

Eastern European PMI Surveys

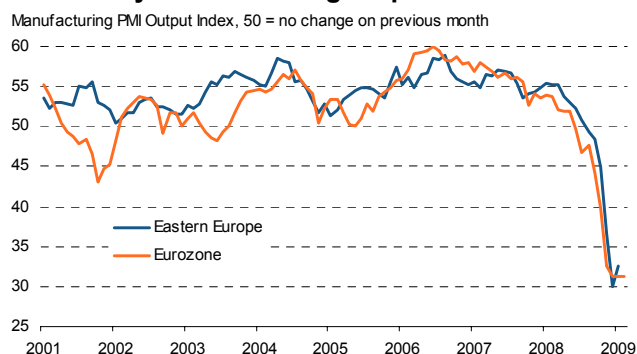
Eastern European manufacturing has further to fall

The Markit Flash Eurozone PMI signalled a new record fall in manufacturing output in February, confounding hopes that a slight up-tick in the Eurozone PMI in January had heralded the start of an easing in the rate of contraction. A similar, though even more pronounced, upturn had been evident in Eastern Europe in January, as shown in the top chart, which compares the Eurozone PMI against a composite index for Eastern Europe, derived from the PMI surveys for Poland, the Czech Republic, Hungary, Russia and Turkey.

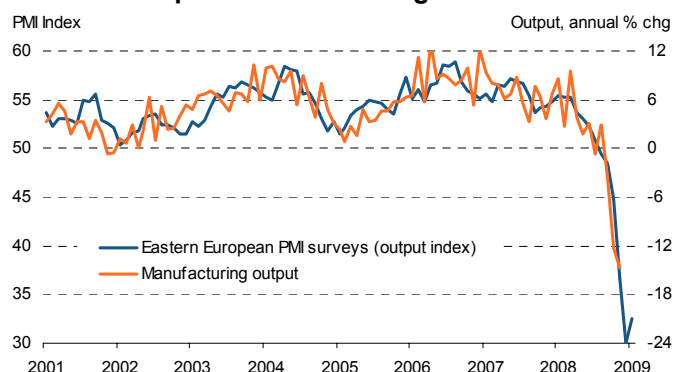
Unlike the Eurozone, no flash PMIs are available for the Eastern European countries, so February data for the region are not yet available. However, with demand plummeting in the Eurozone for products ranging from machine tools and other capital equipment to intermediate and consumer goods, exporters in Eastern Europe will have remained under intense pressure.

Despite there being no flash data for February, the Eastern European PMI data are nevertheless available ahead of official manufacturing output numbers, which are currently published up to December. The PMIs suggest that the rate of decline in manufacturing production will continue to gather pace from the 14.6% annual rate of contraction seen in December, with a fall of 20% on a year ago looking a distinct possibility.

PMI survey manufacturing output



Eastern European manufacturing



Sources: Markit, Ecowin, Goskomstat.

Note: official data for Russia relates to industrial production not manufacturing.

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