



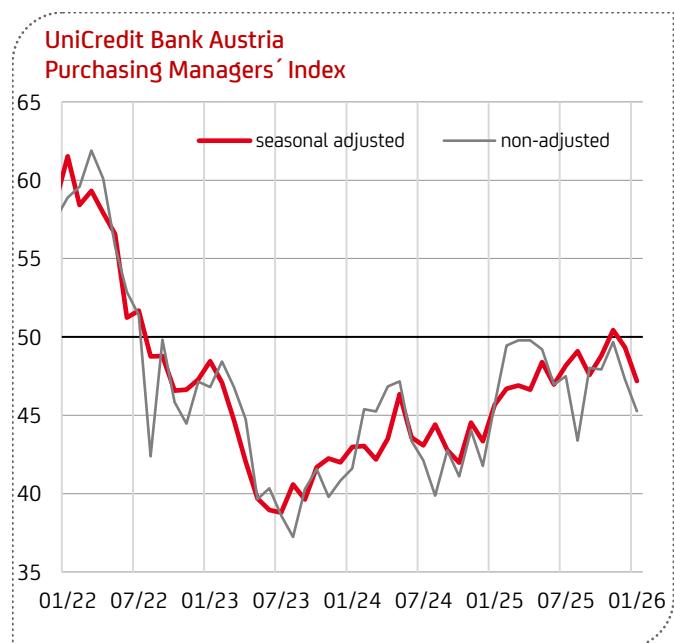
UniCredit Bank Austria Purchasing Managers' Index

January 2026

Overview

OPTIMISM DESPITE SETBACK FOR AUSTRIAN INDUSTRY AT THE START OF THE YEAR

- The UniCredit Bank Austria Purchasing Managers' Index fell to 47.2 points in January, its lowest level in six months
- The sharp decline in new business led to a fall in production output for the first time in three months
- The reduction in the workforce accelerated again in January
- Sales problems caused inventories of finished goods to rise sharply again
- The increased rise in costs caused an accelerated increase in input prices, while tough competition in a weak demand environment led to a decline in output prices
- Despite an immediately unfavourable outlook, optimism in the domestic industry remained above average at the beginning of the year.



Source: S&P Global, UniCredit Bank Austria

	UniCredit Bank Austria PMI	New orders	Output	Employment	Suppliers' delivery times	Stocks of purchases	Future output ¹⁾
Jan-26	47.2	45.6	47.1	45.1	46.6	47.1	58.9
<i>In comparison to previous month</i>	⬇️	⬇️	⬇️	⬇️	⬇️	↗️	⬇️
average since 2000	⬇️	⬇️	⬇️	⬇️	↗️	⬇️	↗️

¹⁾ not in the overall index / business expectations 12 months

Source: S&P Global, UniCredit

In details

THE UNICREDIT BANK AUSTRIA PURCHASING MANAGERS' INDEX DECREASED TO 47.2 POINTS IN JANUARY

Austrian industry had a weak start to the new year. "The UniCredit Bank Austria Purchasing Manager Index fell to 47.2 points in January. The indicator thus slipped even further below the threshold of 50 points, above which growth is signaled. This was the lowest value since June last year, but industrial companies in Austria remain optimistic due to the positive expectations. Due to the sharp drop in new business, production in Austria was cut back sharply in January for the first time in three months and staff reductions accelerated noticeably. Significantly lower material purchasing continued the reduction in stocks of purchases. This was offset by rising stocks of finished goods due to weak demand, which prevented the even sharper rise in costs compared to the previous month from being passed on to output prices.

SHARP DROP IN DEMAND, SLIGHTLY MORE IN THE DOMESTIC THAN IN THE EXPORT BUSINESS

After three consecutive months of moderate expansion, domestic companies noticeably reduced their production capacities in January. The production index fell to 47.1 points, the lowest value in exactly one year. A lack of new orders and the sharp drop in backlogs resulted in a significant reduction in production in Austria's industrial sector in January. New business from Austria and abroad declined significantly, as many customers reduced their inventories under conditions characterized by high cost dynamics and protectionist US trade policy. Despite a renewed slight acceleration in the decline in demand in the export business, the index for export orders, at 46.0 points, exceeded the index for total new orders of 45.6 points, which was dampened by the continuing weakness in orders in the domestic construction industry.

DOWNSIZING INTENSIFIED AGAIN

The cautious signs of a stabilization of the labor market situation in the domestic industry towards the end of 2025 did not continue at the start of 2026. Domestic manufacturing companies accelerated their staff reductions again in January. The employment index fell to 45.1 points. This means that the employment index has been pointing to job losses in the domestic industry without interruption since May 2023. In the current phase of staff reductions, the number of employees in manufacturing has now fallen by almost 27,000 or around 4 per cent to 620,000.

Despite the current setback, the reduction in employment in Austrian industry should slowly come to an end over the course of the current year. Following the rise in the unemployment rate to an annual average of 4.3 per cent in 2025, we expect it to stabilize at this level in 2026. Even if the gap narrows, the labor market situation in the sector will continue to be significantly more favorable than in the economy as a whole, with an expected unemployment rate of 7.3%.

FURTHER COST INCREASES, BUT FALLING OUTPUT PRICES

In January, there was a further increase in the cost of raw materials. The increase in costs even accelerated compared to the previous month, as shown by the rise in the index for input prices to 54.0 points. In contrast, output prices fell for the ninth month in a row. The corresponding index fell to 48.6 points, slightly lower than in the previous month. Due to strong competition and restrained demand, companies were forced to reduce prices.

Sharply rising input prices, especially for energy and metals, and simultaneously lower output prices due to weak demand once again led to a deterioration in the profit margins of domestic industrial companies in January.

STOCKS OF FINISHED GOODS ARE FILLING UP

As a result of the persistently weak demand, cautious and cost-conscious inventory management became an even greater focus for domestic companies. A significant reduction in quantity of purchases extended the period for reducing inventories of primary materials and raw materials to 34 consecutive months. However, the reduction in inventories was slower than the reduction in purchasing volumes due to falling production requirements, which indicates that purchasing managers at domestic companies are taking an overly positive view of the current economic situation. This is also emphasized by the increase in stocks of finished goods. In addition to the slowdown in new business, some customers cancelled orders or did not call off ordered goods, contributing to an increase in stocks of finished goods for the fourth month in a row.

DIP AT THE START OF THE YEAR, BUT INDUSTRIAL COMPANIES REMAIN OPTIMISTIC

The sharp slump in demand in Austrian industry, which led to a significant reduction in production output, caused the UniCredit Bank Austria Purchasing Managers' Index to fall to 47.2 points. In contrast, the preliminary Purchasing Managers' Index for the manufacturing industry in the eurozone improved to 49.4 points in January. The rise in the indices in the main markets of Germany and France to 51.0 and 48.6 points respectively contributed significantly to this. The Austrian survey result was thus exceeded in both markets.

After the slight improvement in the industrial economy before the turn of the year, Austrian industry suffered a setback at the beginning of the year. In addition to the current economic situation, the immediate outlook has also deteriorated. The sharp decline in new business coupled with a simultaneous increase in inventories of finished goods makes it clear that no immediate expansion in production is likely to be necessary to meet demand. The index ratio of new business to stocks of finished goods was even less favorable in January than it was a year and a half ago.

The more favorable data from Europe gives us hope that the current slowdown in the industrial economy is just a dip that can be overcome in the coming months. Despite the major challenges posed by cost-related competitive losses, structural changes and the new parameters in foreign trade, domestic companies remained optimistic at the start of the year. Despite a fall in the index for production expectations over the year to 58.9 points, the long-term average was still clearly exceeded.

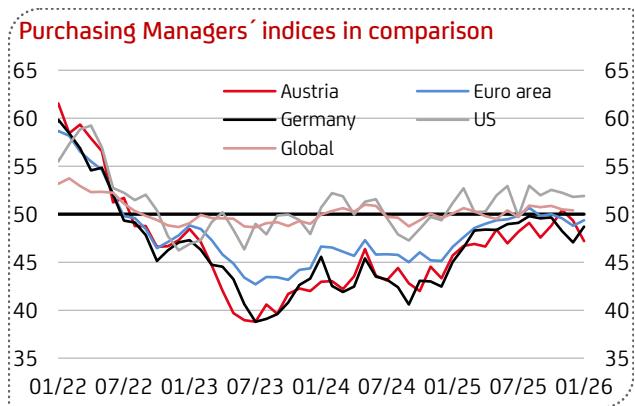
UniCredit Bank Austria Purchasing Managers' Index and components

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Ø since 2000
UniCredit Bank Austria Purchasing Managers' Index	46.7	46.9	46.6	48.4	47.0	48.2	49.1	47.6	48.8	50.4	49.3	47.2	51.4
Output	48.4	48.2	49.0	50.2	49.1	50.5	52.5	49.7	50.7	52.7	50.2	47.1	52.2
New orders	48.1	47.5	44.1	46.9	44.3	46.2	47.8	46.1	49.0	50.7	47.2	45.6	50.3
Employment	41.4	43.2	47.1	47.0	44.2	45.8	45.6	44.4	43.7	45.4	48.0	45.1	50.5
Suppliers' delivery times (inverse)	50.3	51.2	51.0	50.1	47.2	47.1	47.5	47.4	46.1	45.5	44.3	46.6	45.1
Stocks of purchases	44.3	46.4	44.1	48.8	46.2	46.0	46.2	45.6	46.0	47.9	46.7	47.1	49.0
Stocks of finished goods ¹⁾	48.2	47.8	45.7	52.4	46.9	48.6	51.8	47.2	50.6	50.1	52.2	52.1	49.0
Backlog of work ¹⁾	46.8	47.6	44.7	47.7	46.1	49.1	47.7	46.6	45.6	48.7	50.5	46.5	50.2
New export orders ¹⁾	45.0	45.5	43.9	46.0	44.9	46.3	47.0	46.2	49.1	51.1	46.5	46.0	49.7
Quantity of purchases ¹⁾	46.9	44.9	44.2	44.2	45.1	49.3	49.8	47.0	45.5	48.1	47.1	46.1	50.3
Input prices ¹⁾	51.9	53.0	50.5	49.9	49.6	52.1	52.6	54.4	52.5	53.6	52.8	54.0	57.3
Output prices ¹⁾	48.8	51.8	50.7	48.0	48.5	48.2	49.1	48.6	47.7	49.7	48.7	48.6	52.0
New orders/Stocks of finished goods ²⁾	1.00	0.99	0.96	0.90	0.95	0.95	0.92	0.98	0.97	1.01	0.90	0.88	1.03
Future output ¹⁾	54.9	51.0	55.9	56.1	55.4	59.5	57.1	53.7	59.7	59.2	59.8	58.9	54.9

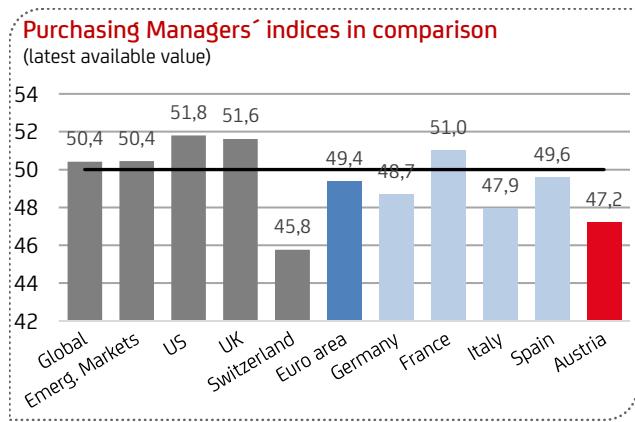
1) not in the overall index 2) own calculation

Source: S&P Global, UniCredit

Slight improvement in industrial activity in Europe

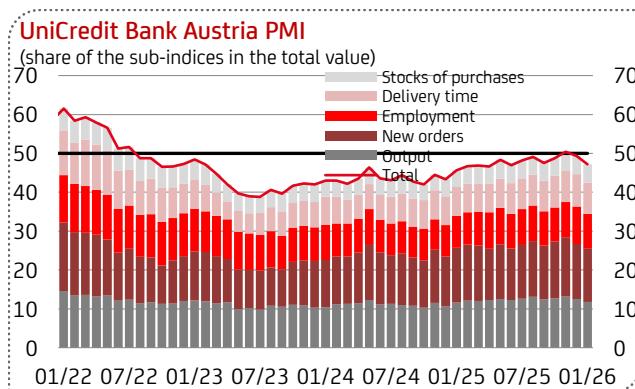


In the euro area, the preliminary purchasing managers' index for the manufacturing industry improved to 49.4 points in January, after 48.8 in the previous month.

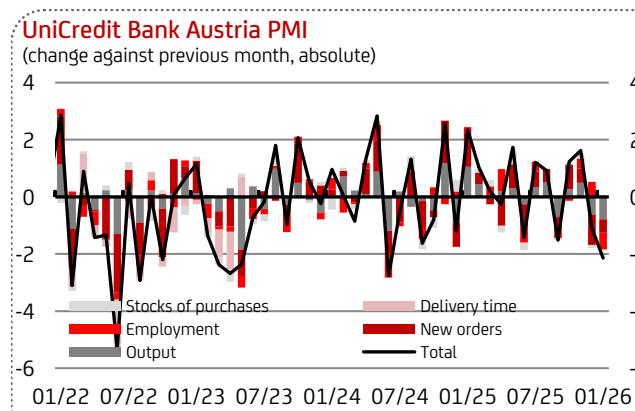


The increase in the indices in the main markets of Germany and France to 51.0 and 48.6 points respectively contributed significantly to the slightly better result in the euro area.

Industrial activity in Austria under pressure at the beginning of the year

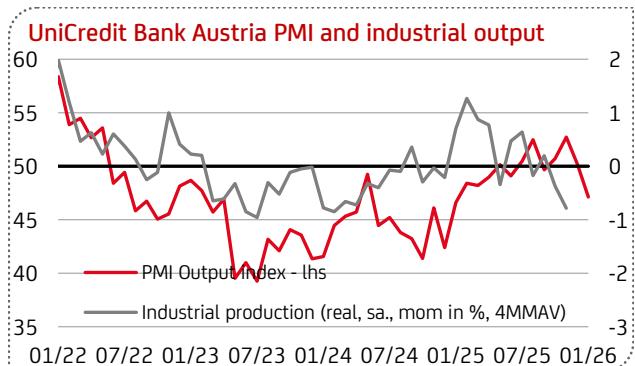


The UniCredit Bank Austria Purchasing Managers' Index fell to 47.2 points in January, slipping to a 7-month low.

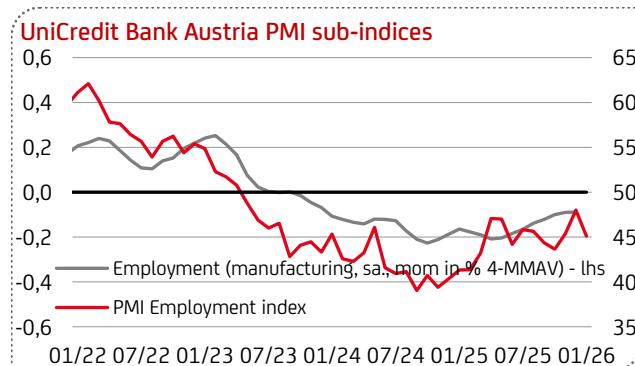


All sub-indices contributed to the decline of 2.1 points in January compared to the previous month, especially the significant reduction in production.

Production output fell significantly in January and job cuts accelerated sharply

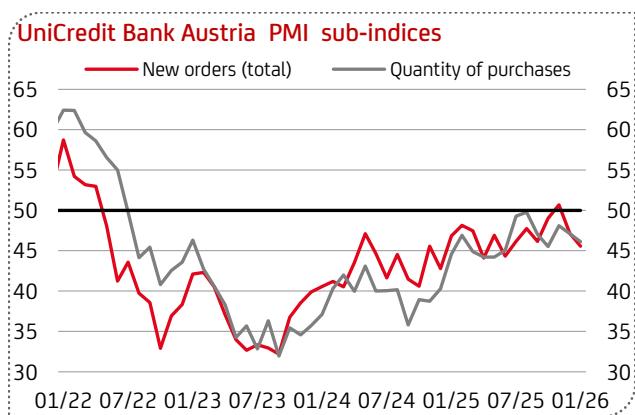


After three months in a row with an expansion, domestic companies noticeably reduced their production capacities in January. The production index fell to 47.1 points, the lowest value in exactly one year.

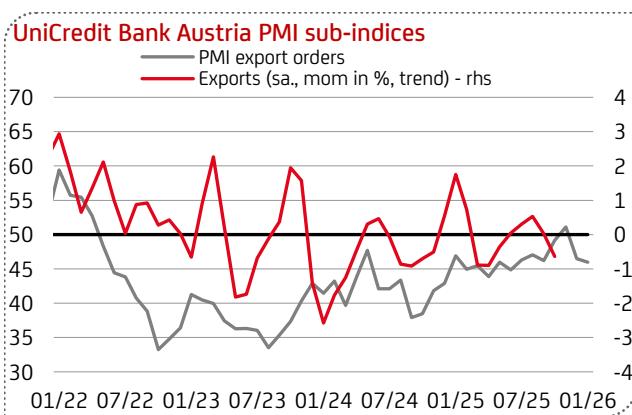


Domestic companies in the manufacturing sector accelerated their staff reductions again in January. The employment index fell to 45.1 points.

Sharp decline in new business again

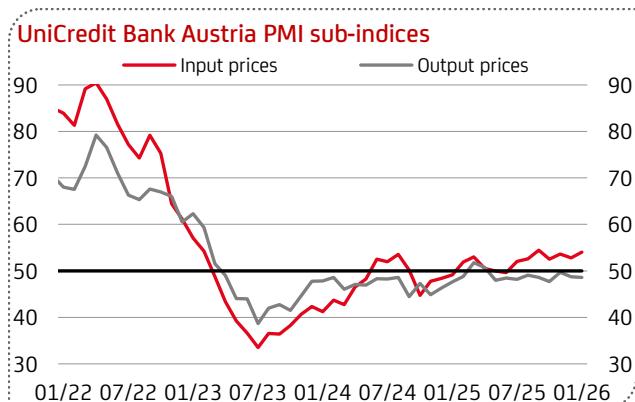


New business from Austria and abroad declined significantly, as many customers reduced their inventories under the difficult conditions.

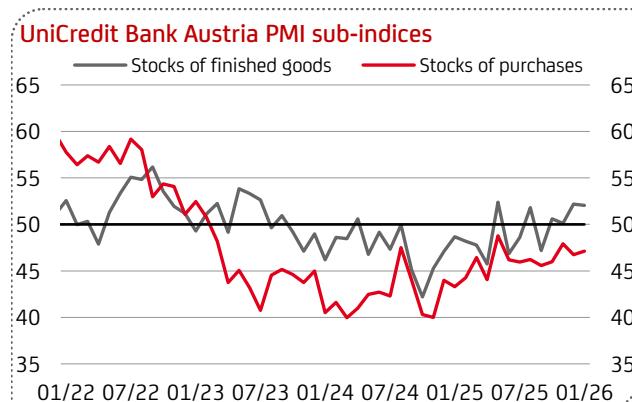


At 46.0 points, the index for export orders in January exceeded the index for total new orders of 45.6 points.

Weak demand weighs on profit margins and inventory costs

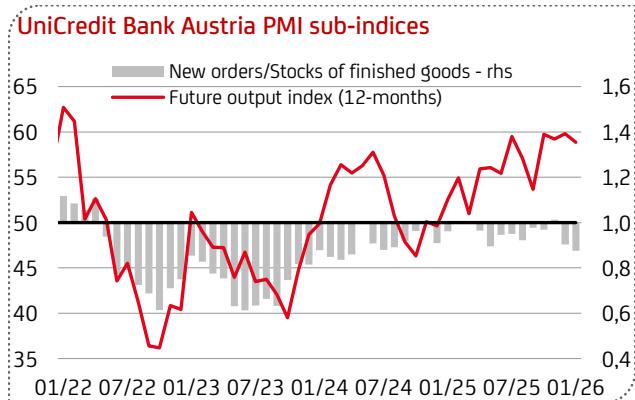


Sharply rising purchase prices and at the same time lower sales prices led to a deterioration in the profit margins of domestic industrial companies.

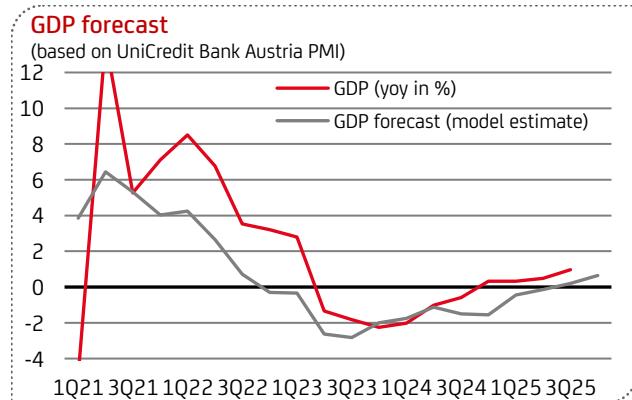


Due to the lower purchasing volumes, inventories of input materials decreased again, while finished goods inventories filled up due to a lack of sales.

Industrial companies remain optimistic despite the current setback



The index for production expectations for the next twelve months rose slightly to 59.8 points. This means that the companies continue to assess the business prospects as above average.



For the fourth quarter of 2025, the purchasing managers' index for industry points to a slight stronger year-on-year increase in GDP.

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