

News Release

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S&P Global Europe Sector PMI®

Tourism & Recreation remains fastest growing European sector in May

Key findings

Activity growth across Tourism & Recreation holds close to record high

Downturn in Automobiles & Auto Parts production eases notably

Forestry & Paper Products and Construction Materials see quickest drops in output

The latest detailed S&P Global Europe Sector PMI® data indicated output growth in 15 out of 20 monitored sectors in May, down from 17 in April. This was the lowest proportion since March 2021.

Tourism & Recreation remained at the top of the rankings in terms of output growth, with the rate of expansion easing only slightly from April's all-time high as the sector continued to rebound following the easing of COVID-19 restrictions across the region. The sector also saw by far the steepest increase in new orders of all monitored areas and a record upturn in employment that was only beaten by that seen in Other Financials.

Transportation and Healthcare Services ranked second and third in terms of output growth, with rates of expansion picking up to ten- and nine-month highs, respectively. That said, employment across both sectors increased at relatively mild rates.

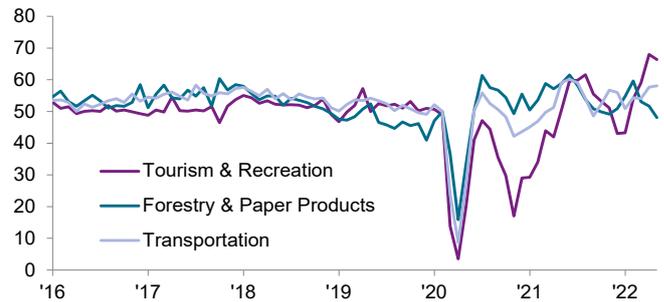
At the other end of the table, Forestry & Paper Products recorded the steepest drop in output. That said, the pace of reduction was relatively modest overall, as was the case for each of the other four sectors that registered lower activity, namely Construction Materials, Chemicals, Real Estate and Automobiles and Parts. Notably, the latter, which saw by far the sharpest drop in output in April, saw only a marginal fall in production in May that was the weakest seen for three months.

Prices data meanwhile showed that all 20 detailed sectors saw sharp increases in average input costs during May. Furthermore, three sectors saw record rises in operating expenses (Software & Services, Banks and Media).

Automobiles & Auto Parts registered the sharpest rise in input prices for the second month in a row. In the service sector, inflation was strongest in Transportation, which was ranked joint-fourth overall.

Europe Sector PMI Business Activity Index

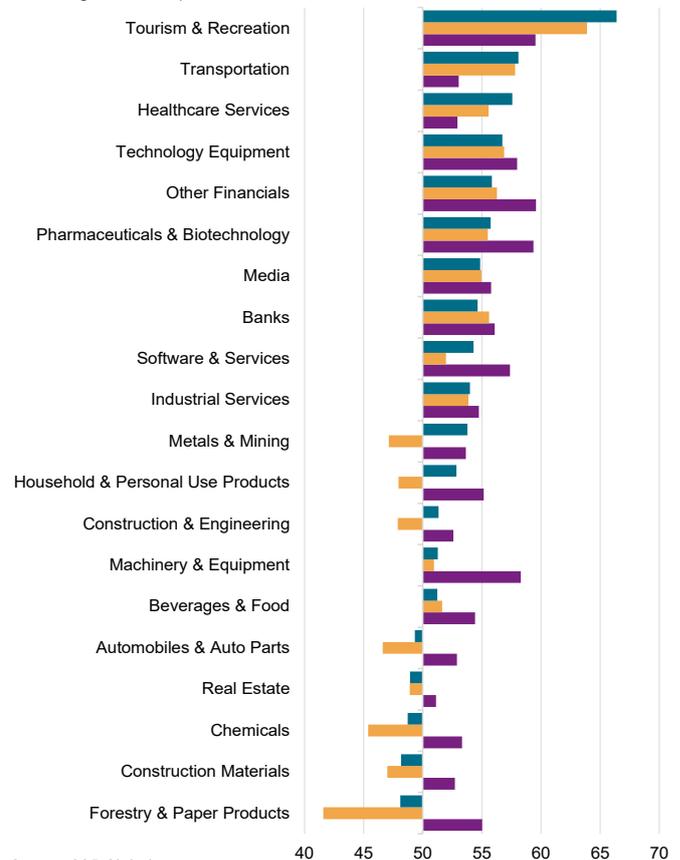
sa, >50 = growth since previous month



Source: S&P Global.

Output Index
New Orders Index
Employment Index

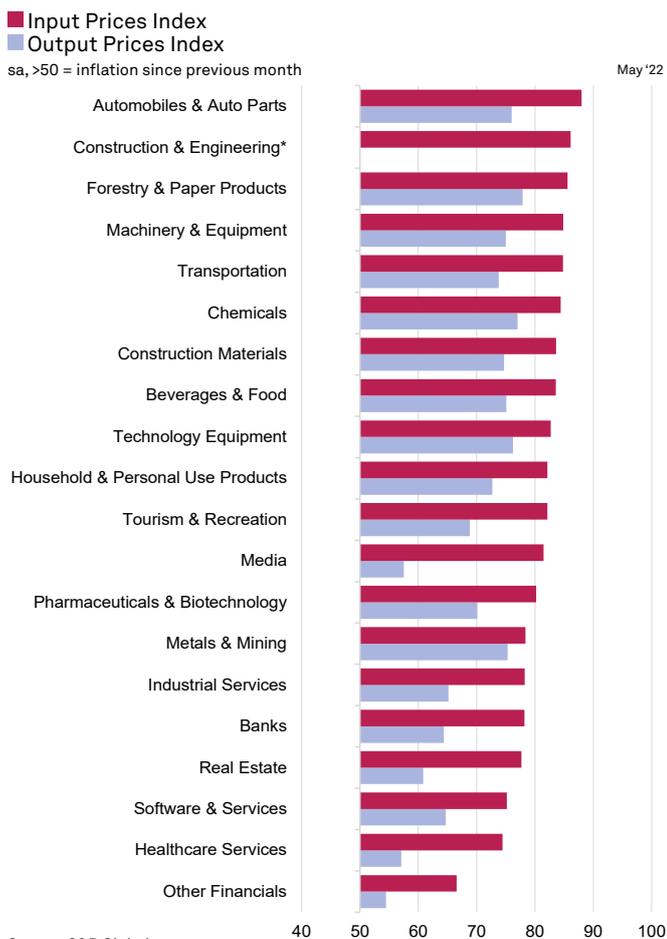
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Source: S&P Global.

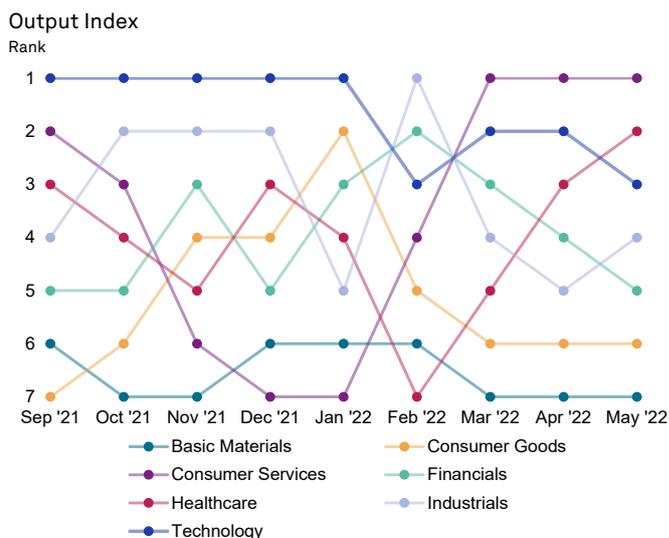
PMI®

by S&P Global



Source: S&P Global.

*Output Prices Index not available.



Source: S&P Global.

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Survey methodology

The S&P Global Europe Sector PMI® indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index® (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

For further information on the PMI survey methodology, please contact economics@ihsmarkit.com.

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