

## News Release

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 09:00 (UK Time), 29 April 2015**

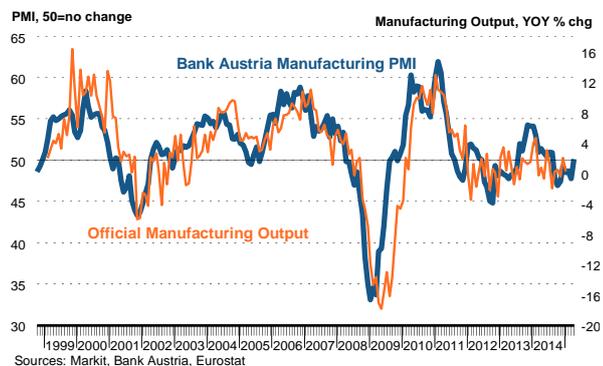
### Bank Austria Manufacturing PMI<sup>®</sup>

#### Operating conditions stabilise as output and new orders return to growth

##### Key points:

- Headline PMI rises from March's 47.7 to eight-month high of 50.1
- Further reductions in stocks of purchases and employment weigh on PMI
- Input prices continue to fall at sharp rate

##### Historical overview:



##### Summary:

April data signalled a stabilisation in manufacturers' operating conditions in Austria with output and new orders returning to growth. However, employment levels fell further and companies continued to reduce their buying activity, which in turn led to a further depletion of inventories. Meanwhile, input prices fell sharply, while charges were reduced at a weaker rate.

The seasonally adjusted Bank Austria Manufacturing PMI<sup>®</sup> – a composite indicator designed to provide a single-figure snapshot of manufacturing performance – rose from 47.7 in March to an eight-month high of 50.1 in April, thereby signalling a stabilisation in operating conditions at Austrian manufacturers. The above-50 reading ended a seven-month period of contraction in the sector.

The main positive contributions to the headline

number came from the output and new orders indices. Production rose for the first time in 2015 so far, with the rate of expansion the strongest since last August. Sector data suggested that consumer goods producers saw a steeper rise in output than intermediate and investment goods producers.

New orders meanwhile increased for the first time in nearly a year amid reports of stronger demand from both the domestic and foreign markets. Indeed, new export orders also returned to growth. Panellists commented on rising demand from clients in the US and Europe.

Despite higher output and new orders, Austrian manufacturers reduced their workforce numbers further in April. The rate of job reduction eased since March and was modest overall. Meanwhile, backlogs of work fell only marginally in April, with the rate of depletion the weakest since August of last year.

April data highlighted that companies were cautious about their stock policy in April, as both pre- and post-production inventories fell on the month. Stocks of finished goods were reduced at the fastest pace in over five years with companies commenting on deliberate efforts to streamline stock. Stocks of purchases also declined at a sharper rate. Moreover, purchasing activity fell for the ninth month running despite a return to new order growth. The rate of decline eased, however, to the weakest in 2015 so far.

As has been the case since October of last year, input prices faced by Austrian manufacturers decreased in April amid reports of lower prices for oil and some other raw materials. The rate at which costs fell accelerated since March but was weaker than at the start of the year. Output prices also declined, albeit only marginally.

Finally, suppliers' delivery times lengthened for the twenty-first month running. The rate of deterioration was little-changed from March.

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**Notes to Editors:**

The Bank Austria Manufacturing *PMI*<sup>®</sup> is based on data compiled from monthly replies to questionnaires sent to purchasing executives in 300 industrial companies. The panel is stratified geographically and by Standard Industrial Classification (SIC) group, based on industry contribution to GDP.

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. All data are seasonally adjusted.

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).

The Bank Austria Manufacturing *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 *PMI* is designed to show a convenient single-figure summary of the health of the manufacturing sector.

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