

European Union

Sectors: Consumer Goods led EU industry growth table in December

Key findings

- **Consumer Goods recorded fastest output growth, driven by autos production.**
- **Slight fall in Consumer Services business reflected sharp drop in Travel & Leisure activity.**
- **High-tech and financials firms posted slowest rates of job shedding.**

Activity trends

PMI data compiled by Markit covering the EU manufacturing and service sectors showed an overall increase in business activity for the fifth straight month in December. Moreover, the EU Composite (all-sector) Output Index rose slightly to 54.6, from 54.1, signalling the fastest rate of expansion since September 2007.

Robust increases in business activity were indicated in both manufacturing and services during the month. Manufacturing production continued to rise at a slightly faster pace than services activity.

Detailed sector data derived from Markit's national manufacturing, services and construction surveys covering 11 EU member states showed that six out of seven 'industry' groups saw growth of business activity in December. That followed expansion in all seven industries in November.

Consumer Goods posted the fastest output growth of all major industry groups in December. This largely reflected a marked increase in autos production – the Automobiles & Parts sector posted the strongest rise in output of all PMI sectors. The remaining areas of the Consumer Goods industry, namely Personal & Household Goods and Food & Drink, registered rates of growth that were more in line with the EU-wide trend.

Of the remaining industries, four registered weaker increases in output compared to November, while business activity in Consumer Services fell slightly. The decline in the latter reflected a sharp fall in activity

Chart 1: Output/Activity Index, industry tier

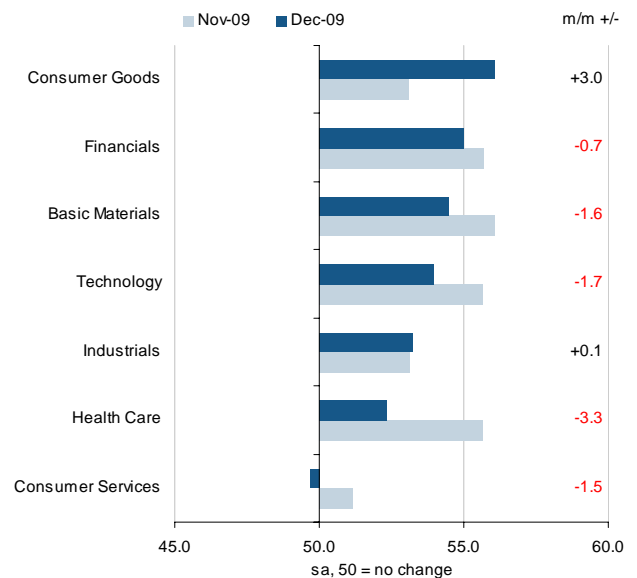
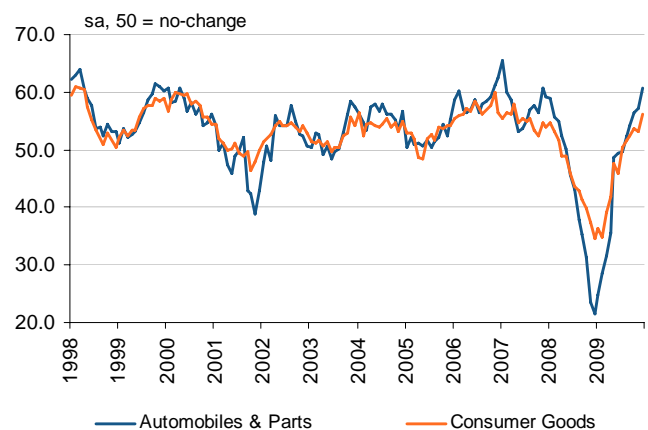


Chart 2: Output/Activity Index



in Travel & Leisure, whereas Media posted the fastest growth in over two years.

The rate of expansion in Industrials – the largest overall industry group – was little-changed from November. Here, a further strong rise in Industrial Goods & Services contrasted with falling activity in Construction & Materials.

In the broad Financials industry, higher activity was posted in all its constituent sectors – Banks, Financial Services and Real Estate. In the latter, activity rose at the fastest rate since April 2006, while Banks and Financial Services both posted slower rates of expansion.

Looking specifically at the ‘supersector’ and ‘sector’ tiers (see page 3 for further details), December data showed that business activity rose in all sectors except Travel & Leisure and Construction & Materials. The strongest performers were Automobiles & Parts, Electronic & Electrical Equipment, Real Estate and Industrial Engineering, all of which posted steeper rates of growth than one month previously.

Eight sectors registered slower rates of activity growth than in November. The most notable slowdowns were seen in Forestry & Paper and Health Care Equipment & Services. Having seen the second-fastest rise in production of all sectors in November, Forestry & Paper was the fifth-worst performing industry in December.

Employment trends

Sector PMI data can also be used to track labour market trends across industries. The overall rate of job shedding across EU manufacturing and services eased in December to the weakest since September 2008. By broad industry group, Technology and Financials posted the slowest rates of job shedding, and Consumer Services and Industrials the fastest.

At the more detailed sector/supersector tiers, December data signalled the fastest rates of employment decline in Industrial Engineering, Media and Construction & Materials. Financial Services was alone in recording higher employment, in line with the broad trend seen in this sector during the second half of 2009.

EU 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. January data will be available on 5 February. For more information please contact economics@markit.com.

Chart 3: Output/Activity Index, sector/supersector tier

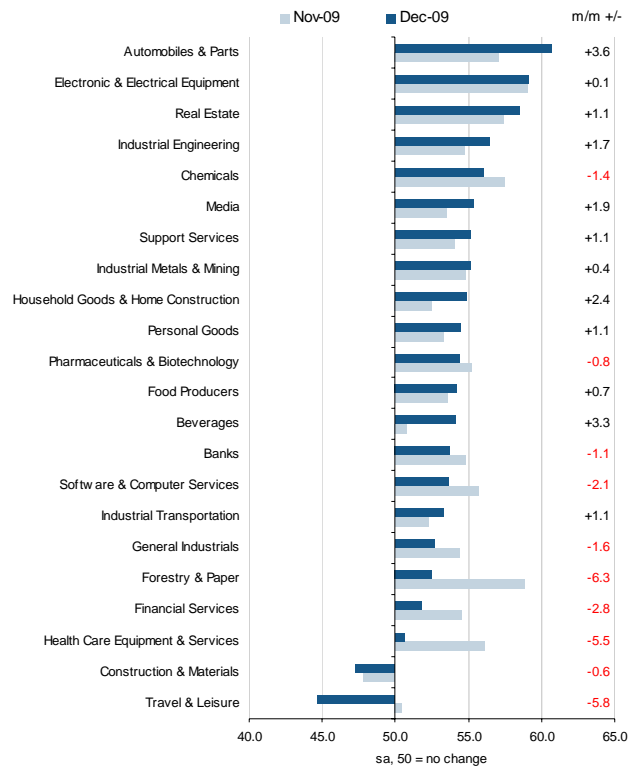
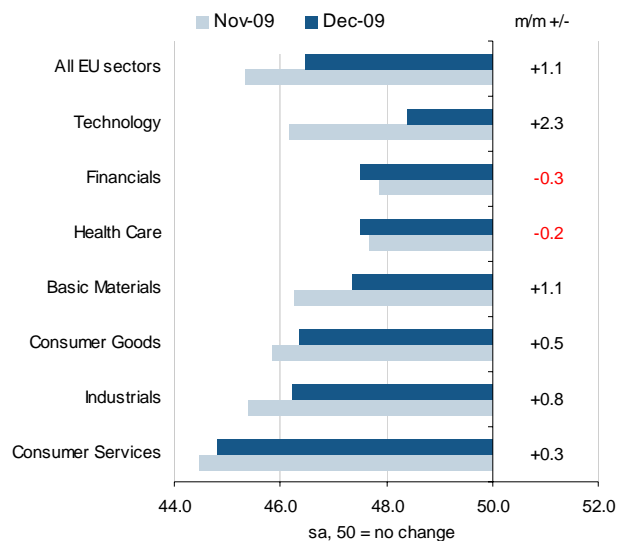


Chart 4: Employment Index, industry tier



Markit EU Sector PMIs

Industry	Supersector	Sector
1000 Basic Materials	1300 Chemicals	1350 Chemicals
	1700 Basic Resources	1730 Forestry & Paper
		1750 Industrial Metals & Mining 1770 Mining*
2000 Industrials	2300 Construction & Materials	2350 Construction & Materials
	2700 Industrial Goods & Services	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	3350 Automobiles & Parts
	3500 Food & Beverage	3530 Beverages
		3570 Food Producers
	3700 Personal & Household Goods	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	5550 Media
	5700 Travel & Leisure	5750 Travel & Leisure
8000 Financials	8300 Banks	8350 Banks
	8500 Insurance*	
	8600 Real Estate	
	8700 Financial Services	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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