

UniCredit Bank Austria Manufacturing PMI®

Production grows for first time in three years in May, although demand remains subdued

Key findings

Output rises for first time since May 2022, albeit only marginally

Further falls in employment and input buying amid a lack of new work

Output prices reduced for first time in three months

Latest PMI® survey data showed output levels across the Austrian manufacturing sector return to growth for the first time in three years in May. A further – albeit slower – fall in new orders did however signal persistent weakness in underlying demand, which in turn contributed to further cuts to both employment and purchasing activity. Nevertheless, firms were slightly more upbeat about the year-ahead outlook.

On the price front, May saw average factory gate charges fall for the first time since February. Cuts to output prices were made somewhat easier by a softening of cost pressures, with average input prices holding broadly steady after rising in each of the previous three months.

The seasonally adjusted UniCredit Bank Austria Manufacturing Purchasing Managers' Index™ (PMI®) – a single-figure gauge of performance calculated from measures of new orders, output, employment, supplier's delivery times and stocks of purchases – resumed its recent ascent in May, after having ticked down slightly and for the first time in four months in April. Its latest reading of 48.4, up from 46.6, was the highest since January 2023, though it was still below the neutral 50.0 threshold that marks the boundary between improvement and deterioration.

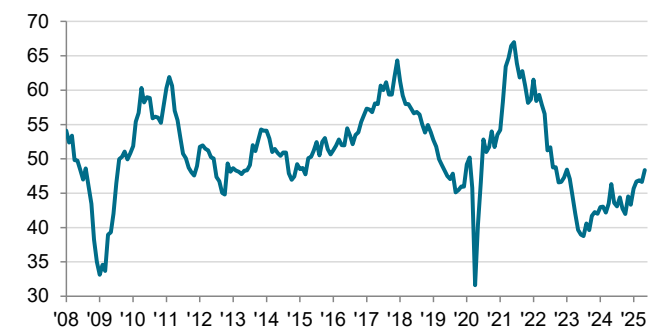
One positive takeaway in May was a first rise in output since the corresponding month in 2022. The increase was only fractional, but it nevertheless brought to an end the longest continuous run of contraction in the series history stretching back to 1998.

Production increased despite firms reporting a further drop in new orders. May's reduction was slower than that seen the month before, however, and among the weakest recorded since the current downturn began more than three years ago. It was a similar story for new export orders, which fell at a noticeably slower rate than in April.

A further reduction in backlogs of work was recorded midway through the second quarter, reflecting a lack of new work

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sa, >50 = growth since previous month



Sources: Bank Austria, S&P Global PMI.

Data were collected 12-22 May 2025.

to replace completed projects. The rate of depletion was, however, the slowest for three years.

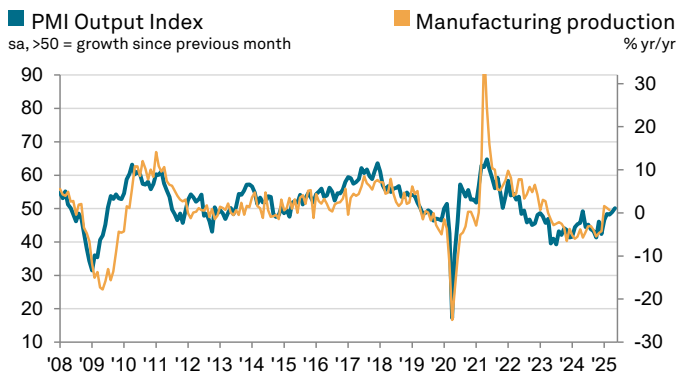
In the absence of pressure on staffing capacity, manufacturers in Austria made further cutbacks to workforces amid attempts to reduce overheads. The rate of job shedding was little-changed from that registered in April, which had seen the softest decline in employment in almost two years.

Goods producers also scaled down their buying levels and stocks of purchases. That said, the latter fell only modestly and at the weakest rate since the current sequence of depletion began in early 2023. Stocks of finished goods meanwhile rose for the first in over a year. The increase was in fact the steepest since July 2023.

Delivery times on purchases were virtually unchanged in May. This followed an improvement in supplier performance in every month since the start of 2023. Similarly, average prices paid for purchases held broadly steady, amid reports of mixed trends in the cost of materials and other inputs.

Average prices charged by Austrian goods producers meanwhile fell for the first time in three months. Discounting was attributed to competition for new work. The overall rate at which output prices fell was only modest, however, with most firms reporting no change from the month before.

Lastly, latest data showed a slight uptick in manufacturers' expectations for future output to the highest since June last year. Optimism towards the outlook partly reflected the prospect of lower interest rates and positive spillovers from increased public sector spending in Germany.



Sources: Bank Austria, S&P Global PMI, Eurostat via S&P Global Market Intelligence.

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Survey methodology

The UniCredit Bank Austria 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 October 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@spglobal.com.

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.

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