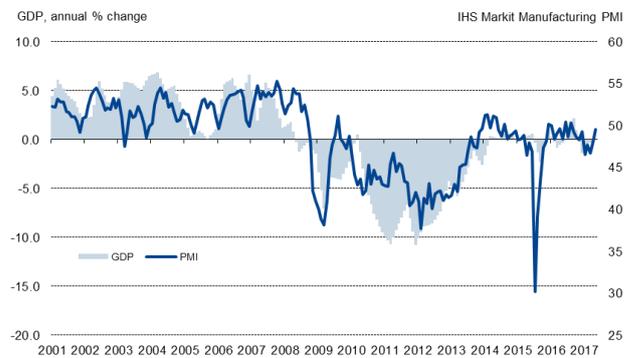
Data collected May 12-23

Operating conditions in the Greek manufacturing sector continued to deteriorate in May, albeit to a weaker extent than in the previous month. Behind the latest downturn was a further fall in new orders, which led to another drop in output. Rates of decline eased in both cases, however, and were relatively modest. In spite of falling workloads, companies took on additional staff members for the first time in six months. Meanwhile, firms decreased their average selling prices despite a further marked rise in input costs. Optimism towards future output growth remained robust.

May's contraction was signalled by the seasonally adjusted IHS Markit Greece Manufacturing *Purchasing Managers' Index® (PMI®)* – a composite indicator designed to measure the performance of the manufacturing economy – posting below the 50.0 no-change threshold. At 49.6 in May, up from 48.2 in April, the latest figure signalled a ninth consecutive deterioration in Greek manufacturing sector conditions. That said, the rate of decline eased for the second successive month and was fractional overall.

Greek manufacturers reduced their **output** for the ninth time in as many months during May on the back of a further fall in client demand. That said, the rate of decline eased to the second-weakest in this sequence and was only slight overall. In turn, the drop in production led to another decrease in **stocks of finished goods**.

**IHS Markit Greece Manufacturing**



Sources: IHS Markit, National Statistical Service of Greece.

In line with the trend for output, the amount of **new business** received by Greek manufacturers decreased for the ninth consecutive month in May, albeit to the least extent in 2017 so far. The decline was broad-based across both domestic and **foreign goods markets**.

Faced with falling new work, firms curtailed their **purchasing activity** for the fifth time in as many months during May. That said, the rate of contraction eased from April and was fractional overall. The reduction in input buying fed through to a further fall in **pre-production inventories**.

In spite of reduced production requirements, Greek manufacturers added to their **staffing numbers** for the first time in six months during May. That said, the rate of job creation was fractional overall. In spite of greater operating capacity, the amount of **unfinished work** fell to a weaker extent than in April.

Meanwhile, average **lead times** on inputs lengthened for the eighth consecutive month. Anecdotal evidence suggested that a lack of liquidity had delayed payments to suppliers.

Firms lowered their average **selling prices** in May amid strong competitive pressures and weak underlying demand. On the other hand, **cost burdens** increased further, but at the weakest rate since last November.

Finally, firms remained **confident** that output would increase over the coming 12-month period.

## Comment:

Alex Gill, Economist at IHS Markit which compiles the *Greece Manufacturing PMI<sup>®</sup>* survey, said:

*“May’s PMI signalled a further worsening of conditions in the Greek manufacturing sector. Nonetheless, underlying trends were more positive as the rate of deterioration eased for the second successive month due, in part, to weaker falls in output and new orders and a rise in staffing numbers.*

*“On the political front, bailout negotiations are yet to be finalised. The resulting uncertainty may weigh on the index in the short-term as investment decisions are postponed.”*

-Ends-

## For further information, please contact:

### IHS Markit

Alex Gill, Economist  
Telephone +44-1491-461-015  
Email [alex.gill@ihsmarkit.com](mailto:alex.gill@ihsmarkit.com)

Joanna Vickers, Corporate Communications  
Telephone +44-207-260-2234  
E-mail [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com)

### 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](mailto: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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Purchasing Managers' Index® (PMI®) 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/product/pmi](http://www.markit.com/product/pmi).

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