

## Markit EU Sector PMI

### Growth in consumer goods gains momentum at start of 2014

- Accelerated expansions in output across consumer goods group
- General industrials tops PMI growth table, followed by metals & mining
- Tourism & recreation only sector to post contraction

The first set of EU sector PMI® data for 2014 pointed to a further acceleration in the rate of expansion of **consumer goods** output. Having picked up for the third successive month, growth was the strongest for more than three-and-a-half years in January. Data showed a similar trend in new orders at firms operating within the group, suggesting momentum will be maintained at least throughout the early part of this year.

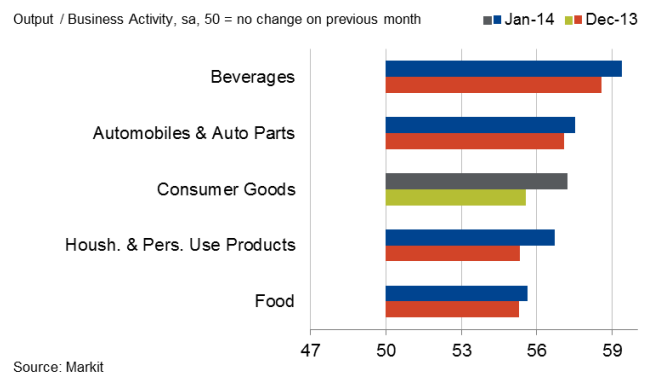
#### Sector-level breakdown

Faster increases in production were recorded in all four sectors that together make up the broad consumer goods group. The strongest overall expansion was seen in **beverages**, where growth accelerated since December on the back of a seventh straight monthly increase in new orders. The latest increases in output in the **automobiles & auto parts** and **household & personal use products** sectors were the most marked for four and 45 months respectively. Although the worst performer within the group during the month, **food** still saw a solid and accelerated increase in production that was the fastest for three-and-a-half years.

#### General industrials points to EU upturn strengthening

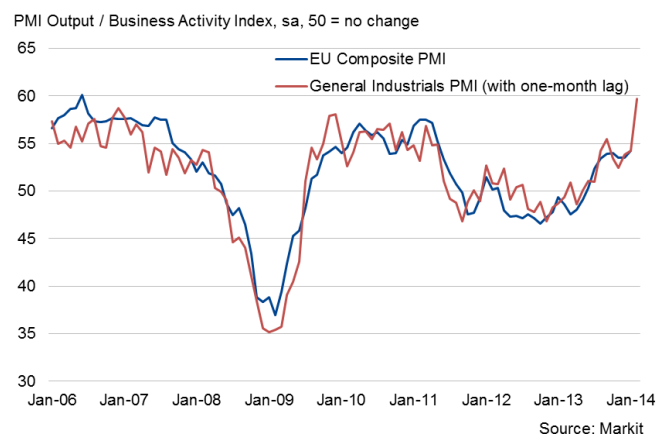
Of the 22 most narrowly defined sectors monitored by the survey, **general industrials** (which includes makers and distributors of packaging as well companies that engage in three or more classes of business within the industrial industry) posted the fastest overall increase in business activity – its sharpest since November 1999. Other survey indicators suggested a strengthening of the underlying

#### Broad-based upturn in consumer goods



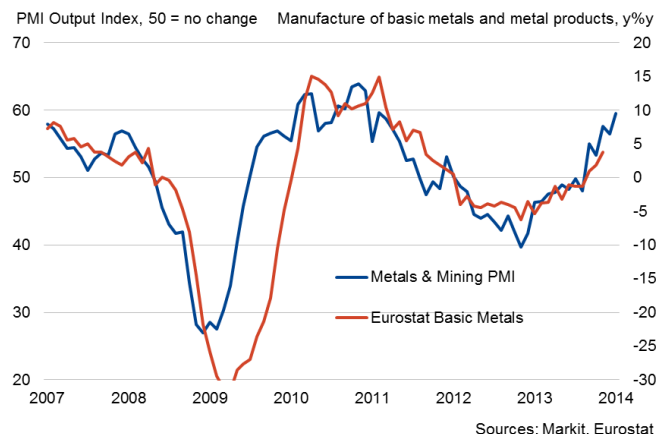
trend within the sector, with job creation quickening amid a sharper intake of new business and a record build-up of outstanding work. Being a supplier of inputs to numerous other sectors, the upturn in general industrials bodes well for the prospect of growth in the EU private sector as whole improving in coming months.

#### General industrials: Bellwether for broader trend



Just behind general industrials in the PMI growth league table was **metals & mining**, where the latest expansion in output was the sharpest in nearly three years. Data showed a contrasting trend in **forestry & paper products** (the other sector within the broad **resources** group), with output levels rising only modestly and at the weakest pace in its current six-month sequence of expansion.

### Growth in metals & mining gathers pace



### Tourism & recreation remains a weak point

As has been the case in each of the past five months, **tourism & recreation** was the worst-performing sector in January. Activity levels returned to contraction following a relatively flat trend in the final quarter of 2013, reflective of a renewed downturn in new business at the start of the year.

Other relative laggards included **real estate, construction & engineering** and **healthcare services**, all of which recorded slower increases in activity than during the preceding month.

#### Notes on data

Markit EU Sector PMI data are derived from surveys of over 6,400 companies operating in 11 countries. The data are released on the fifth working day (UK) of each month at 0930 UK time.

The data create powerful insight into sector profitability and provide tools for investment strategy and asset allocation. Corporate users are able to examine trends within industry sectors, to help industry forecasting and inventory planning. The dataset provides monthly indicators of business trends across variables such as output, order books, prices, inventories and employment for eight major groups including: basic materials, consumer goods, consumer services, financials, healthcare, industrials, technology and telecommunication services; and a further 26 sectors and subsectors of those groups.

Detailed historical EU sector data are available via a subscription from Markit, and datasets are also

available at the Global level. For further information please contact [electronics@markit.com](mailto:electronics@markit.com).

### Markit EU Sector PMI structure

#### Groups

- Sectors
- Subsectors

#### Basic Materials

- Chemicals
- Resources
- Forestry & Paper Products
- Metals & Mining

#### Consumer Goods

- Automobiles & Auto Parts
- Beverages & Food
  - Food
  - Beverages
- Household & Personal Use Products

#### Consumer Services

- Media
- Tourism & Recreation

#### Financials

- Banks
- Other Financials
- Real Estate

#### Healthcare

- Healthcare Services
- Pharmaceuticals & Biotechnology

#### Industrials

- Industrial Goods
  - Machinery & Equipment
  - Construction Materials
- Industrial Services
  - Construction & Engineering
  - Commercial & Professional Services
  - General Industrials
- Transportation

#### Technology

- Technology Equipment
- Software & Services

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