

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Greece Manufacturing PMI®

### Output growth sharpest in over nine years

#### Key findings:

- Headline PMI signals sharpest rate of growth since June 2008
- Output expands for fourth successive month
- Employment continues to increase

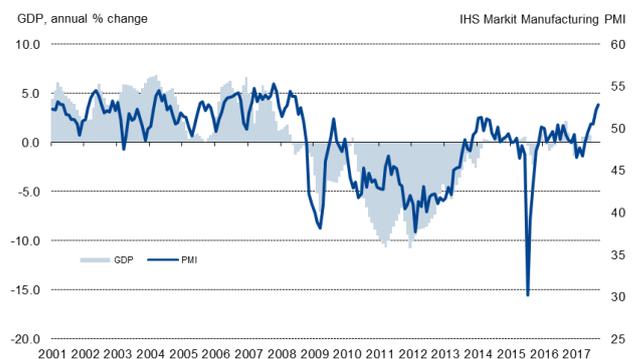
Data collected September 12-22

Business conditions in the Greek manufacturing sector continued to improve at the end of the third quarter, building on growth in each of the preceding three months. Driving the expansion was another robust increase in domestic demand, which encouraged firms to further enhance their productive capacity by taking on new workers and raising their purchasing activity. In turn, this led to a marked expansion in output and an improvement in business confidence. Meanwhile, charge inflation weakened despite a sharper increase in average cost burdens.

The seasonally adjusted IHS Markit Greece Manufacturing Purchasing Managers' Index® (PMI®) – a composite indicator designed to measure the performance of the manufacturing economy – posted above the 50.0 no-change threshold in September to signal a further improvement in Greek manufacturing sector conditions. Moreover, at 52.8, up from 52.2 in August, the latest figure highlighted the fourth consecutive improvement and the sharpest since June 2008.

Underpinning the expansion was another marked rise in **new orders**, the sharpest in over three-and-a-half years. Data suggested that the increase in new business was centred on domestic markets, with **new export orders** declining in September, albeit only fractionally.

IHS Markit Greece Manufacturing PMI



Sources: IHS Markit, National Statistical Service of Greece.

Buoyed by robust client demand, Greek manufacturers raised their **output** for the fourth consecutive month in September. Moreover, the rate of growth was the most marked in over nine years. The increase was driven by consumer and capital goods-producers, while a decline was reported by manufacturers of intermediate goods. In spite of rising production, **stocks of finished goods** fell for the second successive month as firms used existing inventories to fulfil new orders.

Faced with higher production requirements, Greek manufacturers took on additional **workers** for the fifth consecutive month in September, albeit at a slightly softer pace than in August. In turn, this contributed to a further depletion of **unfinished work**.

Firms raised their **purchasing activity** for the third successive month in September. Nonetheless, **pre-production inventories** continued to fall.

Average **lead times** lengthened at the quickest pace since May as higher client demand put pressure on supply chains.

Meanwhile, **input price** inflation quickened to the greatest extent in five months amid frequent reports

of higher raw material costs. In spite of this, **average charges** increased to a weaker extent than in August.

Finally, manufacturers remained **optimistic** that output will increase over the coming 12-months amid reports of investment in new technology and positive sales forecasts from foreign clients.

### Comment:

Alex Gill, Economist at IHS Markit which compiles the *Greece Manufacturing PMI*® survey, said:

*“The rebound in the Greek manufacturing sector continued at the end of the third quarter, with the headline PMI signalling the sharpest improvement in business conditions since June 2008.*

*“Overall growth continued to be driven by sharp expansions in both output and new orders, which in turn contributed to another solid rise in employment, boosting hopes of a further fall in the country’s unemployment rate (which stood at 21.2% in June) and a boost to domestic demand. New export orders, however, slipped back into contraction territory, perhaps hindered by a stronger euro.”*

-Ends-

## For further information, please contact:

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### Note to Editors:

The Greece Manufacturing PMI<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by IHS Markit. The report features original survey data collected from a representative panel of over 300 companies based in the Greek manufacturing sector. The panel is stratified by GDP and company 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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### About PMI

Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>) surveys are now available for over 40 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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