

# News Release

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## S&P Global Europe Sector PMI®

### Majority of European sectors register falling activity at start of 2023

#### Key findings

15 sectors record lower activity, up from 11 in December

Forestry & Paper Products leads wider downturns in output and new orders

Broader Technology group tops growth rankings again

The majority of sectors continued to record downturns in both activity and demand at the start of 2023, according to latest S&P Global Europe Sector PMI® data. Of the 20 monitored industries, 15 recorded contractions in output - the overall total was higher than in December (11) but lower than in November (18).

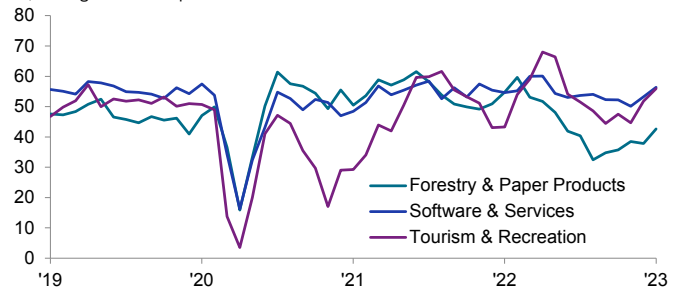
The Software & Services category topped the European growth rankings in the first month of the year, registering its sharpest expansion in activity since last April. Its sector counterpart, Technology Equipment, was one of only four other industries to have recorded an upturn in output in January. As such, for the sixth time in the past seven months, the wider Technology group performed the best out of the seven broad categories monitored. The only other sub-sectors to have recorded growth in January were Tourism & Recreation, Beverages & Food, and Industrial Services. Moreover, Tourism & Recreation recorded the strongest expansion in order book volumes.

Meanwhile, operating conditions in the wider Basic Material group remained challenging, with all three of its detailed sector constituents ranking within the bottom six places for activity. Notably, Forestry & Paper Products recorded the sharpest downturns for both output and new orders out of the 20 monitored industries.

In total, 11 of the 20 monitored sectors added to their workforces in January, with rates of job creation even accelerating in some instances. As has been the case in each of the past eight months, Technology Equipment firms recorded the fastest growth in staffing numbers while the Forestry and Paper sector footed the employment growth rankings for the fourth month in a row. Turning to prices, 18 out of the 20 sectors recorded higher input costs in January, with inflation rates the sharpest in Banks and Tourism & Recreation. Notably, Chemicals and Forestry & Paper Products faced lower average costs when compared to the preceding month. Regarding selling prices, the strongest rate of output price inflation was recorded in Technology Equipment while firms cut prices for a second consecutive month in the Forestry & Paper Products industry.

Europe Sector PMI Business Activity Index

sa, >50 = growth since previous month



Source: S&P Global.

Output Index  
New Orders Index  
Employment Index

sa, >50 = growth since previous month



Source: S&P Global.

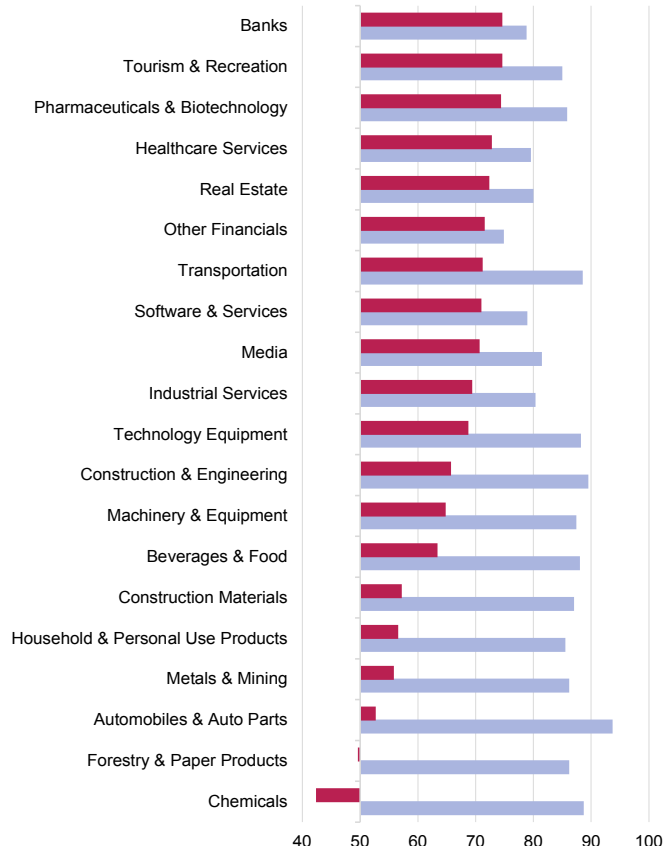
PMI®

by S&P Global

Input Prices Index

■ Jan '23 ■ 2022 high

sa, >50 = inflation since previous month



Source: S&P Global.

Survey methodology

The S&P Global Europe Sector PMI® indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global'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.

S&P Global 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).

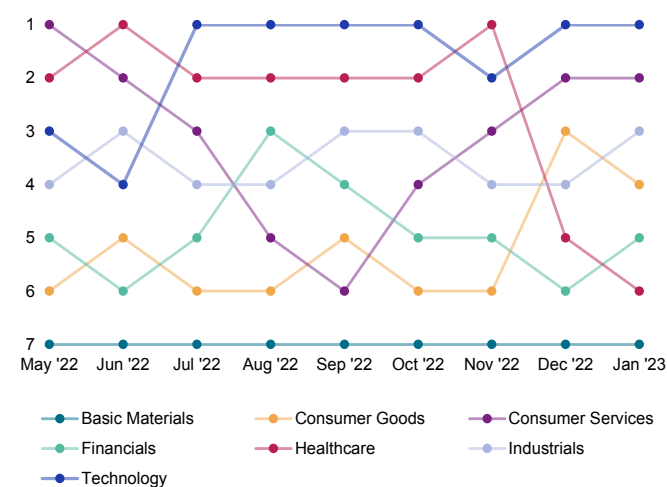
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Output Index

Rank



Source: S&P Global.

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