

# IHS Markit Europe Sector PMI®

## European sector data signal divergence in recovery trends in September

### Key findings

Manufacturers, banks and business services drive growth

Autos & parts posts another near-record increase in production

More sectors register lower output than in August, led by tourism & recreation

The latest detailed European sector PMI® data indicated stronger increases in output in key manufacturing activities in September but more sectors experiencing declines, evidence of a divergent recovery emerging across the region's economy.

European Sector PMI indices are compiled from responses to IHS Markit's European PMI surveys, covering over 8,000 private sector companies in 11 countries. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

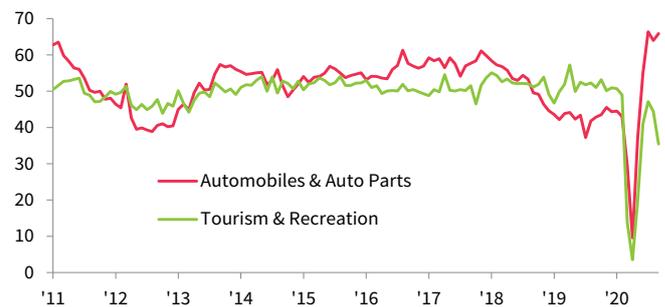
At the most detailed level, 14 out of 20 monitored sectors registered higher output in September and, of these, six achieved faster rates of growth, all in the manufacturing sector. They were led by **automobiles & auto parts**, which posted another near-record increase in production, followed by **metals & mining** (strongest growth since December 2010) and **construction materials**. **Household & personal use products, machinery & equipment** and **chemicals** also recorded stronger growth. Outside manufacturing, the fastest-growing sectors were **banks**, ranked seventh, and **industrial services**, in tenth.

On the other hand, six sectors registered falling activity in September, two more than in August and three more than in July. The fastest decline was again seen in **tourism & recreation**, which posted the steepest drop since May, followed by **healthcare services**. Rates of decline elsewhere were modest, with **technology equipment** the only manufacturing category to record lower output.

Only four sectors registered growth in workforces in September, although this was the highest number since February. Job creation was strongest in **pharmaceuticals & biotechnology**.

Europe Output Index

sa, >50 = growth since previous month

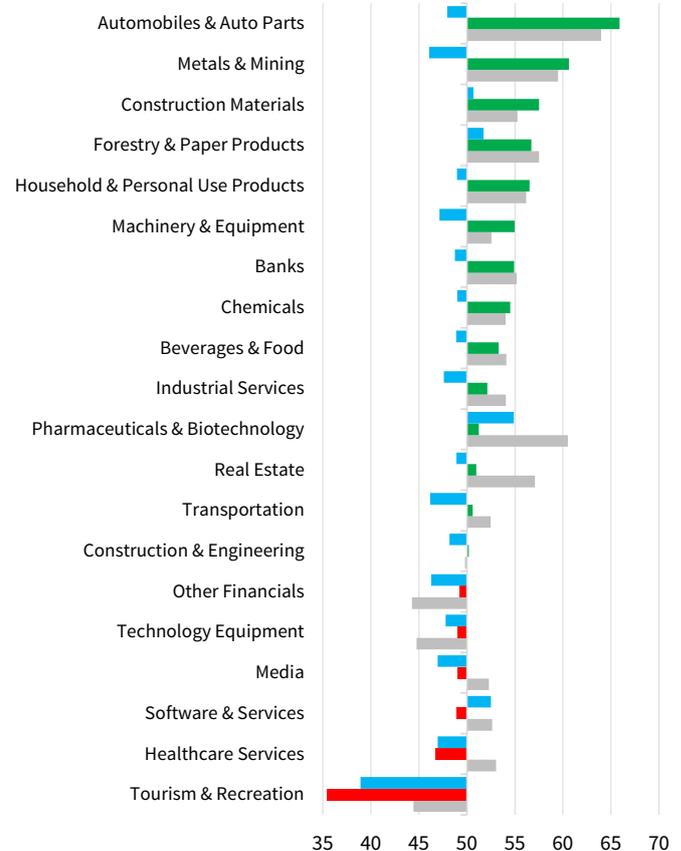


Source: IHS Markit.

Output Index, Sep '20 / Aug '20

Employment Index, Sep '20

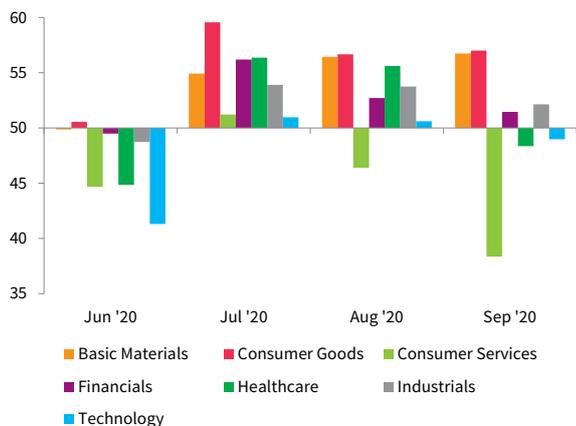
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

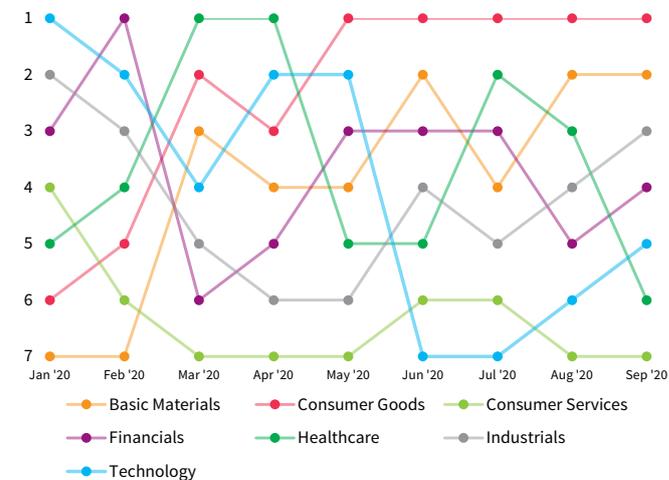
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

Rank



Source: IHS Markit.

Contact

Chris Williamson  
 Chief Business Economist  
 IHS Markit  
 T: +44-20-7260-2329  
[chris.williamson@ihsmarkit.com](mailto:chris.williamson@ihsmarkit.com)

Trevor Balchin  
 Economics Director  
 IHS Markit  
 T: +44-1491-461-065  
[trevor.balchin@ihsmarkit.com](mailto:trevor.balchin@ihsmarkit.com)

Katherine Smith  
 Public Relations  
 IHS Markit  
 T: +1 781 301 9311  
[katherine.smith@ihsmarkit.com](mailto:katherine.smith@ihsmarkit.com)

Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland and the Czech Republic.

IHS Markit maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. 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.

For manufacturing sectors, 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.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

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 IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit 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 IHS Markit 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. IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates.

About IHS Markit

IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

IHS Markit is a registered trademark of IHS Markit Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2020 IHS Markit Ltd. All rights reserved.

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](https://ihsmarkit.com/products/pmi.html)

If you prefer not to receive news releases from IHS Markit, please email [katherine.smith@ihsmarkit.com](mailto:katherine.smith@ihsmarkit.com). To read our privacy policy, click here.