

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 0900 (CEST) / 0700 (UTC) September 1<sup>st</sup> 2017**

## IHS Markit Poland Manufacturing PMI®

### Polish manufacturing growth remains solid

#### Key findings:

- Headline PMI rises to 52.5, up from 52.3
- Improvements in both new orders and output
- Backlogs of work build up for first time in two-and-a-half years

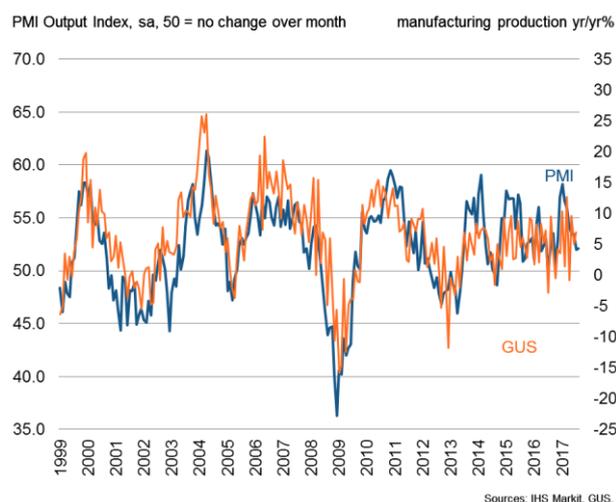
Data collected August 11-24

August's PMI® survey data signalled solid growth in the Polish manufacturing sector. The latest general improvement in operating conditions was partly driven by expansions in output and new orders (in both domestic and export markets). Meanwhile, work outstanding grew for the first time in two-and-a-half years in August. In terms of cost pressures, input and output price inflation accelerated in the latest survey.

The headline IHS Markit Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases. Any figure greater than 50.0 indicates overall improvement of the sector.

At 52.5 in August, the headline PMI was up from 52.3 in July, and signalled a further solid upturn of the Polish manufacturing sector. The most recent data extended the current sequence of expansion to 35 months and was above the survey's historical average.

#### IHS Markit Poland Manufacturing PMI



Polish manufacturers increased production during August. The rate of expansion accelerated since July but was only moderate overall. Furthermore, growth in output remained below the average seen in 2017 so far.

The level of new orders received by Polish manufacturers rose in the latest survey. Anecdotal evidence suggested that domestic demand grew at a faster rate than export demand.

On the price front, average cost burdens faced by Polish manufacturers continued to increase in August. Many panellists reported increasing raw material prices. Companies passed on part of the burden of higher input costs by raising output charges at a marked rate in the latest survey.

August's data indicated a rise in backlogs of work at

Polish manufacturing companies for the first time since February 2015. Firms noted both shortages of labour and supply constraints as potential causes.

Hiring in the Polish manufacturing sector eased in the most recent survey. Job creation was only slight overall and matched the 34-month low recorded in June. That said, employment growth remained positive, and the latest data extended the current sequence of expansion to over four years.

Supplier delivery times continued to lengthen in August. Furthermore, the latest deterioration in vendor performance was more substantial than the survey's long-run average.

Polish manufacturers' stocks of purchases rose for the third month in a row during the most recent survey period. The rate of expansion was the third-fastest in the survey history.

Sentiment towards future growth prospects reached a four-month high in August. Panellists attributed confidence towards an expected increase in exports, new product launches and business investment.

## Comment

Commenting on the Poland Manufacturing PMI survey data, Sam Teague, economist at IHS Markit and author of the report, said:

*"August's round of PMI data suggest a further solid rate of Polish manufacturing growth, with the headline figure partially recovering from the eight-month low registered in July. That said, the latest figure remained below the average seen throughout 2017 so far."*

*"An improvement in domestic new orders and output provided some good news in the August survey. In addition, business optimism remained strongly positive, signalling that firms generally anticipate improving business conditions in Poland over the next year."*

-Ends-

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## Note to Editors:

The Poland Manufacturing *PMI*® (*Purchasing Managers' Index*®) is produced by IHS Markit. The report features original survey data collected from a representative panel of around 200 companies based in the Polish manufacturing sector. The panel is stratified by GDP and 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*<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/product/pmi](http://www.markit.com/product/pmi).

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