News Release

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S&P Global Greece Manufacturing PMI®

New order growth quickens amid further improvement in manufacturing performance

Key findings

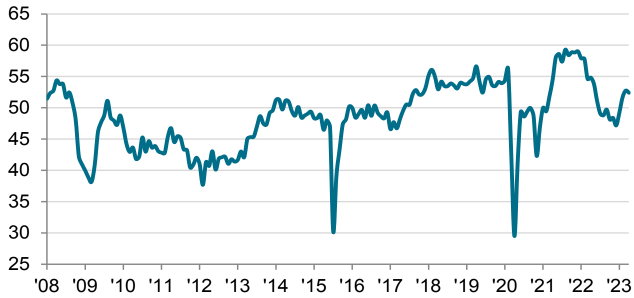
New sales expansion spurs another rise in output

Inflationary pressures soften

Job creation accelerates to fastest for a year

Greece Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global.
Data were collected 10-21 April 2023.

April data signalled a moderate upturn in the health of the Greek manufacturing sector, according to the latest PMI® data from S&P Global. Further expansions in output and new orders supported overall growth, with new sales rising at the fastest rate since January 2022. Greater production spurred a sharper rate of job creation as confidence in the outlook for output over the coming year among manufacturers also picked up. Despite a solid uptick in input buying, disruption in supply chains abated, as vendor performance improved for the first time since early-2020.

At the same time, inflationary pressures softened. The rate of increase in costs eased to the slowest since July 2020, as firms also registered a moderation in selling price inflation.

The seasonally adjusted S&P Global Greece Manufacturing Purchasing Managers' Index® (PMI®) posted 52.4 in April, down slightly from 52.8 in March. The latest data indicated a modest improvement in operating conditions at Greek goods producers that was the second-fastest for almost a year.

Contributing to the overall upturn was a sharper rise in new orders at Greek manufacturers in April. Stronger demand from existing clients and a reduction in competition reportedly supported new sales wins. The pace of growth was solid overall and the steepest since early-2022.

The expansion in total new sales was supported by a second successive monthly increase in new export orders. The rate of growth was only fractional, however, and slowed from that seen in March.

Greater client demand led to another monthly increase in production at Greek manufacturing firms in April. Despite a moderation in the pace of expansion from that seen in March, the rate of growth was the second-quickest since February 2022.

Meanwhile, cost pressures slowed in April, as Greek goods producers recorded the softest uptick since July 2020. The

Comment

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

"Manufacturing conditions in Greece continued to improve, with the sector the strongest performing across the Eurozone in April. New order growth quickened, supported by greater customer confidence, which in turn spurred firms to expand employment. Job creation accelerated to the fastest for a year.

"Although costs and selling prices rose further, inflation slowed to only marginal rates, as demand for inputs waned and supplier performance improved to the greatest extent in over 13 years.

"Despite softer foreign demand conditions, output expectations strengthened to the highest since January 2022. S&P Global Market Intelligence currently forecast a slight contraction in industrial production of 0.5% in 2023, however, as still elevated inflation and challenges in key export markets look set to weigh on demand."

PMI® by S&P Global

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rise was only marginal overall, despite reports of further hikes in material costs and energy prices. That said, some companies reported lower prices for some components and utilities.

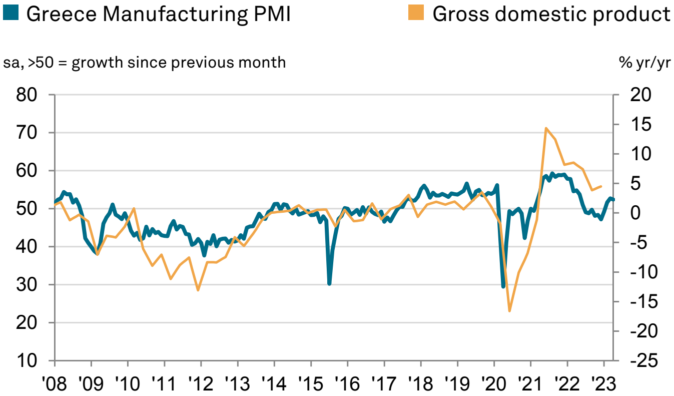
Output charges continued to increase at the start of the second quarter, albeit only slightly. Selling prices were raised in an effort to pass-through costs to clients, but some noted that moderations in cost inflation was reflected in the slowest rise in output prices since January 2021.

Greater new order inflows spurred a third successive monthly expansion in workforce numbers in April. Greek manufacturers recorded the sharpest rise in employment for a year. Firms reportedly grew capacity to meet increased production requirements.

Job creation allowed firms to work through incomplete orders during April, as backlogs of work fell further. The solid rate of decline was quicker than that seen in March.

Supply chains feeding into the Greek manufacturing sector showed signs of reduced disruption during April, as vendor performance improved to the greatest extent in over 13 years. Firms felt the necessity to carry safety stocks had waned, as lead times quickened and materials became more readily available. Despite contractions in both pre- and post-production inventories, input buying was ramped up amid greater new order inflows.

Finally, business confidence among Greek manufacturers rose to its highest since January 2022. Optimism stemmed from hopes of further upticks in client demand and investment in marketing and advertising campaigns.



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.

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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.

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