

# News Release

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

### Greek manufacturing performance improves amid stronger demand conditions

#### Key findings

Output and new order growth quicken

Inflationary pressures soften further

Employment rises at fastest pace for almost a year

Greek manufacturers signalled a solid upturn in operating conditions during March, according to the latest PMI<sup>®</sup> data from S&P Global. Growth across the sector stemmed from faster expansions in output, new orders and employment. Stronger demand conditions drove the sharper increase in new sales, amid a renewed rise in new export orders. In response, firms stepped up their hiring, as workforce number grew at the fastest rate since April 2022. Greater new orders, in part, led to a slower fall in backlogs of work. Meanwhile, despite a quicker rise in input buying, vendor performance stabilised amid reduced pressure on global supply chains. Companies continued to utilise and deplete stocks, however.

On the price front, cost burdens increased only marginally and at the slowest rate since July 2020. Effort to remain competitive and drive future sales resulted in a much softer uptick in selling prices.

The seasonally adjusted S&P Global Greece Manufacturing Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>) posted 52.8 in March, up from 51.7 in February. The latest index reading indicated a solid improvement in the health of the Greek manufacturing sector, and the strongest rate of growth since May 2022.

Contributing to the overall expansion was a second successive monthly rise in production at Greek manufacturers in March. The upturn in output was linked to stronger client demand and a further increase in new orders. The rate of growth accelerated to the fastest since February 2022.

Driving the rise in output was the steepest expansion in new sales at Greek goods producers for over a year. March data indicated a solid uptick in new orders, as interest from domestic and foreign clients picked up. At the same time, companies registered a renewed increase in new export orders at the end of the first quarter. Although only marginal, the rate of growth was the quickest for almost a year.

March data signalled a further moderation in inflationary pressures at Greek manufacturers. Cost burdens rose only

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



Source: S&P Global.  
Data were collected 10-24 March 2023.

#### Comment

Siân Jones, Senior Economist at S&P Global Market Intelligence, said:

"Greek manufacturers indicated a stronger end to the first quarter. Sharper expansions in output and new orders, alongside a renewed upturn in foreign client demand, supported growth. In turn, firms were keen to step up their hiring and stockpiling efforts amid hopes of greater demand over the coming year.

"A further softening of inflationary pressures also boosted optimism, as input prices rose at the slowest pace since July 2020. Although the rate of charge inflation was above the historical trend, it eased to the weakest since early-2021 as discounts and concessions were used in a bid to boost sales. We currently forecast a slower increase in consumer prices in 2023, with CPI expected to rise 4.3% this year."

slightly, as the rate of input price inflation slowed to the softest since July 2020. Companies noted that, despite increases in material and energy costs, some suppliers dropped their prices.

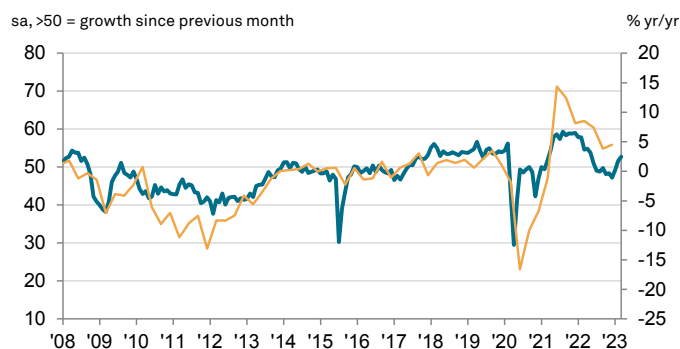
At the same time, there was a notable slowdown in the pace of output charge inflation. The rate of increase was the weakest since January 2021. Some companies passed on higher costs to customers, but others highlighted efforts to remain competitive with discounts offered to clients.

Greater new order inflows spurred increased hiring activity at Greek goods producers. Employment rose at a solid rate that was the steepest for almost a year. Companies also noted investment in expanding capacity amid hopes of future growth, as expectations for production over the coming year reached the strongest since January 2022. Although backlogs of work contracted again, the pace of decline slowed to the weakest since May 2022.

Demand for inputs strengthened in March, as Greek manufacturers increased their purchasing activity at a solid pace. Despite the rise, pressure on supplier capacity eased, as vendor performance broadly stabilised on the month, following a sequence of delays stretching back to February 2020.

Pre-production inventories fell sharply as firms utilised stocks to fulfil new order requests. Current holdings of finished goods were up slightly, however, as some noted efforts to stockpile amid hopes of an uptick in demand.

■ Greece Manufacturing PMI      ■ Gross domestic product



Sources: S&P Global, National Statistical Service of Greece.

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### Survey methodology

The S&P Global Greece Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 300 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 1999.

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).

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