

# News Release

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## S&P Global Poland Manufacturing PMI®

### Polish manufacturing downturn reaches two-year mark in April

#### Key findings

PMI below 50.0 for survey-record twenty-fourth straight month

Faster declines in new orders and employment

Renewed fall in manufacturing input prices

Poland's lengthy downturn in manufacturing business conditions continued in April, according to the latest PMI® data from S&P Global. The sector contracted for the twenty-fourth successive month, the longest sequence since the survey began in 1998. New orders, exports and employment all declined at faster rates during the month, and output fell for a record twenty-fourth month running.

The headline S&P Global Poland Manufacturing PMI is a composite single-figure indicator of manufacturing performance. It is derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases, and has been compiled since 1998.

The S&P Global Poland Manufacturing PMI fell to 45.9 in April, from 48.0 in March, indicating the fastest deterioration in business conditions in six months. That said, it remained above the trend level of 45.5 since the current sequence of sub-50.0 readings began in May 2022.

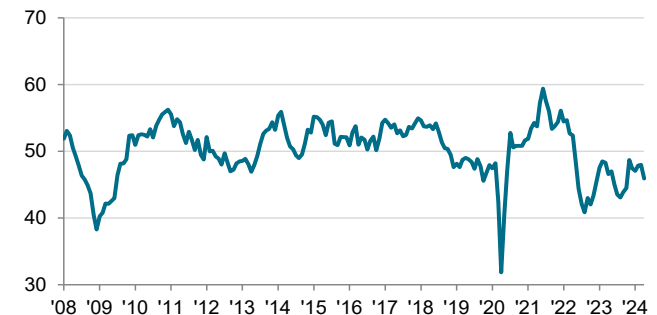
The 2.1-point fall in the headline figure was the largest observed since July 2022, driven by four of the five components. The output sub-index was unchanged from March but still well below 50.0.

Demand for Polish manufactured goods continued to weaken in April. New orders fell for the twenty-sixth month running, the longest decline on record, and the pace of contraction accelerated to the fastest since January. Domestic markets remained weak, while exports were weighed down by lower orders from key European markets including Germany, France and Italy.

Lower new orders continued to hit(?) production in April, which declined for a survey-record twenty-fourth consecutive month. Unlike new business, however, the pace of decline in output stabilised as companies completed backlogs at a faster pace. Goods producers have reported a reduction in unfinished business each month since June 2022.

Poland Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 11-24 April 2024.

#### Comment

Trevor Balchin, Economics Director at S&P Global Market Intelligence, said:

"Poland's manufacturing downturn was extended into April, marking the longest period of continuous decline since the survey began in 1998. Moreover, new orders, exports and employment all fell at faster rates than in March. Output contracted at an unchanged rate, although the 12-month outlook retreated further from February's recent peak.

"Price pressures remained weak, with input costs posting a renewed decline and output prices falling for the thirteenth straight month.

"Although the Polish data generally weakened in April, the flash eurozone figures provided a glimmer of hope that demand from European markets may pick up soon, as overall output rose for the second month running and Germany returned to growth."

PMI®

by S&P Global

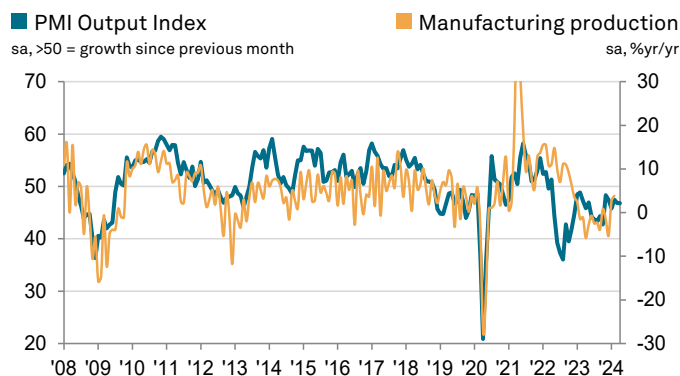
Employment fell further in April, with the current 23-month sequence of job shedding the longest registered in over 20 years. Moreover, the rate of retrenchment was the fastest in five months.

Purchasing activity continued to decline in April, albeit at one of the weakest rates over the past two years. Manufacturers continued to streamline their pre-production inventories, with stocks of purchases falling for the thirteenth successive month. Similarly, stocks of finished goods decreased for the third time in 2024 so far, as manufacturers reported selling direct from stock.

Suppliers' delivery times quickened for the first time in four months in April, and to the greatest extent since last September.

Inflationary pressures weakened in April, continuing the general trend seen since April 2023. Average input costs fell for the tenth time in the past 13 months, linked to lower steel prices and supplier competition. Meanwhile, output prices were reduced for the thirteenth successive month, albeit at the slowest pace over this period.

Polish goods producers remained optimistic about the likelihood of higher output in the next 12 months. A number of firms were hopeful of a recovery in market conditions and higher exports. That said, growth forecasts were the weakest in six months and below the long-run trend.



Sources: S&P Global PMI, GUS.

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### Survey methodology

The S&P Global Poland Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in June 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](mailto:economics@spglobal.com).

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