News Release

Purchasing Managers' Index®
MARKET SENSITIVE INFORMATION
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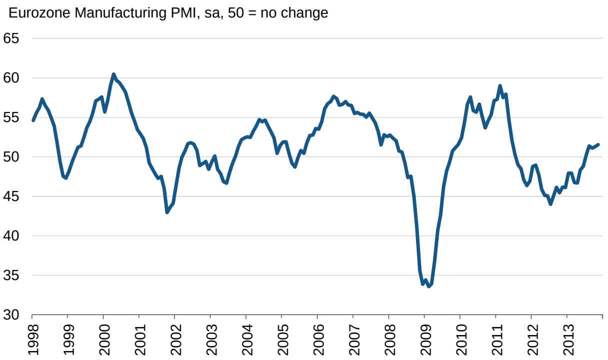
Markit Eurozone Manufacturing PMI® – final data

Manufacturing recovery continues in November

Data collected 12-22 November.

- Final Eurozone Manufacturing PMI rises to 51.6 in November, up from flash estimate of 51.5
- Output, new orders and new exports all expand for the fifth successive month…
- …but fail to halt the ongoing slide in manufacturing employment

Manufacturing PMI® (overall business conditions)



Source: Markit.

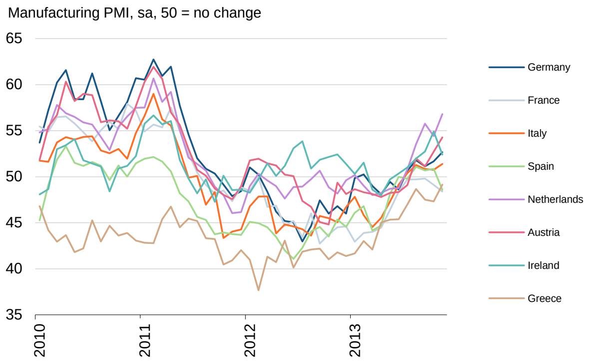
The recovery in the eurozone manufacturing sector accelerated again in November. Although the pace of expansion remained modest overall, the real positives were that growth extended into a fifth successive month with the rate of increase hitting a near two-and-half year high.

The seasonally adjusted **Markit Eurozone Manufacturing PMI®** posted 51.6 in November, up from 51.3 in October and the earlier flash estimate of 51.5. The headline PMI is currently at its highest level since June 2011. The average reading so far in the final quarter (51.5) also places the sector on course to register its best quarterly performance since the second quarter of 2011.

Levels of manufacturing production, new orders and new export business all rose for the fifth consecutive month. The rates of growth in output and new work both accelerated slightly to the highest since August, while the pace of increase in non-domestic orders reached a two-and-a-half year record.

Countries ranked by Manufacturing PMI®: Nov.

Netherlands	56.8	31-month high
Austria	54.3	30-month high
Germany	52.7 (flash 52.5)	29-month high
Ireland	52.4	3-month low
Italy	51.4	30-month high
Greece	49.2	51-month high
Spain	48.6	6-month low
France	48.4 (flash 47.8)	5-month low



Source: Markit.

PMIs for Germany, Italy, the Netherlands, Austria and Ireland all signalled expansion in November, with the rates of increase accelerating in all bar Ireland. These five nations benefited from concurrent growth of output, new orders and improved inflows of new export business.

There was also relatively positive news for Greece, where manufacturing output rose for the first time in over four years and new orders stabilised. France, meanwhile, slipped to the bottom of the PMI league table and was the only nation to report faster declines in both output and new orders. Spain fell back into contraction, as its weak domestic market offset improved inflows of new export business.

Backlogs of work at eurozone manufacturers expanded for the third time in the past four months in November. Although the pace of increase in work-in-hand was only marginal, it was still the steepest since May 2011. Taken together with the gain in new orders received, this indicated that overall order books were also improving – mainly in nations such as Germany, the Netherlands and Austria.

Rising levels of production and fuller order books failed to alter the trend in employment, however, with job cuts reported for the twenty-second month running. Germany, France and Spain all reported faster rates of decline. Further cuts were also seen in Greece (albeit the least severe reduction in almost four years), while Austria registered a decrease following a slight increase in October.

Average purchase prices rose for the third successive month in November, and at the fastest pace since October 2012. However, the rate of increase remained moderate compared with its long-run survey average. Input cost inflation was steepest in France and Italy. Adding to the evidence of rising input price inflation was the trend in average supplier lead times, which lengthened to the greatest extent in nearly two-and-a-half years.

The pass-through of higher input prices at the factory gate remained minor, however, as output prices rose only marginally again. The sharpest increases in output charges were centred on the stronger-performing manufacturing sectors – Germany, the Netherlands, Austria and Ireland.

Comment:

Chris Williamson, Chief Economist at Markit said:

"The November manufacturing PMI surveys bring good news on the whole, but suggest there's still a lot to worry about in terms of the health of the eurozone economy.

"Overall, manufacturing across the region is enjoying its best performance for two-and-a-half years, but the pace of growth remains only modest. The data suggest that output is rising at a quarterly rate of only around 0.6% in the fourth quarter so far.

"The most promising recovery signs are largely confined to northern countries, with strong growth being recorded in Germany, the Netherlands and Austria. More southerly countries continue to disappoint, though, especially France and Spain, where renewed downturns are evident.

"Importantly, improving export performances across a range of countries such as Italy, Spain and Ireland are offsetting domestic weakness, underscoring how producers in these countries are becoming more competitive and suggesting the long-term outlook is brightening.

"The big concern is France, which was the only country except Greece to see exports fall. With some improvement in domestic demand helping Greek producers report the first increase in output in over four years, France has sunk to the bottom of the eurozone PMI rankings.

"The other major concern is that employment continues to fall as companies seek to become leaner and more competitive. Any substantial improvement to the region's unemployment situation still seems frustratingly far off."

-Ends-

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Note to Editors:

The Eurozone Manufacturing *PMI*® (*Purchasing Managers' Index*®) is produced by Markit and is based on original survey data collected from a representative panel of around 3,000 manufacturing firms. National data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. These countries together account for an estimated 90% of Eurozone manufacturing activity.

The final Eurozone Manufacturing *PMI* follows on from the flash estimate which is released a week earlier and is typically based on approximately 85%–90% of total *PMI* survey responses each month. The November flash was based on 84% of the replies used in the final data.

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 Manufacturing *PMI*®	0.0	0.2

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 revised data are available to subscribers from Markit. Please contact economics@markit.com.

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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.