

Automobiles & Parts

European auto sector stabilises in January

- Output broadly unchanged since December
- Stable trend in new export business stems overall decline in new orders
- Employment falls for tenth month running

Having undergone the steepest downturn since the height of the financial crisis last year, January *PMI*[®] data for the European automobiles industry raised the likelihood of a recovery in business conditions within the sector in early-2013. Although new orders continued to fall, the rate of decline was the weakest since last February and output was broadly stable.

The **Markit EU Automobiles & Parts Output Index** rose for the sixth successive month, to a level broadly consistent with no change in production since December. The latest figure was the second-highest in the past 16 months.

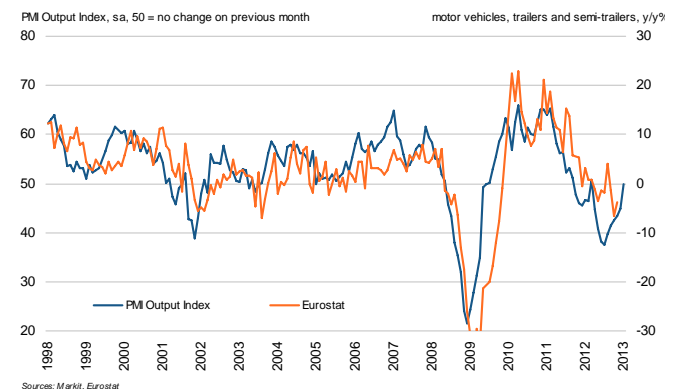
The *PMI* series can be compared with official Eurostat data on production trends, for which the latest available figures indicated a 3.8% year-on-year drop in autos production in November, a slower fall than the three-year record 6.7% drop in October. However, with the forward-looking *PMI* having bottomed-out last July, the survey data suggest that the official figures will continue to improve in the coming months.

Data for new business suggest that exports* helped to support workloads in January, reflecting in particular rising demand in Asian markets for European marques. This contrasts with 2010-11, when domestic markets provided the main source of demand as European governments introduced incentive schemes for motorists to scrap older models.

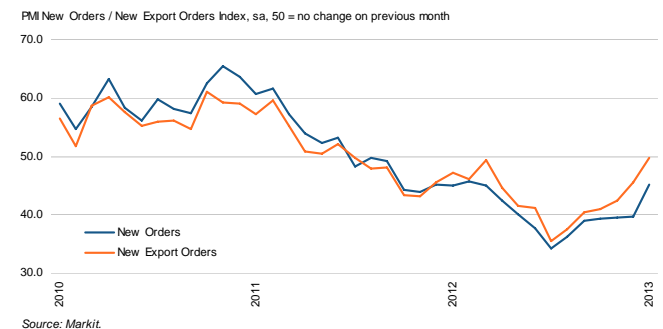
Although output stabilised, auto manufacturers continued to shed staff in January. The current sequence of decline in employment in the sector now stretches to ten months.

*Includes intra-EU trade

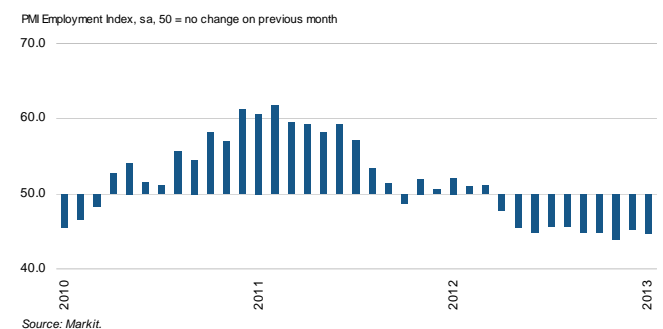
Automobiles & Parts



New business



Employment



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