

News Release

Embargoed until 1100 EET (0900 UTC) 1 November 2022

S&P Global Greece Manufacturing PMI[®]

Decline in operating conditions gathers pace in October amid subdued client demand

Key findings

Faster downturns in output and new orders

Inflationary pressures regain momentum

Business confidence lowest since May 2020

October data signalled a modest decline in the health of the Greek manufacturing sector, according to the latest PMI[®] data from S&P Global. The deterioration in operating conditions stemmed from quicker declines in output and new orders, with inflationary pressures placing strain on client demand. Rates of input price and output charge inflation picked up pace on the month amid hikes in energy, fuel and transportation costs. In an effort to rein in spending, goods producers cut their input buying again and employment fell further.

Manufacturing firms were also less upbeat regarding their output expectations for the year ahead. The degree of optimism slumped to the lowest in almost two-and-a-half years.

The seasonally adjusted S&P Global Greece Manufacturing Purchasing Managers' Index[®] (PMI[®]) posted 48.1 at the start of the final quarter of 2022, down from 49.7 in September. The downturn in the health of the Greek manufacturing sector was moderate overall, but quickened to the sharpest since December 2020.

Contributing to the overall decline was a further decrease in production at Greek manufacturers in October. The latest fall in output extended the current sequence of contraction to five months and was the second-fastest in almost two years. Firms stated that the downturn was linked to weak client demand and lower new order inflows.

Subdued customer demand was reflected in the sharpest decline in new orders since December 2020. Greek manufacturers noted that demand conditions were weighed down by the impact of inflation and hikes in energy costs, which served to reduce customer purchasing power.

At the same time, new export sales contracted strongly in October. Challenging economic conditions in key overseas markets and the impact of energy price instability reportedly dampened new export sales.

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



Source: S&P Global.
Data were collected 12-24 October 2022.

Comment

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

"Greek manufacturers registered further downturns in output and new orders during October, as the final quarter of the year heralded worrisome underlying trends. Already weak domestic and foreign demand slumped again, while firms cut input buying and staffing in response to lower production requirements.

"Despite muted demand for inputs, cost burdens rose at a sharper pace as hikes in energy and transportation prices exacerbated inflationary pressures. In response, firms sought to pass through greater costs to clients as selling prices also ticked up at a steeper rate.

"Goods producers remained upbeat overall in their year-ahead expectations for output, but optimism was only slight. Our current forecast for industrial production expects a 3.0% rise in 2022, but headwinds to the sector are weighing on the outlook for 2023, with firms concerned about energy price inflation and broader strain on global economic conditions."

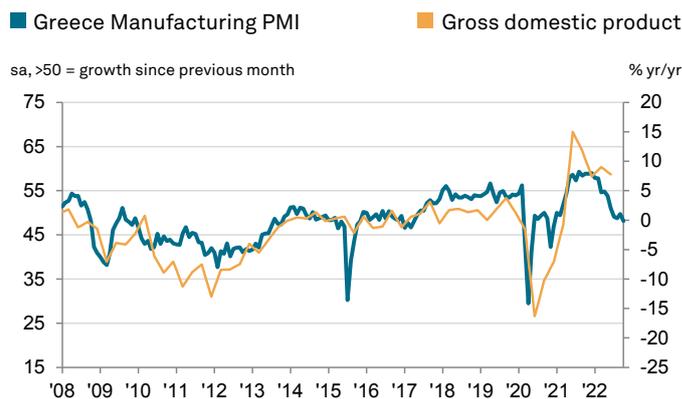
October data indicated another marked rise in input costs faced by Greek manufacturers, with the pace of inflation quickening again from August's recent low. Higher cost burdens were attributed to hikes in material, transportation, fuel and energy prices. Although regaining momentum and being quicker than the series average, the rate of increase was among the slowest in almost two years.

Meanwhile, firms continued to pass through greater costs to their clients, as output charges also rose at a sharper pace. The rate of charge inflation was well above the series trend.

In line with weaker demand conditions, Greek goods producers recorded a third successive monthly fall in employment in October. Firms cut staffing numbers amid a sharp reduction in backlogs of work. That said, the rate of job shedding was only fractional and the slowest in the aforementioned sequence of decline.

Greek manufacturers also registered weaker expectations regarding the outlook for output over the coming year. Although firms remained optimistic overall, the overall level of business confidence fell to its lowest since May 2020. Energy price volatility and challenging domestic and foreign market conditions hampered confidence.

Although still marked, the deterioration in vendor performance eased, as lead times lengthened to the smallest extent since January 2021. Nonetheless, cost-cutting initiatives and lower production levels led to further decreases in input buying and stocks of purchases. Post-production inventories fell at the sharpest pace for three months as firms did not prioritise replenishing stocks due to weak client demand.



Contact

Siân Jones
Senior Economist
S&P Global Market Intelligence
T: +44-1491-461-017
sian.jones@spglobal.com

Sabrina Mayeen
Corporate Communications
S&P Global Market Intelligence
T: +44 (0)-7967-447030
sabrina.mayeen@spglobal.com

If you prefer not to receive news releases from S&P Global, please email katherine.smith@spglobal.com. To read our privacy policy, click [here](#).

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.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index® and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.