

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 1000 (CET) / 0900 (UTC) 5<sup>th</sup> January 2022**

## IHS Markit Eurozone Composite PMI® – final data

Includes IHS Markit Eurozone Services PMI®

### Economic growth eases to nine-month low as pandemic flares up

#### Key findings:

- Final Eurozone Composite Output Index: **53.3** (Flash: 53.4, Nov Final: 55.4)
- Final Eurozone Services Business Activity Index: **53.1** (Flash: 53.3, Nov Final: 55.9)

Data collected 06-20 December

Following a brief acceleration in November, economic growth in the euro area eased to a nine-month low during December, resuming a slowdown trend amid a resurgence of COVID-19 infections. This had a notable effect on the service sector, restricting increases in both activity and new business. Meanwhile, manufacturing output growth remained subdued as supply-related disruptions continued to impede production schedules.

After accounting for seasonal factors, the **IHS Markit Eurozone PMI® Composite Output Index** fell to 53.3 in December, down from 55.4 in November, to signal the softest expansion in combined manufacturing and services output since March.

The direction of growth differed by sector, with a slowdown in the eurozone's dominant services sector to blame for a weaker improvement at the composite level. An unchanged rate of expansion in manufacturing output from November – and therefore the second-weakest in one-and-a-half years – meant the upturn at goods producers remained subdued relative to the 2021 average.

While difficulties in obtaining inputs was once again noted as a major headwind for manufacturers, a resurgence in the pandemic across the eurozone was a considerable drag on activity and demand in the services sector. So much so that, for the first time since July, manufacturing output growth outpaced that for services.

#### IHS Markit Eurozone Composite PMI Output Index



#### Countries ranked by Composite PMI\*:

Ireland	56.5	9-month low
France	55.8 (flash: 55.6)	2-month low
Spain	55.4	8-month low
Italy	54.7	2-month low
Germany	49.9 (flash: 50.0)	18-month low

\* Composite Output PMI against GDP comparisons for Germany, France, Italy and Spain are included on page 3 of this press release.

In a similar vein to the aggregate euro area data, Composite Output PMIs by country all declined during December. As a result, slower rates of growth were seen in Ireland, France, Spain and Italy, while the level of business activity in Germany was broadly stagnant over the month.

According to December survey data, demand for goods and services across the eurozone rose at the slowest pace since March. Incoming new business from international clients was especially dented by the emergence of the Omicron variant and the resultant surge in COVID-19 cases in some areas. New business from overseas rose at the slowest rate since January, although data showed that growth

was exclusive to manufacturers as services firms registered a decline.

Nevertheless, there was a slight improvement in business optimism during December, rising from November's ten-month low. Both sectors recorded stronger levels of confidence.

This also coincided with a strong increase in employment across the eurozone. Overall, the rate of jobs growth was the weakest since May, but it remained well above its historic average. Increased staffing numbers was a reflection of growing demands on businesses and the subsequent strain this had placed on capacities. Backlogs of work increased for a tenth successive month during December.

Finally, survey data for prices showed still-substantial inflationary pressures at the end of 2021. Output charges and input costs increased at the second-sharpest rates on record, surpassed only by those seen in November.

## Services

The IHS Markit Eurozone **PMI® Services Business Activity Index** fell to its lowest level since April in December. At 53.1, down from 55.9 in November, the latest survey data signalled a renewed slowdown in growth at eurozone services firms as increasing COVID-19 infections weighed on the performance of the sector.

Falling new business from foreign clients – the first time since May – was a strong drag on overall growth in new business during December. Demand for services did continue to rise, marking an eighth successive monthly increase, but the latest expansion was the slowest over this period.

Nevertheless, service providers continued to expand their workforce numbers amid a further increase in backlogs of work. That said, jobs growth slowed to a seven-month low.

Lastly, rates of input cost and output price inflation slowed from November, but were both substantial overall and the second-fastest on record.

## Comment

Joe Hayes, Senior Economist at IHS Markit said:

*“The accelerated expansion in output we saw in November unfortunately turned out to be brief. Amid a resurgence of COVID-19 infections across the euro area, growth slowed to the weakest since March in December. In Germany, where measures to combat COVID-19 have been more stringent than other monitored euro area countries, levels of economic activity broadly stagnated in December. Nonetheless, slower growth was seen across the board.*”

*“The spread of the Omicron variant had a particularly profound impact on the services sector, reflecting renewed hesitancy among customers due to the novel strain of the virus. Looser travel restrictions in recent months had facilitated greater levels of tourism, which in turn provided additional support to the eurozone service sector. However, this was withdrawn in December as overseas demand declined for the first time since May.*”

*“There was also little to cheer with regards to inflation. Although there was a marginal easing of price pressures, we’re still in excessively hot territory – increases in both input and output costs were the second-quickest on record.*”

*“As euro area nations deal with the latest developments in the pandemic, it’s clear that risks to the economy are now greater as tighter restrictions to curb the spread of COVID-19 are more likely than they have been recently.”*

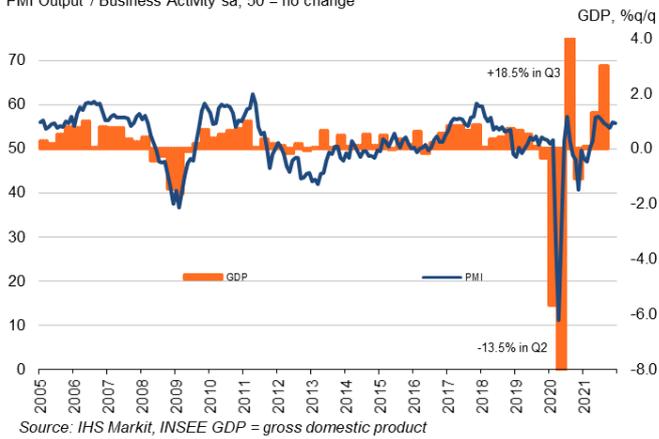
-Ends-

\*\* [Click here](#) for further details of using the PMI to measure GDP in advance.

† for business confidence (optimism), companies are asked whether they expect levels of business activity in one year's time to be higher, the same or lower than the current month.

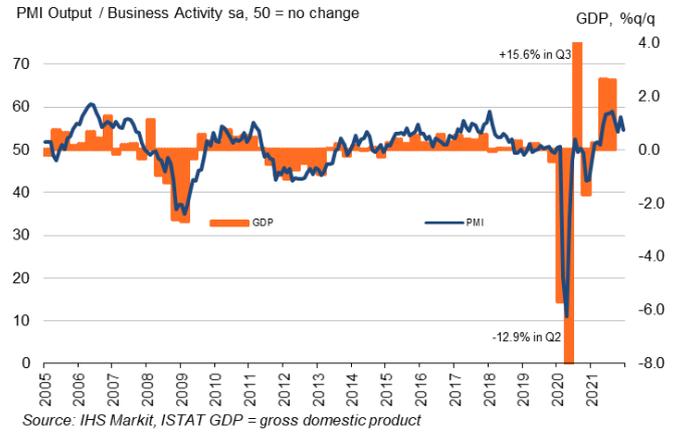
## France

PMI Output / Business Activity sa, 50 = no change



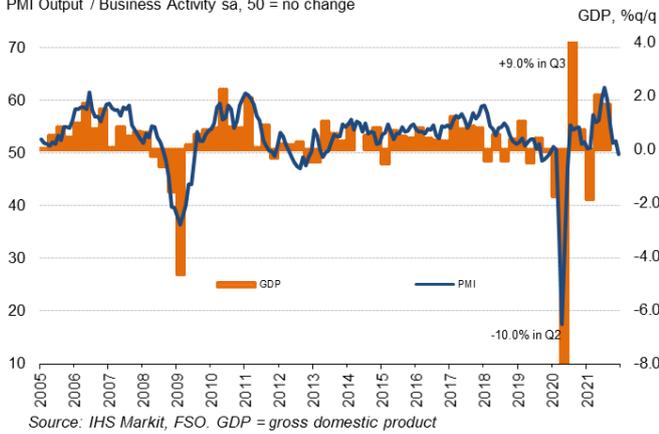
## Italy

PMI Output / Business Activity sa, 50 = no change



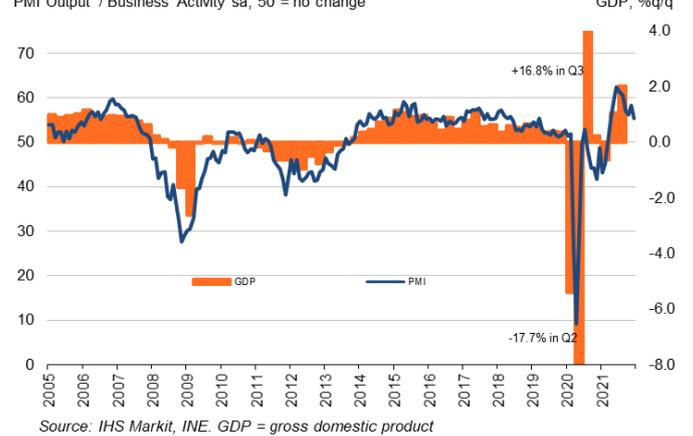
## Germany

PMI Output / Business Activity sa, 50 = no change



## Spain

PMI Output / Business Activity sa, 50 = no change



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**Note to Editors:**

The Eurozone Composite *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 5,000 manufacturing and services firms. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland.

The Eurozone Services *PMI* (*Purchasing Managers' Index*) is produced by IHS Markit and is based on original survey data collected from a representative panel of around 2,000 private service sector firms. National data are included for Germany, France, Italy, Spain and the Republic of Ireland. These countries together account for an estimated 78% of eurozone private sector services output.

The final Eurozone Composite *PMI* and Services *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 75%–85% of total *PMI* survey responses each month. The December composite flash was based on 86% of the replies used in the final data. The December services flash was based on 81% 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 Composite Output <i>PMI</i>	0.0	0.2
Eurozone Services Business Activity <i>PMI</i>	0.0	0.3

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 subsequently revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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*Purchasing Managers' Index*<sup>®</sup> (*PMI*<sup>®</sup>) 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. To learn more go to <https://ihsmarkit.com/products/pmi.html>.

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