

UniCredit Bank Austria Purchasing Managers' Index

Bank Austria's monthly Purchasing Managers' Index for Austria has been published in cooperation with IHS Markit, the British market research company, since October 1998. The UniCredit Bank Austria Purchasing Managers' Index is based on a monthly survey of almost 300 purchasing managers and managing directors of Austrian industrial companies. Its purpose is to provide a leading indicator of growth in Austria's industrial sector and in the Austrian economy as a whole. In this context, the representative composition of the sample, the respondents' proximity to the beginning of the value chain and the ready availability of data at the end of each month surveyed make it possible to obtain early information on the current trend of industrial performance. A turnaround in economic growth can in this way be identified more quickly.

Cooperation between Bank Austria and IHS Markit

IHS Markit is one of the largest international specialised providers of market analyses data. Its best-known product is the Purchasing Managers' Index, which is currently prepared in over forty countries.

Survey panel structure

From a sectoral perspective, the composition of the survey panel is representative of the entire manufacturing industry. Every answer is weighted by the size of the company and the sector's relative significance. Respondents answer eleven questions concerning output, level of orders, export orders, purchase volume, cost prices, sales prices, delivery time, inventory of primary material and finished goods, and the employment trend. Since 2016, the survey includes a question regarding output expectations in twelve months. The wording of the questions requires respondents to answer with "higher", "less" or "same". For example, one question is: "Is the output of your company higher, the same or less than a month ago?"

Index calculation and interpretation

The responses are translated into index figures. The percentage of respondents who reported an increase or improvement over the previous month is weighted with 1.0, the percentage of those who did not determine any change, with 0.5, and the percentage who reported a deterioration or a decline, with 0 (e.g. if 100% of respondents report an improvement, the index would be 100 -> 100% multiplied by 1.0). The indices normally fluctuate around 50, with figures over 50 pointing to an improvement over the previous month and figures below 50 indicating a deterioration. The more the figures deviate from 50, the greater the change indicated.

The UniCredit Bank Austria Purchasing Managers' Index is made up of five components (incoming orders, production, employment, delivery time, inventory of primary material). Each of the five components has a different weighting, depending on its suitability as a leading indicator of economic activity. Incoming orders have the highest, inventory levels the lowest weighting.

Publication of data and international comparability

The data for every month are available on the second-last working day of the current month and are published in the Internet no later than the following day. In addition to the ready availability of data, the UniCredit Bank Austria Purchasing Managers' Index offers the advantage of international data comparability as the relevant countries use the same methodology.

Who uses the data?

As the survey results provide a reliable indication of changes in official data in a timely manner, the indices are used across the board. The data are closely followed by the ECB, national central banks, investment banks and the investment community worldwide. The disclosure of new survey data often leads to significant movements on capital and foreign exchange markets.

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