

# European Union

Broad-based firming in growth across EU sectors in March, with survey-record rise in basic materials output.

## Key findings

- Activity growth strengthened across all major industry groups except **financials**.
- Series record rise in **basic materials** output, driven by **metals**.
- Sharp growth in **consumer goods** production reflected renewed strength in **autos** sector.
- **Construction** continued to drag on overall growth.
- Employment growth returned across a range of industries.

## Business activity rose at faster rates in all industry groups bar financials

March EU PMI data showed the fastest overall growth of business activity since August 2007. This reflected rates of expansion in manufacturing and services hitting 45- and 28-month highs respectively.

PMI data for the EU are also available at more detailed industry levels, and the latest findings show that **basic materials** – comprising metals, mining, forestry, paper and chemicals firms – registered the fastest production growth of the seven broad industry groups covered by the surveys in March. Moreover, the rate of growth accelerated to the highest since the series began in January 1998. Basic materials has been the top-ranked industry group in seven of the past nine months.

Five other industry groups also posted stronger output growth in March, with **financials** the one exception. Here, business activity rose at the slowest pace in five months, and at a rate slightly weaker than the long-run trend. **Consumer services** posted the slowest overall rate of expansion of the seven industry groups covered, although growth was still the fastest since July 2007 and greater than the long-run trend.

Chart 1: EU industries, Output/Business Activity

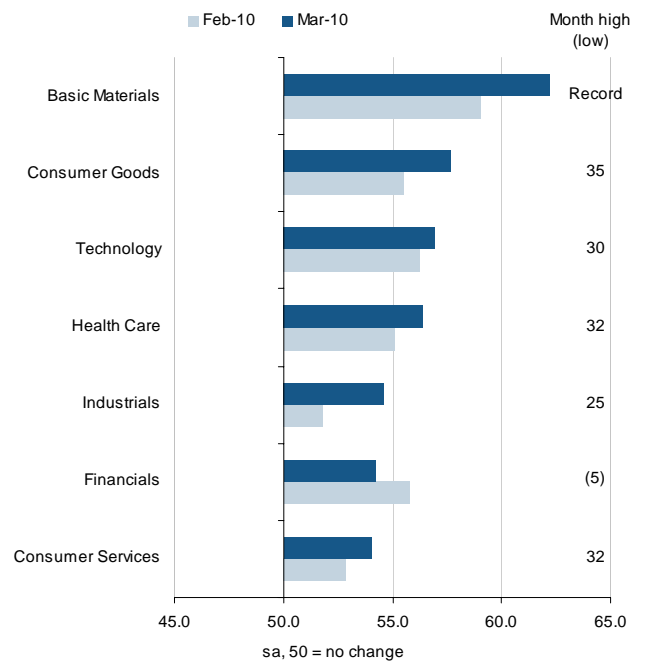
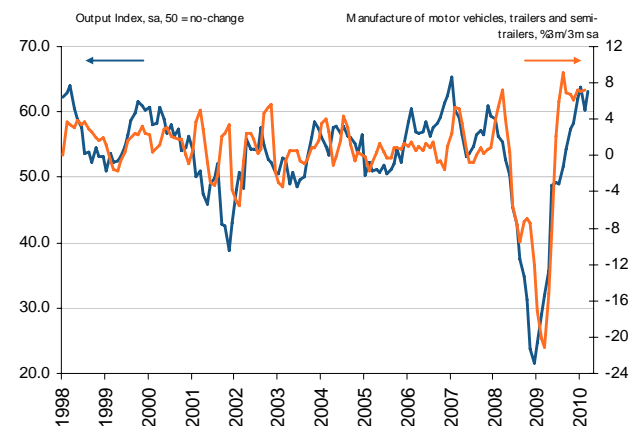


Chart 2: EU Autos & Parts vs eurostat output



## Metals firms posted fastest growth of all sectors, followed by autos

Drilling down further into the most detailed sector level available, March data showed that **industrial metals & mining** posted the strongest rate of output growth (and

a series record). Ranked second was **autos & parts**, which saw a faster rate of expansion than in February.

Other strong performers in March included **electronic & electrical equipment, beverages** and **chemicals**. Looking at 'pure' service sectors, **real estate** continued to record the fastest rate of expansion in March, followed by **software & computer services**.

### Construction & materials was only sector to see falling activity in March

The weakest performer in March was **construction & materials**, where activity declined for the twenty-fourth successive month. That said, the pace of contraction was the slowest in that sequence.

The weakest rises in business activity in March were in areas related to financial and consumer-facing sectors. **Banks** and **financial services** registered the weakest rates of growth of all sectors, followed by **personal goods, support services** and **travel & leisure**.

### Employment rose in eight sectors

The PMI series for overall EU manufacturing and services continued to signal net job losses in both sectors in March, but measured overall the workforce declined at the slowest rate since September 2008. Moreover, the detailed sector data signalled job creation in eight of the 22 sectors, with the strongest growth seen in **electronic & electrical equipment** and **general industrials**. Two 'pure' service sectors also registered higher staffing levels in March, namely **real estate** and **banks**.

EU sector data are derived from the same national manufacturing, services and construction panels used for the PMI surveys, which together cover around 6,000 private sector companies. The sector data also track new and outstanding business, price trends, purchasing, stocks and supplier performance, and are released on the fifth working day of each month. April data will be available on 10 May. For more information, please contact [economics@markit.com](mailto:economics@markit.com).

Chart 3: EU sectors, Output/Business Activity

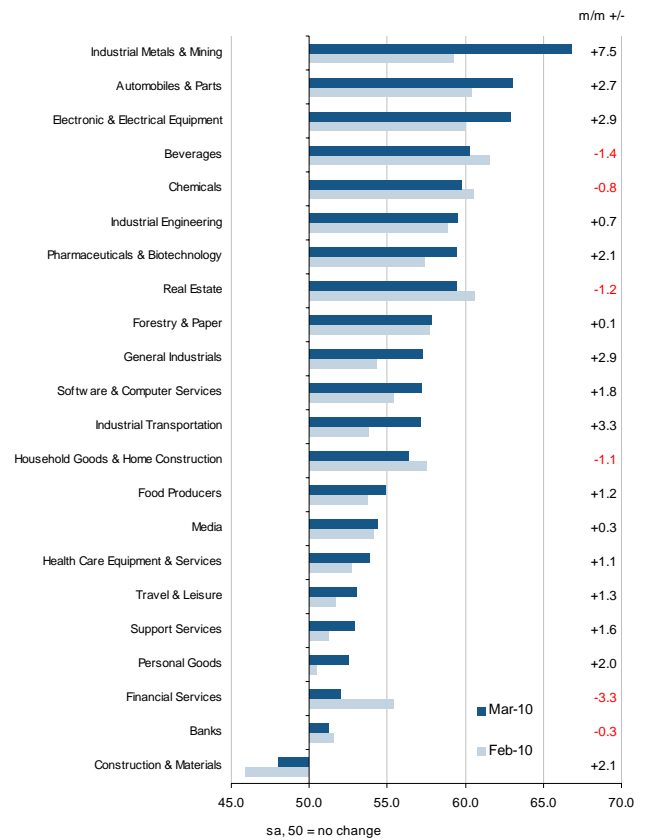
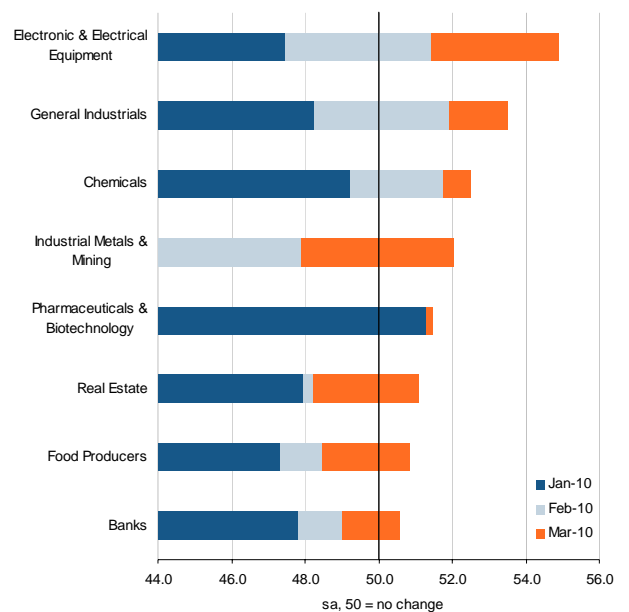


Chart 4: EU sectors, Employment



**Markit EU Sector PMIs**

Industry	Supersector	Sector
1000 Basic Materials	1300 Chemicals 1700 Basic Resources	1350 Chemicals 1730 Forestry & Paper 1750 Industrial Metals & Mining 1770 Mining*
2000 Industrials	2300 Construction & Materials 2700 Industrial Goods & Services	2350 Construction & Materials 2710 Aerospace & Defence* 2720 General Industrials 2730 Electronic & Electrical Equipment 2750 Industrial Engineering 2770 Industrial Transportation 2790 Support Services
3000 Consumer Goods	3300 Automobiles & Parts 3500 Food & Beverage  3700 Personal & Household Goods	3350 Automobiles & Parts 3530 Beverages 3570 Food Producers 3720 Household Goods & Home Construction 3740 Leisure Goods* 3760 Personal Goods 3780 Tobacco*
4000 Health Care	4500 Health Care	4530 Health Care Equipment & Services 4570 Pharmaceuticals & Biotechnology
5000 Consumer Services**	5500 Media 5700 Travel & Leisure	5550 Media 5750 Travel & Leisure
8000 Financials	8300 Banks 8500 Insurance* 8600 Real Estate 8700 Financial Services	8350 Banks   8770 Financial Services
9000 Technology	9500 Technology	9530 Software & Computer Services 9570 Technology Hardware & Equipment*

\*not currently published at sector/supersector level but included at supersector/industry level.  
\*\*excludes 5300 Retail

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