

## News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 09:00 (UK Time) 4 March 2015**

### Markit Eurozone Composite PMI® – final data

Includes Markit Eurozone Services PMI®

#### Eurozone economic growth at seven-month high, as output expands across ‘big-four’ nations

- Final Eurozone Composite Output Index: **53.3** (Flash 53.5, January 52.6)
- Final Eurozone Services Business Activity Index: **53.7** (Flash 53.9, January 52.7)

The growth rate of eurozone economic output accelerated for the third straight month in February, rising to its highest since July of last year. At 53.3, the final **Markit Eurozone PMI® Composite Output Index** signalled an expansion for the twentieth month in a row, but came in slightly softer than the earlier flash estimate of 53.5.

For the first time since April 2014, expansions in economic activity were signalled across each of the ‘big-four’ eurozone economies.

By nation, output growth was again led by Ireland and Spain. The rate of expansion in economic activity also accelerated to a four-month high in Germany, while Italy saw output rise for the second month running (albeit at a slower pace).

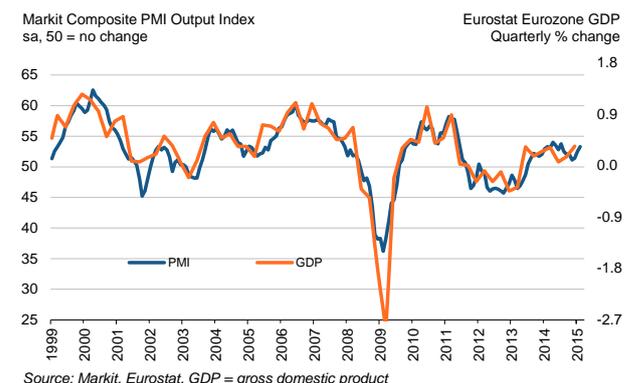
A key development from the February surveys was that France exited stagnation, with the region’s second-largest economy seeing the strongest growth of both output and new business since August 2011.

Eurozone companies saw output pushed higher by rising levels of incoming new business. New order inflows improved for the third month running and at the fastest pace since July 2014. There were also signs that the upturn in demand tested capacity at some firms, as backlogs of work rose for the first time in ten months.

The combination of increased new order volumes and growth in outstanding business encouraged further job creation. Employment rose at the quickest

pace in three-and-a-half years during February. Staffing levels were increased in Germany, Italy, Spain and Ireland, while in France the trend moved closer to stabilisation.

#### Markit Eurozone PMI and GDP



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

Ireland	60.7	2-month high
Spain	56.0	2-month low
Germany	53.8 (flash: 54.3)	4-month high
France	52.2 (flash: 52.2)	42-month high
Italy	51.0	2-month low

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

Average input prices rose slightly in February, as higher costs in the service sector offset a further oil-related slump in purchase prices at manufacturers.

Meanwhile, average output charges fell again during February, continuing a trend observed since April 2012. However, the rate of decline was slower than in January, which had seen the largest decrease for almost five years. Selling prices fell sharply in France and were also reduced in Spain and Italy. In contrast, charges rose in Germany and Ireland.

**Services:**

At a seven-month high of 53.7 in February, the **Eurozone Services Business Activity Index** signalled an acceleration in the rate of expansion of services output for the third month in a row. Business activity has now risen in each month since August 2013. However, the index posted slightly below the earlier flash estimate of 53.9.

The latest expansion reflected a solid increase in new business, which rose at the quickest pace for eight months. The improved inflow of new work contributed to further growth of both backlogs of work and employment. Outstanding business increased for the second month running and to the greatest extent since May 2011. Meanwhile, job creation hit a 45-month high.

By nation, activity growth was again led by Ireland and Spain, despite rates of expansion easing in both cases, while Germany also saw a solid increase in business activity. Rates of job creation also accelerated in each of these nations.

Services output swung back into expansion territory in France, rising at the fastest pace for three-and-a-half years and underpinned by the steepest increase in new business during that period. The trend in employment moved closer to stabilisation.

The weakest performer was Italy, which saw services output stagnate and was the only nation covered by the survey to report lower new business inflows. Employment rose fractionally for the first time since May 2011.

Business optimism<sup>†</sup> improved in the euro area service sector during February, edging up to its highest level since mid-2011. Confidence improved in almost all of the nations covered by the survey, the sole exception being Germany.

On the prices front, average costs rose again during February. Moreover, the rate of increase accelerated since January, which had seen the weakest rise in costs since February 2010. Average service sector charges, meanwhile, fell for the thirty-ninth straight month.

Output prices fell in France, Italy and Spain, with by far the steepest reduction registered in France. In contrast, Germany and Ireland reported increases.

<sup>†</sup> for business optimism, 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.

**Comment:**

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

*“There were clear signs of the eurozone economy reviving in February, with stronger inflows of new business and rising business confidence suggesting growth should continue to pick up in March.*

*“The increasingly positive survey data put the region’s GDP on course to grow by 0.3% in the first quarter.*

*“With employment rising at the strongest rate for three-and-a-half years, unemployment should fall further from the 11.2% rate seen in January.*

*“An easing in the rate at which companies cut their prices meanwhile also suggests that that consumer price deflation will continue to moderate.*

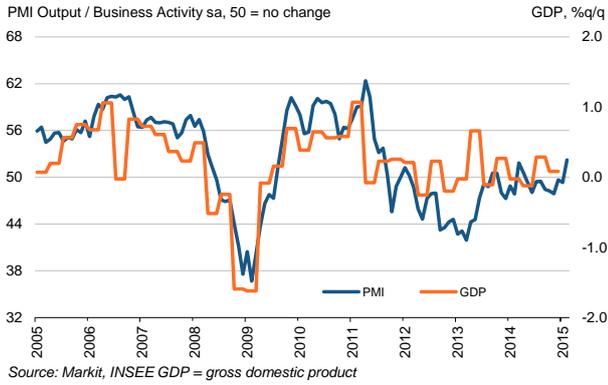
*“February was noteworthy in being the first month since last April when all four of the largest eurozone member states recorded an expansion of business activity. Most encouraging of all are the signs of renewed growth in France, where service sector expansion offset an ongoing manufacturing slump.*

*“The best performances are being seen in Ireland and Spain, set to grow by at least 1% and 0.7% respectively in the first quarter. More modest growth of 0.3% is signalled for Germany, and France and Italy are on course to expand by just 0.2% and 0.1% respectively.*

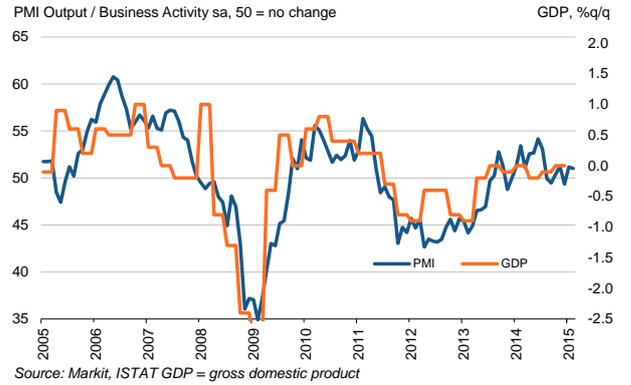
*“The outlook has brightened for all countries. Concerns about ‘Grexit’ and contagion to other countries have eased, the weaker euro should help boost exports and, perhaps most importantly, the commencement of quantitative easing by the ECB should stimulate the economy as we move through the year.”*

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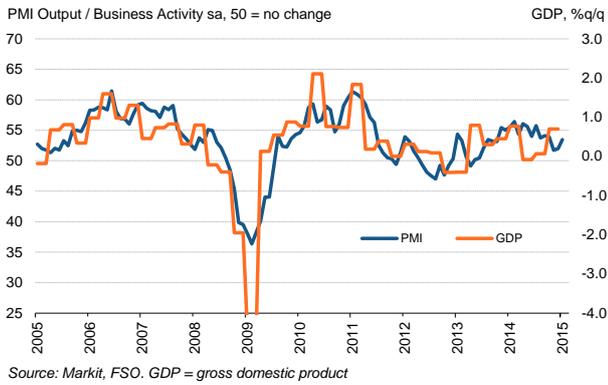
**France**



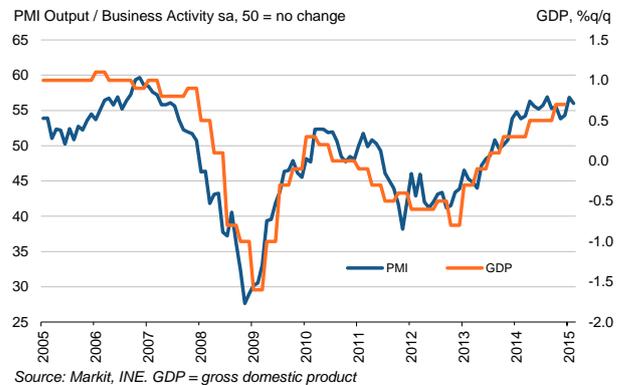
**Italy**



**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 84% of the replies used in the final data. The February services flash was based on 75% of the replies used in the final data. **Data were collected 12-23 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	0.4

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 32 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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