

News Release

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S&P Global Greece Manufacturing PMI[®]

Further robust upturn in Greek manufacturing production in April

Key findings

Output and new order growth rates ease, but remain steep

Rate of job creation sharpest since February 2022

Inflationary pressures intensify

The Greek manufacturing sector continued to signal a strong improvement in operating conditions at the start of the second quarter, according to the latest PMI[®] data from S&P Global. Although slightly softer, expansions in output and new orders remained sharp and historically robust. At the same time, foreign client demand conditions strengthened, as new export orders rose at the fastest pace since November 2021. A sustained uptick in new orders supported hiring and purchasing activity across the sector, with employment growth the sharpest in over two years. Nonetheless, firms saw further contractions in stock levels as the use of inputs and finished items to supplement production and sales exceeded replenishment, partly due to further supply chain delays.

Meanwhile, rates of input cost and output charge inflation ticked up amid greater raw material and fuel prices.

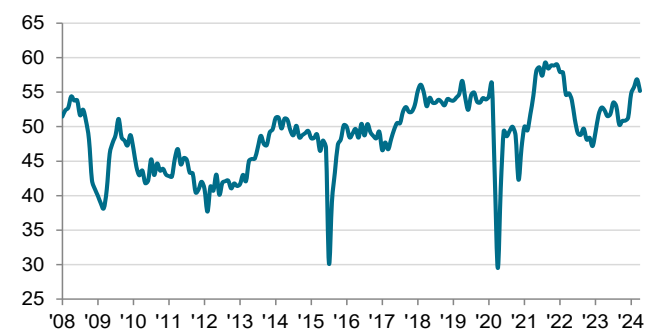
The seasonally adjusted S&P Global Greece Manufacturing Purchasing Managers' Index[™] (PMI) was down to 55.2 in April, from 56.9 in March. Although the lowest for three months, the latest reading signalled a strong improvement in the health of the manufacturing sector and one that was among the steepest in over two years.

Contributing to the sharp overall upturn was a steep rise in production at Greek manufacturers in April. Despite the pace of growth easing, it was the second-fastest since September 2021. A sustained rise in new sales supported the expansion, with firms highlighting stronger foreign client demand.

New orders received by Greek goods producers increased for the fifteenth month running in April. With the exception of February and March, the rate of growth was the sharpest since January 2022, as firms noted sustained interest in manufactured goods.

Moreover, new export orders grew at the sharpest pace in almost two-and-a-half years. Demand in Europe, Asia and the Middle East reportedly supported the upturn in new

Greece Manufacturing PMI
sa, >50 = growth since previous month



Source: S&P Global PMI.
Data were collected 11-23 April 2024.

Comment

Siân Jones, Principal Economist at S&P Global Market Intelligence, said:

"The Greek manufacturing sector remained in good health at the start of the second quarter, as a sustained and strong upturn in new orders supported output growth. Although softer than seen in the preceding two survey periods, rates of expansion were historically robust. Meanwhile, foreign client demand strengthened.

"The sector continued to be hampered by delays to input deliveries following a redirection of supply routes away from the Suez Canal. Longer lead times for raw materials and an accelerated uptick in input costs stymied efforts to replenish stocks. The sharpest rise in cost burdens since early-2023 led firms to hike selling prices at a quicker pace.

"On a more positive note, employment growth picked up again, with job creation at a rate not seen in over two years. Greater hiring came alongside more positive expectations for the year-ahead outlook for output. Moreover, our latest forecast expects industrial production to rise 3.4% on the year in 2024."

sales abroad.

Workforce numbers at Greek manufacturers rose at a stronger pace in April, as greater production requirements spurred hiring. The rate of job creation accelerated for the fifth month running and was the sharpest since February 2022.

Although backlogs of work fell for the ninth successive month in April, Greek manufacturers recorded the slowest drop in incomplete work in this sequence of decline. The decrease was only marginal as some firms noted that a sustained upturn in new orders was placing pressure on capacity.

Moreover, Greek goods producers expanded their input buying further in an effort to replenish stocks, which were once again depleted to supplement production. Purchasing activity grew at one of the fastest rates in over two years as both pre- and post-production inventories declined at sharper paces.

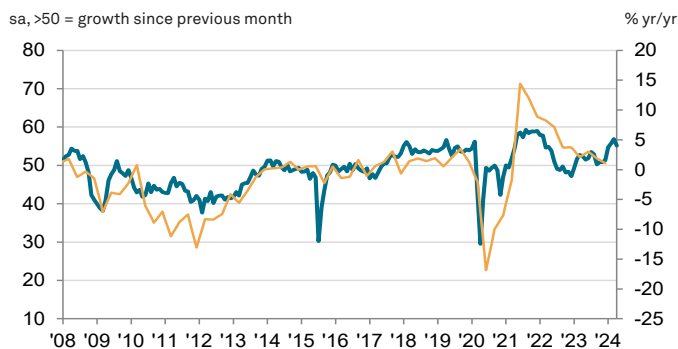
Supply chain issues persisted in April, as vendor performance deteriorated for the fifth month running amid the re-routing of deliveries ordinarily going through the Suez Canal. Lead times lengthened to a strong degree, despite the extent of delays easing to the least marked in 2024 to date.

Subsequently, prices for raw materials and fuel increased at a faster pace. The rate of cost inflation ticked up to the fastest since January 2023.

Favourable demand conditions allowed firms to pass-through higher costs to customers, as selling prices rose at the second-steepest pace since February 2023.

Finally, Greek manufacturers were among the most confident of an increase in output over the coming year in 11 months in April. Optimism improved amid planned investment in new product ranges and greater client engagement.

■ Greece Manufacturing PMI ■ Gross domestic product



Sources: S&P Global PMI, National Statistical Service of Greece via S&P Global Market Intelligence.

Contact

Siân Jones
Principal Economist
S&P Global Market Intelligence
T: +44-1491-461-017
sian.jones@spglobal.com

Sabrina Mayeen
Corporate Communications
S&P Global Market Intelligence
T: +44 (0)-7967-447030
sabrina.mayeen@spglobal.com

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Survey methodology

The S&P Global Greece 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 May 1999.

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.

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