

# News Release

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

### May PMI falls to lowest for over a year amid subdued demand conditions

#### Key findings

Output rises fractionally as new orders broadly unchanged

Selling prices increase at sharper pace

Soaring costs lead to fall in input buying and stock levels

May PMI<sup>®</sup> data from S&P Global indicated a solid, albeit slower, improvement in operating conditions across the Greek manufacturing sector. The overall upturn was weighed down by subdued output growth and broadly unchanged new order inflows compared with April. Domestic and foreign client demand were hampered by soaring prices, which continued to rise markedly. In an effort to pass on hikes in cost burdens, selling prices rose at a sharper pace, and one that was among the quickest on record. Weaker demand conditions, surging prices and continued delivery delays led to a reduction in both pre- and post-production inventories, prompting firms to lower their buying activity and work through stocks instead.

Meanwhile, output expectations strengthened amid hopes of a stabilisation in prices and investment in new products.

The seasonally adjusted S&P Global Greece Manufacturing Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>) posted 53.8 in May, down from 54.8 in April. The latest headline index reading signalled a solid improvement in the health of the Greek manufacturing sector, but the overall expansion eased to the slowest since March 2021.

Contributing to the slowdown in growth were broadly unchanged inflows of new orders during May. The respective seasonally adjusted index fell to its lowest for over a year. Where an expansion was reported, firms linked this to new orders from foreign clients. That said, growth was stymied by substantial increases in selling prices which dampened client demand.

New export orders remained in expansion territory, although foreign sales rose at only a marginal pace. Some companies stated that uncertainty due to the war in Ukraine also weighed on export performance.

Subsequently, the upturn in output slowed to the softest in the current 14-month sequence of growth. Greek manufacturers recorded only a slight increase in production

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



Source: S&P Global.  
Data were collected 12-24 May 2022.

#### Comment

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

"Greek manufacturers indicated a further improvement in operating conditions across the sector, however, underlying data pointed towards less upbeat demand conditions. Price pressures remained substantial and continued to make inroads into client demand as customers balked at soaring selling prices. New order inflows were broadly unchanged on the month, while there was only a marginal expansion in export business.

"Goods producers themselves also took a step back from additional expenses as input buying fell for the first time in over a year, with firms choosing to deplete stocks instead.

"Ongoing supply disruption, the impact of the war in Ukraine and surging input costs are likely to remain headwinds facing Greek manufacturers as the year progresses. Although firms were more upbeat regarding the outlook, our current forecast for industrial production expects a 1.6% increase in 2022."

as material delivery delays also served to stymie production capacity.

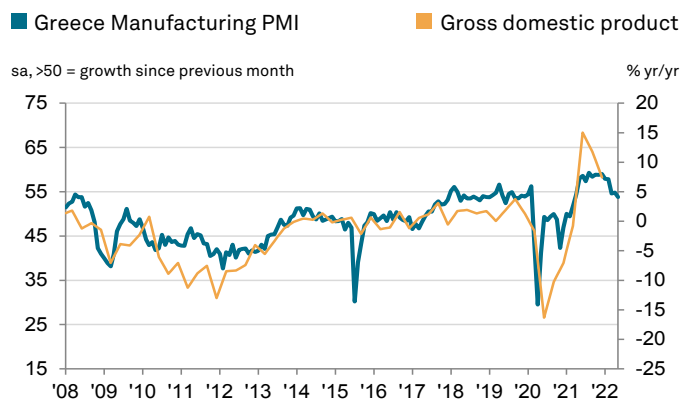
At the same time, inflationary pressures remained substantial as selling prices rose at a sharper pace. Greek manufacturing firms recorded one of the fastest increases in charges on record amid marked hikes in input prices, which were largely passed on to customers.

The rate of cost inflation was historically elevated, but it eased to the softest since last August. Nonetheless, goods producers continued to mention soaring fuel, energy and material costs, with metals and plastics highlighted in particular.

In line with marked cost increases and weak client demand, firms lowered their input buying during May. Purchasing activity fell for the first time since February 2021, albeit only marginally. Many companies opted to work through current holdings of inputs, as stocks of purchases contracted at the second-fastest rate in over a year. Efforts to expand post-production inventories were also impeded, as stocks of finished goods declined at the joint-quickest pace since April 2020.

Meanwhile, Greek manufacturers increased their workforce numbers further in May. Greater capacity led to the first contraction in backlogs of work since April 2021, despite the pace of job creation easing to the slowest for over a year.

Output expectations towards the year-ahead improved in May and reached the strongest for three months. Anecdotal evidence suggested that optimism stemmed from hopes of a stabilisation in prices, investment in new products and greater client demand.



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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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