

News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
EMBARGOED UNTIL: 09:00 (UK Time) 4 December 2013

Markit Eurozone Composite PMI® – final data

Includes Markit Eurozone Services PMI®

Eurozone growth slows further as France and Italy suffer renewed contractions

- Final Eurozone Composite Output Index:
51.7 (Flash 51.5, October 51.9)
- Final Eurozone Services Business Activity Index:
51.2 (Flash 50.9, October 51.6)

At 51.7 in November, down from 51.9 in October, the final **Markit Eurozone PMI® Composite Output Index** signalled growth of economic activity for the fifth consecutive month. However, despite also posting above its earlier flash estimate of 51.5, the output index indicated an easing in the rate of expansion for the second month running.

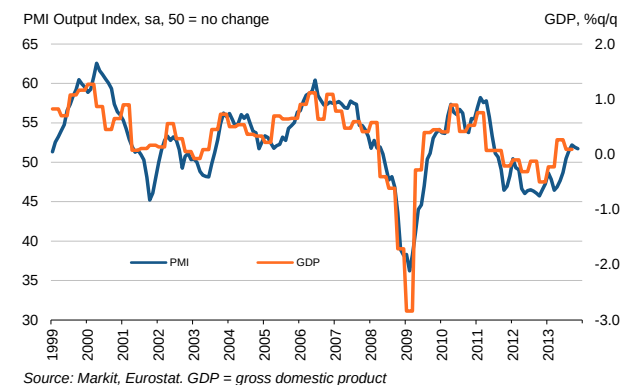
Manufacturing production continued to rise at a solid clip, with the rate of increase accelerating slightly to a three-month peak. The upturn remained comparatively subdued at service providers, however, with the rate of expansion in this sector slipping to its lowest since August.

Manufacturers and service providers continued to benefit from improved inflows of new business. Measured across both sectors, the combined rate of new order growth remained modest but was nonetheless the joint-highest during the past two-and-a-half years.

Trends remained varied by nation. Germany and Ireland led the pack by some distance, as output growth in Germany surged to a 29-month high while the expansion in Ireland was similarly robust despite easing to a five-month low.

Spain also saw a modest expansion of output for the third time in the past four months, underpinned by the steepest gain in new business since July 2007. In contrast, France and Italy slipped back into contraction following brief periods of output growth.

Markit Eurozone PMI and GDP



Nations ranked by all-sector output growth (Nov.)

Germany	55.4	29-month high
Ireland	55.4	5-month low
Spain	50.8	3-month high
Italy	48.8	5-month low
France	48.0	5-month low

Eurozone employment fell again in November, extending the current unbroken sequence of decline to 23 months. France, Italy and Spain all reported job losses during the latest survey month, although rates of decrease eased in the latter pair. The decline in France followed a slight increase in October. Job creation was registered in Germany and Ireland, with the gain in the former the steepest for 20 months.

Input price inflation accelerated to an 11-month high in November, reflecting strengthening cost increases at manufacturers and service providers alike. Output prices, meanwhile, fell for the twentieth straight month. France, Italy and Spain all reported solid reductions in charges, while Ireland also saw a marginal decrease. In contrast, output charge inflation in Germany hit a nine-month high.

Services:

At 51.2 in November, the **Eurozone Services Business Activity Index** signalled an increase in service sector output for the fourth successive month. However, the rate of increase was only modest and slipped to its weakest since August.

Germany and Ireland recorded strong increases in output, with growth hitting a ten-month high in Germany and remaining well above its long-run survey average in Ireland.

Spain saw a modest expansion which was nonetheless the sharpest since June 2010. The real points of weakness were France and Italy, whose service economies fell back into contraction.

New business expanded for the fourth month running, with the rate of increase in line with September's 27-month record. However, the modest gains in new orders and business activity failed to prevent further job losses. Service sector employment has fallen in every month since the start of 2012 except for a pause in September.

Ireland reported further robust job creation, with the rate of increase staying close to July's six-and-a-half year record. Jobs growth also hit a near two-year peak in Germany. Conversely, France, Italy and Spain all registered solid reductions to payroll numbers.

Input cost inflation accelerated to an 11-month high in November, but remained below the long-run survey average. Service providers again struggled to pass on rising input prices, as highlighted by a further solid reduction in average charges. Germany remained the only nation to report an increase in selling prices.

Confidence regarding the 12-month outlook for the Eurozone service sector edged lower for the second month running. Although companies still expect activity to be higher in one year's time, the degree of optimism dipped to a three-month low. France and Germany expressed the lowest degrees of confidence, and Ireland the highest.

Comment:

Chris Williamson, Chief Economist at Markit said:

"The final PMI data confirm that the euro area's recovery lost some momentum in November. While we shouldn't lose sight of the fact that the region is growing again, in marked contrast to the decline seen earlier in the year, it's clearly a concern that the rate of growth remains so fragile."

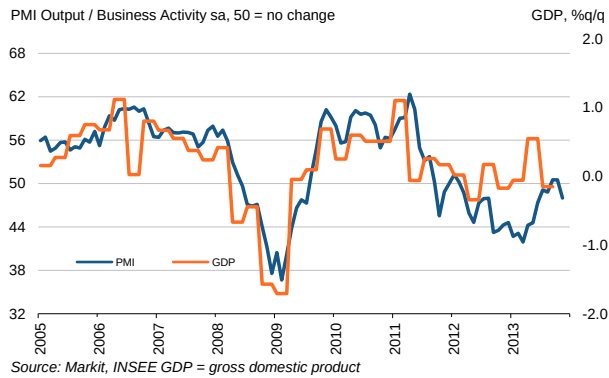
"The survey suggests that the region's economy is on course to grow by just 0.2% in the fourth quarter, providing December sees the PMI hold at its current level, having expanded by just 0.1% in the third quarter."

"There are some encouraging signs of robust growth in some countries, especially Germany, where the PMI indicates we may see the economy grow by 0.5% in the fourth quarter. A further upturn in the PMI for Spain adds to signs that its economy will have likewise continued to grow. These expansions are largely being driven by manufacturing, in part due to the recent upturn in global trade."

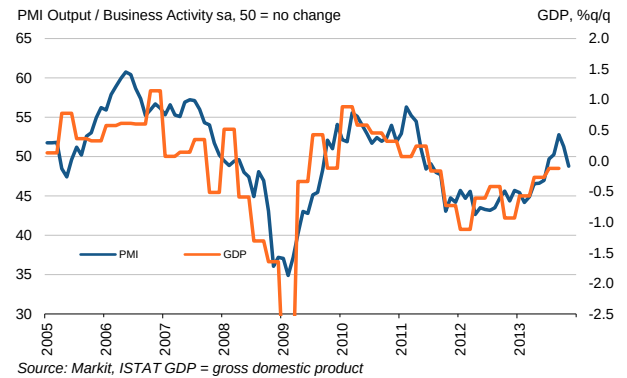
"However, declines in the PMIs for Italy and France raise the prospect of these countries' economies contracting again in the fourth quarter, meaning Italy's recession will have extended into a staggering tenth successive quarter and France will have slid back into a new recession."

-Ends-

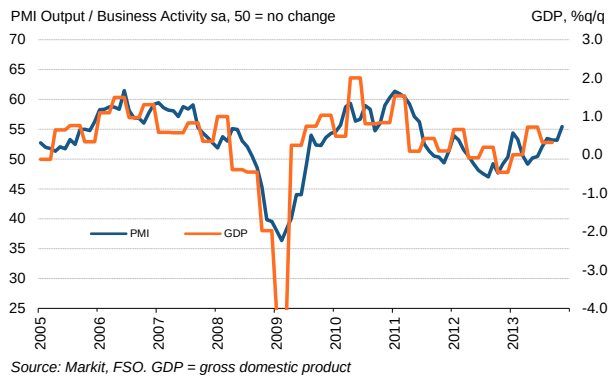
France



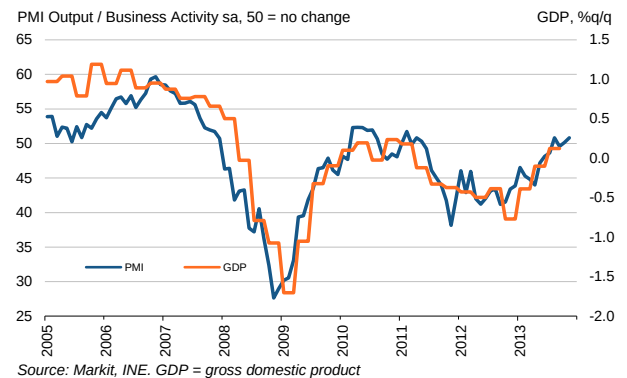
Italy



Germany



Spain



For further information, please contact:

Markit

Chris Williamson, Chief Economist
Telephone +44-20-7260-2329
Mobile +44-779-5555-061
Email chris.williamson@markit.com

Rob Dobson, Senior Economist
Telephone +44-1491-461-095
Mobile +44-7826-913-863
Email rob.dobson@markit.com

Caroline Lumley, Director, Corporate Communications
Telephone +44-20-7260-2047
Mobile +44-7815-812-162
Email caroline.lumley@markit.com

Notes to Editors:

The Eurozone Composite *PMI*[®] (*Purchasing Managers' Index*[®]) is produced by Markit and is based on original survey data collected from a representative panel of around 5,000 manufacturing and services firms. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland.

The Eurozone Services *PMI* (*Purchasing Managers' Index*) is produced by Markit and is based on original survey data collected from a representative panel of around 2,000 private service sector firms. National data are included for Germany, France, Italy, Spain and the Republic of Ireland. These countries together account for an estimated 80% of Eurozone private sector services output.

The **final** Eurozone Composite *PMI* and Services *PMI* follows on from the **flash** estimate which is released a week earlier and is typically based on approximately 75%–85% of total *PMI* survey responses each month. The November composite flash was based on 81% of the replies used in the final data. The November services flash was based on 77% of the replies used in the final data. **Data were collected 12-26 November.**

The average differences between the flash and final *PMI* index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Eurozone Composite Output <i>PMI</i> [®]	0.0	0.3
Eurozone Services Business Activity <i>PMI</i>	0.0	0.3

The ***Purchasing Managers' Index (PMI)*** survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. *PMI* surveys are the *first* indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from Markit. Please contact economics@markit.com.

About Markit

Markit is a leading, global financial information services company with over 3,000 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial marketplace. For more information, see www.markit.com.

About PMIs

Purchasing Managers' Index[®] (*PMI*[®]) surveys are now available for 32 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. To learn more go to www.markit.com/economics.

The intellectual property rights to the Eurozone Composite and Services *PMI* provided herein is owned by Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit 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 Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*[®] and *PMI*[®] are registered trade marks of Markit Economics Limited. Markit and the Markit logo are registered trade marks of Markit Group Limited.