

# News Release

Embargoed until 0915 CEST (0715 UTC) 3 October 2022

## S&P Global Spain Manufacturing PMI<sup>®</sup>

### Spanish manufacturing sector remains in contraction territory

#### Key findings

Output and new orders fall as demand deteriorates

Inflation rates pick up again

Confidence turns negative on uncertain outlook

Spanish manufacturers endured a challenging month during September, with output and new orders both declining against a backdrop of faltering demand and high inflation. Job losses were again recorded as gaps between capacity and production requirements persisted. Confidence about the future slipped into negative territory amid an increasingly uncertain economic outlook. Moreover, prices data showed a resurgence of cost pressures, with inflation for both input and output charges accelerating since the previous month and remaining elevated.

The headline S&P Global Spain Manufacturing PMI – a composite single-figure indicator of manufacturing performance – fell to 49.0 in September. That was down from 49.9 in August and was the third successive month that the PMI has posted below the 50.0 no-change mark.

Both production and new orders declined during September. It was the second time in the past three months that output has been reduced, with the contraction the sharpest since June 2020. The fall in new orders was greater than seen for production. Latest data showed a sharp cut in overall sales that was amongst the greatest since the initial pandemic lockdowns of spring 2020. Firms widely reported that consumption was faltering, undermined by high inflation. This was not just amongst domestic buyers: new export sales declined for the seventh successive month and at the sharpest pace for over two years.

Declining output and new orders consequently led firms to reduce their purchasing activity during September. It was the fourth successive month that input buying has fallen, with firms preferring wherever possible to utilise existing stocks in production (inventories of purchases declined for the second time in the past three months). Challenges with the delivery of goods from vendors were also noted as a factor leading to stock depletion. September data signalled a worsening of average lead times, and to a greater degree than the previous month. Raw material shortages and

Spain Manufacturing PMI  
sa, >50 = growth since previous month



Source: S&P Global.  
Data were collected 12-23 September 2022

#### Comment

Paul Smith, Economics Director at S&P Global Market Intelligence, said:

*“September data highlighted another difficult few weeks for Spanish manufacturers, with firms experiencing concurrent falls in both output and new orders. The decline in new work was especially eye-catching, and with firms also experiencing a concurrent rise in warehouse inventory, the near-term outlook for production is clearly subdued.”*

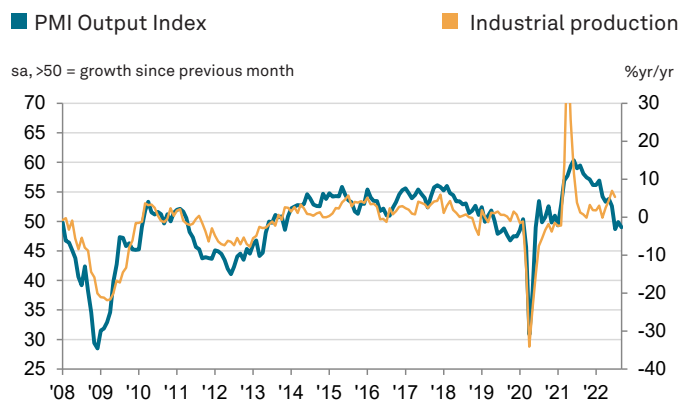
*“Indeed, firms on average are expecting a fall in production over the coming year, with worries over high inflation and reduced consumption uppermost in their minds. These concerns were supported by a resurgence in cost inflation, which hit a three-month high. Combined with the sharp drop in sales, companies were subsequently reluctant to hire staff, with employment slightly down in September for a third month in succession.”*

transportation difficulties were cited as reasons for the deterioration in vendor performance.

Difficulties in sourcing input goods from sellers continued to underpin inflationary pressures. Operating costs rose at the sharpest rate for three months, and again at a historically elevated pace. Companies reported that raw materials were generally higher in cost, with electricity and gas prices also a key driver of inflation. Manufacturers responded by increasing their own output charges at a sharper rate.

With output and new orders down, firms chose to reduce employment numbers. It was the third successive month that workloads have declined, albeit only marginally. Firms were nevertheless able to comfortably keep on top of overall workloads as backlogs of work declined for a fourth month in a row, and again at a sharp pace.

Finally, confidence about the future turned negative for the first time since May 2020 in September. An uncertain economic outlook, characterised by high inflation and lower consumption, was widely reported to have weighed on confidence.



Sources: S&P Global, INE.

## Contact

Paul Smith  
Economics Director  
S&P Global Market Intelligence  
T: +441491-461-038  
[paul.smith2@spglobal.com](mailto:paul.smith2@spglobal.com)

Sabrina Mayeen  
Corporate Communications  
S&P Global  
T: +44 (0) 7967 447030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, click [here](#).

### Survey methodology

The S&P Global Spain Manufacturing PMI™ is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in February 1998.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. 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.

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.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

### Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global 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 S&P Global 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 and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

### About S&P Global

S&P Global (NYSE:SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. [www.spglobal.com](http://www.spglobal.com).

### About AERCE

AERCE is the Spanish Association of Purchasing and Supply Management. Founded in 1981 has 1,000 members, representing more than 10,000 related professionals, which include the most important companies in the country, institutions and professionals belonging to various industrial sectors, services and the public sector.

AERCE is a member of the International Federation of Purchasing and Supply Management (IFPSM).

e-mail: [info@aerce.org](mailto:info@aerce.org). website: [www.aerce.org](http://www.aerce.org).

### About PMI

Purchasing Managers' Index® (PMI®) 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. [ihsmarkit.com/products/pmi.html](http://ihsmarkit.com/products/pmi.html).