

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## IHS Markit Eurozone Manufacturing PMI® – final data

### PMI rises to five-month high as manufacturers regain momentum

#### Key findings:

- Final Eurozone Manufacturing PMI at 58.7 in January (Flash: 59.0, Dec Final: 58.0)
- Faster expansions in output and new orders; employment growth improves to five-month high
- Least marked deterioration in supplier performance for a year

Data collected 12-24 January.

#### Countries ranked by Manufacturing PMI: January

Austria	61.5	4-month high
Netherlands	60.1	2-month high
Germany	59.8 (flash: 60.5)	5-month high
Ireland	59.4	2-month high
Italy	58.3	11-month low
Greece	57.9	6-month low
Spain	56.2	Unchanged
France	55.5 (flash: 55.5)	3-month low

#### IHS Markit Eurozone Manufacturing PMI

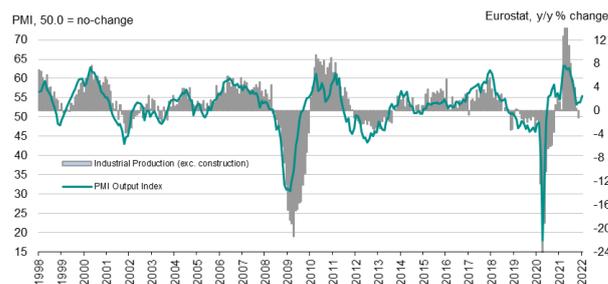


Source: IHS Markit.

Latest IHS Markit PMI® data showed the eurozone manufacturing sector regaining some momentum at the beginning of 2022, with production, new orders and employment all registering faster increases. Improvements on these fronts also came amid further tentative signs of supply chain issues starting to abate, as vendor performance deteriorated to the weakest extent in a year.

The rate of input price inflation also eased, to the weakest in nine months, but factory gate charges were increased to the second-fastest extent in almost 20 years of data collection.

All three broad market groups registered strong improvements in manufacturing conditions during January, although investment goods makers remained the outperformer for a second straight month.



Source: IHS Markit, Eurostat

The IHS Markit Eurozone Manufacturing PMI rose to 58.7 in January, up from 58.0 in December and its highest level since last August. Furthermore, the latest data was also indicative of stronger growth momentum after the headline index slumped to a ten-month low previously.

Data split by euro area nation revealed Austria had the strongest-growing manufacturing sector in January, while faster expansions were also seen in the Netherlands, Germany and Ireland. Elsewhere, manufacturing growth in Spain was strong and unchanged from December, while slower improvements were seen for Italy, Greece and France.

Eurozone manufacturing output increased further in January, extending the current sequence of growth to 19 months. Furthermore, the expansion accelerated to the quickest since last September. Demand conditions also improved, with new orders rising at the

fastest pace in four months. Survey data showed stronger sales growth across overseas markets too as new export order\* growth quickened slightly over the month.

Capacity pressures remained apparent however, as evidenced by a further increase in backlogs of work. Overall, the level of outstanding business grew sharply and at a rate that was above its historical average, but the pace of accumulation was the softest since last February.

In an effort to clear unfulfilled orders and manage rising intakes of new work, additional staff were hired by eurozone goods producers in January. The rate of job creation was the fastest since last August and among the quickest in over 24 years of data collection.

That said, the supply side of the manufacturing sector continued to hinder efficient business operations. Latest survey data showed another steep deterioration in vendor performance during January. More positively, however, the extent to which supplier delivery times lengthened was the slowest in a year.

Consequently, fewer incidences of delivery delays facilitated a stronger expansion in purchasing activity, which rose at the quickest rate in five months. That said, the rate at which inputs were stockpiled slowed from December's survey record.

On the prices front, latest data showed eurozone manufacturers were faced with still-substantial cost pressures in January. However, the rate of input price inflation eased to a nine-month low. Nevertheless, firms took a more aggressive approach to price setting, with factory gate charges rising at a faster rate. Furthermore, the rate of output price inflation was the second-fastest on record, surpassed only by that seen last November.

*\*Includes intra-eurozone trade*

## Comment

Commenting on the final Manufacturing PMI data, Chris Williamson, Chief Business Economist at IHS Markit said:

*“Eurozone manufacturers appear to be weathering the Omicron storm better than prior COVID-19 waves so far, with firms reporting the largest production and order book improvements for four months in January. Prospects have also brightened, with a further easing in the number of supply chain delays playing a key role in prompting producers to revise up their expectations for growth in the coming year to the highest since last June.*

*“The improvement is by no means evenly spread across the eurozone, however, with resurgent growth in Germany, the Netherlands and Austria contrasting with slowdowns in Italy, Spain and Greece and near-stalled production in France.*

*“Furthermore, although the number of supply delays has fallen from the peak last year, lead-times remain stretched for many critical inputs and for a wide variety of capital equipment, constraining output and resulting in sustained high price pressures. Average prices charged for goods leaving the factory gate rose at the second-highest rate in almost two-decades, which points to inflation remaining elevated in coming months.*

*“Escalating tensions surrounding Ukraine, the energy price crisis and prospect of global central bank policy tightening meanwhile create additional headwinds to the outlook, which suggest that - although the global supply crunch may be easing - demand conditions may be less supportive to manufacturers in coming months.”*

-Ends-

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**Note to Editors:**

The Eurozone Manufacturing *PMI*<sup>®</sup> (*Purchasing Managers' Index*<sup>®</sup>) is produced by IHS Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 89% of eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The January 2022 flash was based on 87% of the replies used in the final data.

The average differences between the flash and final *PMI* index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Eurozone Manufacturing <i>PMI</i>	0.0	0.1

The *Purchasing Managers' Index (PMI)* survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. *PMI* surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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