

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 09:30 (London / UTC) February 7<sup>th</sup> 2017**

## Markit Europe Sector PMI®

### Manufacturers retain dominance over service providers in January

#### Key points:

- Technology equipment and construction materials jointly lead sector rankings
- Banks is best-performing service sector, placing third overall
- Forestry & paper products sees stagnant output following sharp growth in December

The first batch of EU Sector *PMI*® data from Markit for 2017 indicated that manufacturers once again outperformed their service sector counterparts in January. As was the case in December, six out of the seven fastest-growing sectors were based in manufacturing.

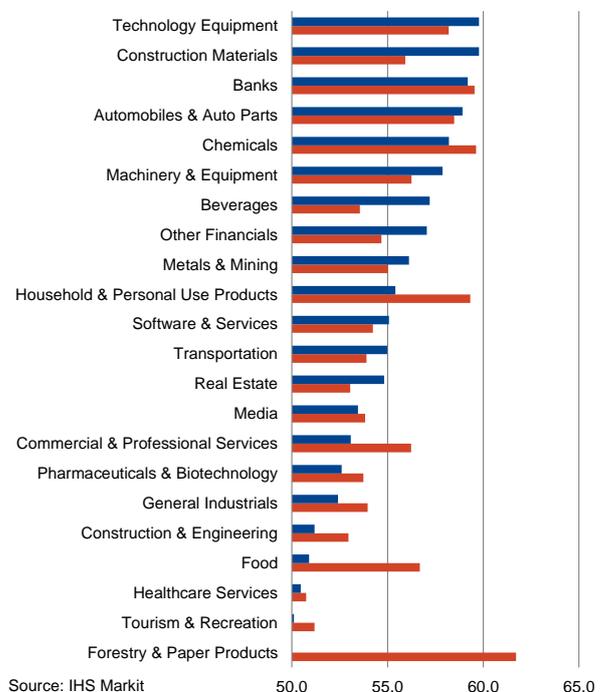
**Technology equipment** and **construction materials** jointly led the way in January. Both enjoyed steep accelerations in growth, rising from sixth and tenth respectively in December. Output also rose sharply in **automobiles & auto parts**, **chemicals**, **machinery & equipment** and **beverages**, with those sectors occupying fourth to seventh in the league table. Autos & parts, the leading sector in 2016 on average, benefitted from the strongest expansion of new export work in over six years.

Among service providers, **banks** continued to outperform. It was the third-fastest growing sector overall, with **other financials** the next-highest ranked service sector in eighth. **Tourism & recreation** and **healthcare services** placed third- and second-last respectively. Both saw negligible rises in activity.

**Forestry & paper products** was bottom-ranked in January. Output was broadly unchanged, ending a 22-month sequence of growth. This was especially notable given that the sector had topped EU rankings just one month previously. Data signalled mounting cost pressures – the rate of input price inflation was at a three-year peak.

#### Europe Sector PMI: detailed sectors

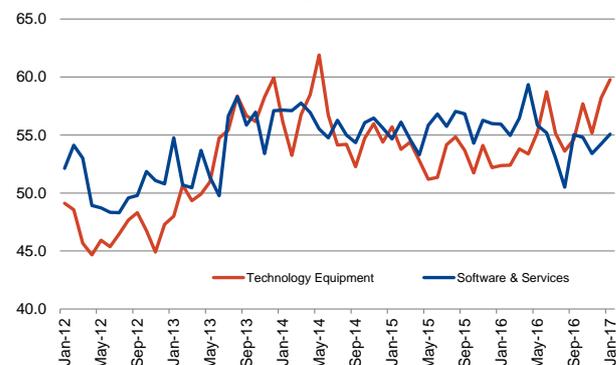
Output/Business Activity, sa, 50 = no change on previous month



Source: IHS Markit

#### Technology PMI: constituent sectors

Output/Business Activity, sa, 50 = no change on previous month



Source: IHS Markit

**For further information, please contact:****IHS Markit**

Chris Williamson, Chief Business Economist  
Telephone +44-20-7260-2329  
Mobile +44-779-5555-061  
Email [chris.williamson@ihsmarkit.com](mailto:chris.williamson@ihsmarkit.com)

Philip Leake, Economist  
Telephone +44-1491-461-014  
Email [philip.leake@ihsmarkit.com](mailto:philip.leake@ihsmarkit.com)

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

**Notes to Editors:**

“PMI” is an acronym for *Purchasing Managers’ Index*, a type of survey originally developed for tracking business conditions in the manufacturing sector. Markit now uses ‘PMI’ to describe the methodology used for surveys also undertaken in the services, construction and non-oil private sectors.

Markit Europe Sector PMI data are derived from surveys of around 6,500 companies operating in 11 countries, including Austria, Czech Republic, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain and the United Kingdom. The data are typically released on the fifth working day of each month, two days’ after the Global Composite PMI, at 0930 UK time.

The Europe Sector PMI data provide corporate planners and decision makers, economic analysts, policy makers and investors with a powerful and unique database with which to monitor business cycles by industry. Sector trends over time can be tracked as well as relative performance between sectors, allowing identification of key growth industries and the drivers within them.

The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for eight major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, and technology; and a further 26 sectors and subsectors of those groups.

Sector PMI data are generated from the same questionnaire responses as national PMI data, and mapped to Markit’s sector classification structure using Standard Industry Classification (SIC) codes. Respondents are asked to state whether business conditions for a number of variables have improved, deteriorated or stayed the same compared with the previous month. Diffusion indexes are calculated for each variable (the percentage of positive responses plus half the percentage of neutral responses). These indexes vary between 0 and 100 with levels of 50.0 signalling no change on the previous month. Readings above 50.0 signal an improvement or increase on the previous month. Readings below 50.0 signal a deterioration or decrease on the previous month. The greater the divergence from 50.0 the greater the rate of change signalled.

Individual company responses will be weighted on the basis of that company’s country of origin. Country weights for each sector are derived from a combination of GDP data and detailed industry gross value added.

The PMI diffusion indexes are then adjusted for seasonality using the X-12 ARIMA program.

Detailed historical European sector data are available via a subscription from Markit, and datasets are also available for Asia and at a global level. For further information please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

**About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))**

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world’s leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

*IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2017 IHS Markit Ltd. All rights reserved.*

**About PMI**

*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).

The intellectual property rights to the Europe Sector PMI® provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit’s prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information (“data”) contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers’ Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd.

*If you prefer not to receive news releases from IHS Markit, please email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com). To read our privacy policy, [click here](#).*