

News Release

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S&P Global Greece Manufacturing PMI[®]

Renewed upturn in operating conditions as new orders rise at fastest pace for a year in February

Key findings

Renewed expansions in output, new orders and employment

Inflationary pressures ease

Business confidence strongest since February 2022

February data indicated a renewed improvement in the health of the Greek manufacturing sector, according to the latest PMI[®] data from S&P Global. The rate of overall expansion was moderate, but the strongest since May 2022, amid returns to growth in output and new orders. A renewed increase was also seen in employment, with greater client demand supporting stronger sentiment towards the outlook. Ongoing supplier delivery delays and efforts to deplete safety stocks led to contractions in both pre-and post-production inventories.

Meanwhile, input costs increased at a notably softer pace. The rise was the slowest since August 2020 amid reports of falling costs for some raw materials. Nonetheless, firms sought to offset hikes in supplier prices where possible, with output charges rising sharply again in February.

The seasonally adjusted S&P Global Greece Manufacturing Purchasing Managers' Index[®] (PMI[®]) posted 51.7 midway through the first quarter, up from 49.2 in January. The latest data signalled a return to improvement in operating conditions at Greek manufacturing firms, thereby ending a seven-month sequence of deterioration. The upturn in the health of the sector was modest overall and the quickest since May 2022.

Contributing to the overall expansion was a solid rise in production at Greek manufacturers in February. The rate of growth was the steepest for a year and quicker than the series trend. Higher output levels were often attributed to greater client demand and a return to growth in new orders.

February data signalled a renewed upturn in new sales across the Greek manufacturing sector, bringing to an end a sequence of decline that began in June 2022. Although only marginal, the rate of expansion was the sharpest for a year. Panellists noted that greater customer demand and reduced uncertainty drove growth. Weighing on the increase in total sales was a further contraction in new export orders, however.

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



Source: S&P Global.
Data were collected 10-21 February 2023.

Comment

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

“Greek manufacturers signalled positive developments across the sector during February, as output, new orders and employment all returned to growth territory. Greater production was supported by stronger demand conditions, as firms highlighted lower uncertainty and hesitancy among clients. Buoyed by increased new orders, workforce numbers grew, and business confidence strengthened to the highest level in a year.

“Meanwhile, cost pressures eased again, as material and other input prices rose at the slowest pace in two-and-a-half years, helping to alleviate the burden of expenses felt by manufacturers throughout 2021 and 2022. Firms were still keen to try and recoup hikes in costs, however, as the rate of charge inflation remained sticky.”

Although only marginal, the pace of decline quickened from that seen in January.

Subdued demand for certain inputs was, in part, behind a slower rise in cost burdens during February, with supplier price hikes reportedly slowing as a result. Input costs rose at the weakest rate since August 2020, having eased for the fourth successive month.

The pace of charge inflation was broadly similar to those seen in January and December, however. Greek manufacturers signalled a sharp rise in selling prices as firms continued to pass through hikes in costs to clients.

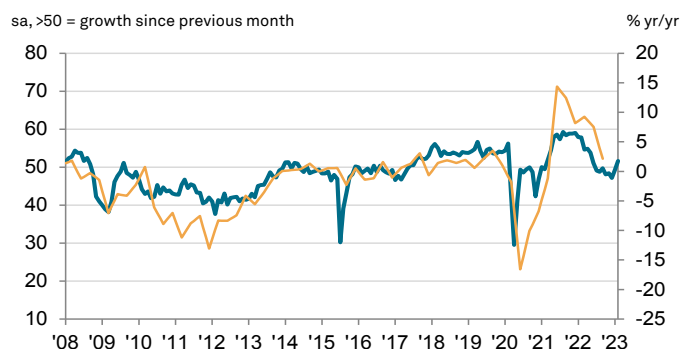
Renewed expansions in output and new orders buoyed Greek manufacturing firms, as the degree of business confidence strengthened to the highest for a year in February. Upbeat expectations regarding the outlook for output over the coming 12 months stemmed from hopes of further upticks in client demand.

Greater new orders spurred a renewed round of hiring during February. Employment rose for the second time in three months and at a marginal pace. Firms stated that increased workforce numbers were necessary to facilitate expanded production requirements.

Concurrently, Greek manufacturers registered a further contraction in backlogs of work. The fall was strong overall, but the slowest for six months.

At the same time, Greek manufacturing firms expanded their purchasing activity at the fastest pace since March 2022, amid greater new orders. Nonetheless, companies continued to deplete stocks as current holdings of semi-finished items and inputs were utilised to supplement production. Some firms noted that pre-production inventories fell amid worsening delivery delays at suppliers.

■ Greece Manufacturing PMI ■ Gross domestic product



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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.

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