

# IHS Markit Europe Sector PMI®

## Key European sectors return to growth in June

### Key findings

Strong expansion in production of construction materials

Automobiles & auto parts output rises at fastest rate in over two years

Tourism & recreation sees greatest job shedding

With Europe continuing to ease lockdown restrictions in June, the latest sector PMI® data indicated higher activity in a number of key sectors of the region's economy, and much slower declines elsewhere.

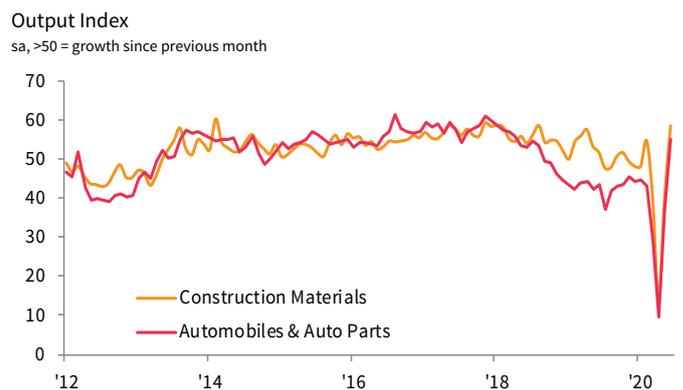
European Sector PMI indices are compiled from responses to IHS Markit's European PMI surveys, covering over 8,000 private sector companies in 11 countries. Indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

At the halfway point of a challenging 2020, 11 out of 20 sectors registered growth of output in June. The strongest rate of expansion was seen in **construction materials**, followed by **automobiles & auto parts**. The latter recorded the first increase since August 2018, and the strongest rate of growth since April 2018. Other areas to see higher output included **pharmaceuticals & biotechnology**, **beverages & food**, **media**, **banks**, **real estate**, **chemicals**, **construction & engineering**, **forestry & paper products** and **transportation**.

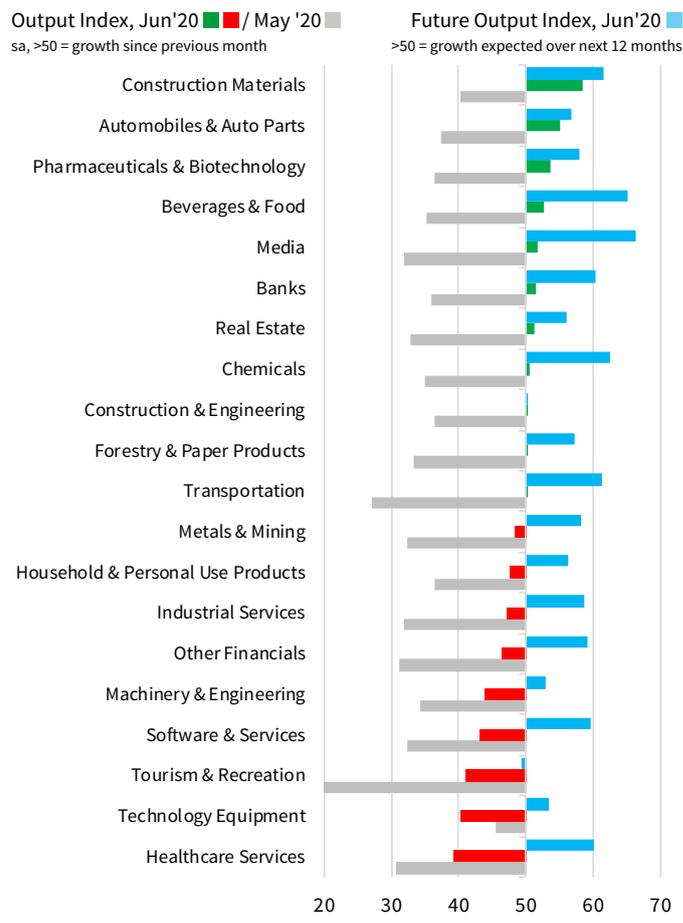
Of the nine sectors to record further contractions, all registered slower rates of decline except **technology equipment**, which posted the second-fastest drop in output ahead of **healthcare services**.

All sectors except pharmaceuticals & biotechnology recorded job losses in June. **Tourism & recreation** posted the fastest decline in employment for the fourth month running.

Looking ahead 12 months, all sectors except tourism & recreation registered positive output forecasts in June. The strongest confidence was in **media**, followed by **beverages & food**.



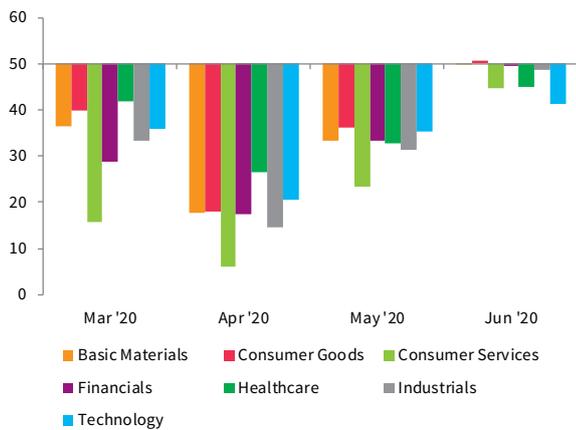
Source: IHS Markit.



Source: IHS Markit.

Output Index

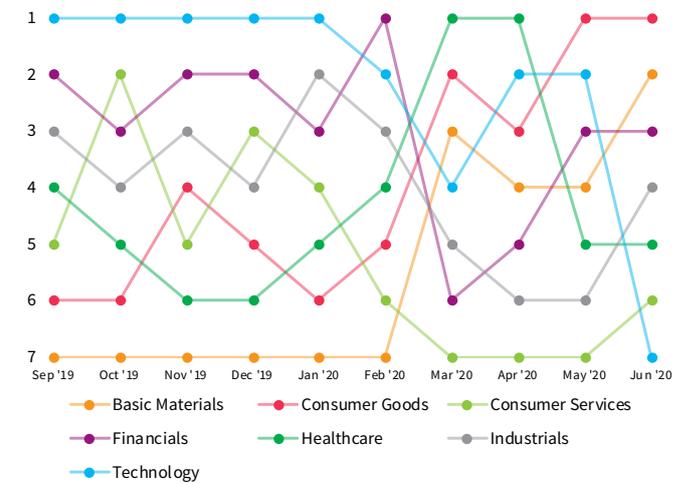
sa, >50 = growth since previous month



Source: IHS Markit.

Output Index

Rank



Source: IHS Markit.

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Methodology

The IHS Markit Europe Sector PMI® indices are compiled by IHS Markit from responses to questionnaires sent to purchasing managers in IHS Markit'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.

IHS Markit 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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IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions.

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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.  
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