

UniCredit Bank Austria Manufacturing PMI®

Manufacturing sector under pressure as output slips back into contraction in January

Key findings

Production levels decrease for first time in four months

Rate of decline in new orders quickens

Margins squeezed as input costs rise and output prices fall

The first batch of PMI® survey data for 2026 showed a renewed decline in production volumes across the Austrian manufacturing sector in January, reflecting a solid and accelerated decrease in new orders. Purchasing activity and employment also fell at quicker rates as firms responded to weaker demand.

At the same time, January's survey results pointed to pressure on margins. Input costs rose at the quickest rate for four months, but competition for new work led to a further decrease in average factory gate charges.

Despite the current challenges, goods producers remained optimistic about prospects in the coming year. Expectations ticked down slightly from December's 46-month high but remained stronger than the long-run average.

The UniCredit Bank Austria Manufacturing Purchasing Managers' Index™ (PMI®) – a single-figure gauge of performance calculated from measures of new orders, output, employment, supplier's delivery times and stocks of purchases – registered 47.2 in January, down from 49.3 in December and its lowest reading for seven months. Four out of the five sub-components imparted a negative directional influence, the only exception being stocks of purchases which fell at a slightly slower rate than the month before.

Production volumes returned to contraction in January, after rising in each of the previous three months and having recorded the strongest growth for three-and-a-half years in November. Furthermore, the rate of decline in output was solid and the fastest since January 2025.

The drop in production generally reflected a lack of incoming new work. January saw new orders fall for a second month running and to the greatest extent since last June. Central to this was a deepening decline in export sales, which likewise posted the sharpest rate of contraction for seven months.

Backlogs of work showed a renewed decline in January, after

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sa, >50 = growth since previous month



Sources: Bank Austria, S&P Global PMI.
Data were collected 12-23 January 2026.

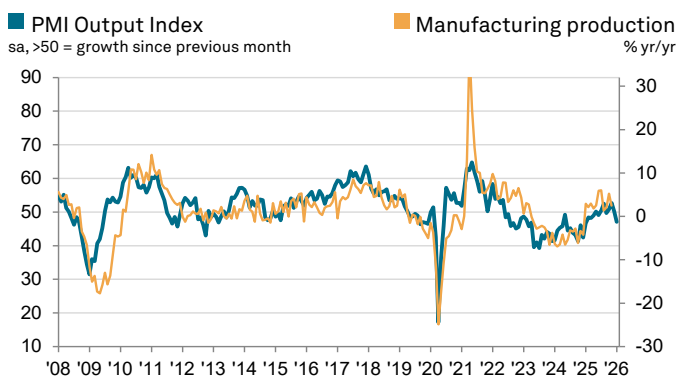
rising – albeit marginally – for the first time in over three-and-a-half years in December. Manufacturers scaled back staffing capacity as some reported adjusting to lower capacity utilisation. Moreover, the rate of decline in employment accelerated sharply to the quickest in three months.

Goods producers also cut their purchasing activity to the greatest extent since last October. This reflected ongoing efforts to reduce stocks of purchases, which have fallen continuously since early 2023. Post-production inventories, by contrast, rose for a fourth straight month, largely due to weakness in customer demand.

Despite Austrian manufacturers curbing their purchasing activity, they reported a further lengthening of supplier delivery times in January. The deterioration in vendor performance, which was slightly less marked than in December, was partly linked to supply issues and reduced output upstream.

Average input prices meanwhile posted the second-quickest rise in almost three years, the rate of inflation coming in just shy of last September's recent peak. Energy and metals were sources of cost pressure, according to anecdotal evidence. Manufacturers, nevertheless, cut output charges for a ninth straight month. The rate of decline was modest and little-changed from December.

Looking ahead, almost one-third (32%) of goods producers anticipated an increase in output over the next 12 months, versus only 14% that expected a decrease. Those that were optimistic about the outlook remarked on hopes of an upturn in demand, a general improvement in economic prospects and business expansion plans.



Sources: Bank Austria, S&P Global PMI, Eurostat via S&P Global Market Intelligence.

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Survey methodology

The UniCredit Bank Austria 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 October 1998.

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@spglobal.com.

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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