

Purchasing Managers' Index[®]
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL 1000 (CEST) / 0800 (UTC) October 4th 2017

IHS Markit Eurozone Composite PMI[®] – final data

Includes IHS Markit Eurozone Services PMI[®]

Eurozone economic growth accelerates at end of third quarter

Key findings:

- Final Eurozone Composite Output Index: **56.7** (Flash: 56.7, August Final: 55.7)
- Final Eurozone Services Business Activity Index: **55.8** (Flash: 55.6, August Final: 54.7)

Data collected September 12-26

The eurozone economy ended the third quarter with a flourish as output growth accelerated to a four-month high in September, underpinned by the steepest gain in new work received for almost six-and-a-half years.

At 56.7 in September, up from 55.7 in August, the final **IHS Markit Eurozone PMI[®] Composite Output Index** matched the earlier flash estimate. The outlook also remained bright, with business optimism rising to a four-month high.

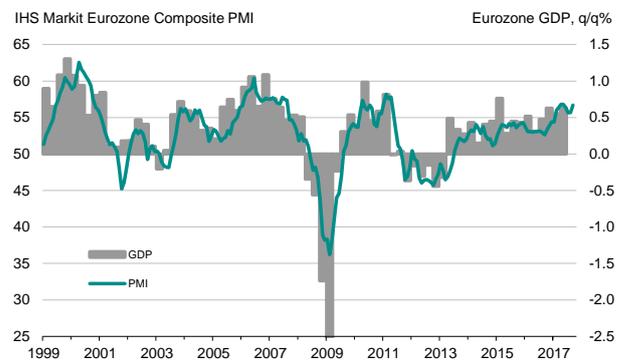
The headline index has signalled expansion throughout the past 51 months. However, its average over the third quarter as a whole (56.0) was slightly weaker than in the prior quarter (56.6).

September saw rates of output expansion accelerate in both the manufacturing and service sectors, although the former continued to register the superior performance overall.

Manufacturing production rose at the quickest pace since April 2011. The rate of expansion in services business activity improved to a four-month high and was one of the best seen over the past six years.

Germany rose back to the top of the PMI Output Index rankings in September. Output expanded at its best pace since April 2011, supported by surging manufacturing sector growth aided by a steep gain in new export business. Ireland was in second position – despite seeing growth slip to a two-month low – while the revival in France gathered pace.

IHS Markit Eurozone Composite PMI



Sources: IHS Markit, Eurostat.

Countries ranked by output growth*: September

Germany	57.7 (flash: 57.8)	77-month high
Ireland	57.6	2-month low
France	57.1 (flash: 57.2)	76-month high
Spain	56.4	2-month high
Italy	54.3	6-month low

* Composite Output PMI against GDP comparisons for Germany, France, Italy and Spain are included on page 3 of this press release.

Economic activity in France rose at the sharpest rate in over six years (since May 2011), with growth of output and new orders relatively evenly distributed across the manufacturing and service sectors. Spain saw its rate of economic expansion improve from August's seven-month low while Italian growth was the weakest since March, but still solid overall.

The upturn in the eurozone economy continued to test capacity, leading to the sharpest increase in backlogs of work since February 2011. Companies raised employment to one of the greatest extents over the past decade, with job creation registered across Germany, France, Italy, Spain and Ireland.

Price pressures increased during September, with rates of inflation in input prices and output charges both hitting five-month highs.

Services

The upturn in the eurozone service sector regained momentum in September. Business activity rose at the fastest pace in four months, registering one of its steepest gains over the past six years. The outlook for the sector also remained bright, with business optimism improving to a four-month high.

The final **IHS Markit Eurozone PMI® Services Business Activity Index** registered 55.8 in September, up from 54.7 in August and above the earlier flash estimate of 55.6. The headline index has signalled expansion for 50 successive months. However, the average reading over the third quarter (55.3) was weaker than in the prior quarter (56.0).

Supporting the latest growth of business activity was a further robust increase in new work received, which rose at the quickest pace since March. Improved new business intakes tested capacity at service providers, leading to the steepest rise in backlogs of work for over six years.

The need to raise capacity underpinned a marked increase in staffing levels, with the rate of job creation remaining close to the best registered over the past decade.

All of the national service economies covered by the survey registered growth of business activity, new orders, employment and backlogs of work in September. The strongest increase in output was seen in Ireland, followed by France, as both saw growth accelerate to a four-month high.

Spain (two-month high) and Germany (six-month high) also saw rates of activity growth improve. Only Italy saw a deceleration, with output rising at the slowest pace since March. Meanwhile, job creation picked up in Germany, France, Italy and Ireland, but slowed in Spain.

Price pressures increased during September. Average input costs rose at the quickest rate in five months, leading to the steepest inflation of selling prices since March. Output charges increased in Germany, France, Spain and Ireland, but fell for the seventy-fourth month in a row in Italy.

Comment

Chris Williamson, Chief Business Economist at IHS Markit said:

“The final September PMI numbers round off an impressive third quarter for which the surveys point to GDP rising 0.7%.

“The economy enters the fourth quarter with business energized by inflows of new orders growing at the fastest rate for over six years and expectations of future growth reviving after a summer lull.

“Growth is also becoming increasingly broad-based, which should help make the upturn more sustainable as corporate profits, labour markets and demand improve across the region.

“The eurozone therefore looks increasingly able to withstand any political shocks and set for a strong end to the year.

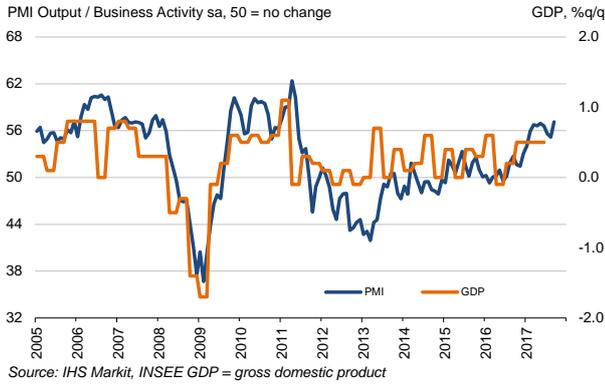
“A rise in price pressures reflects the development of a sellers’ market for many goods and services as demand outstrips supply. As such, the survey suggests that deflationary forces have abated, fueling confidence that reflationary pressures are becoming more engrained in the economy. “

-Ends-

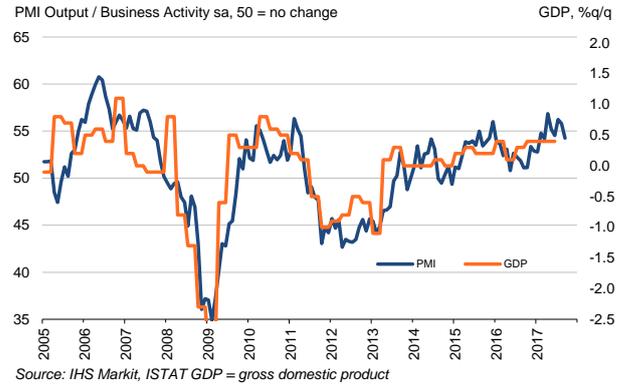
** [Click here](#) for further details of using the PMI to measure GDP in advance.

† for business confidence (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.

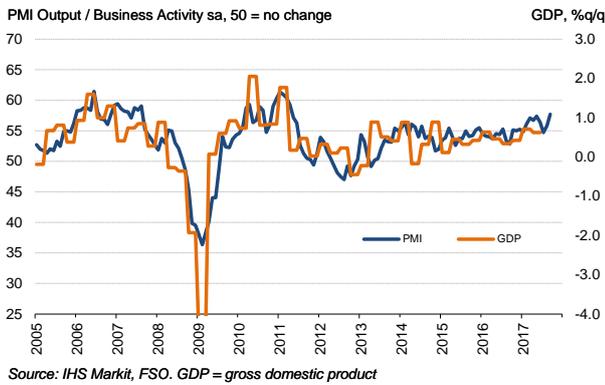
France



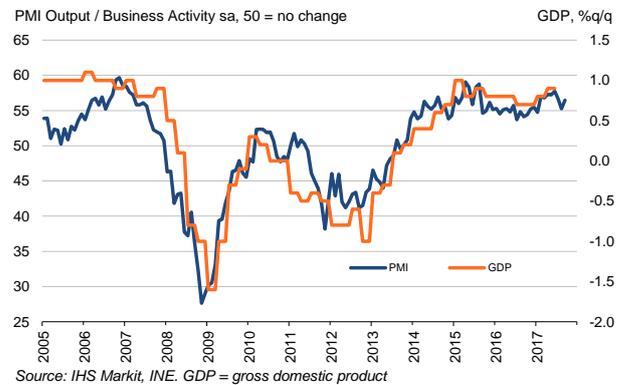
Italy



Germany



Spain



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Note to Editors:

The Eurozone Composite *PMI*[®] (*Purchasing Managers' Index*[®]) is produced by IHS 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 IHS 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 September composite flash was based on 84% of the replies used in the final data. The September services flash was based on 76% of the replies used in the final data. **Data were collected 12-26 September.**

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>	0.0	0.2
Eurozone Services Business Activity <i>PMI</i>	0.0	0.3

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.

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.

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About PMI

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