



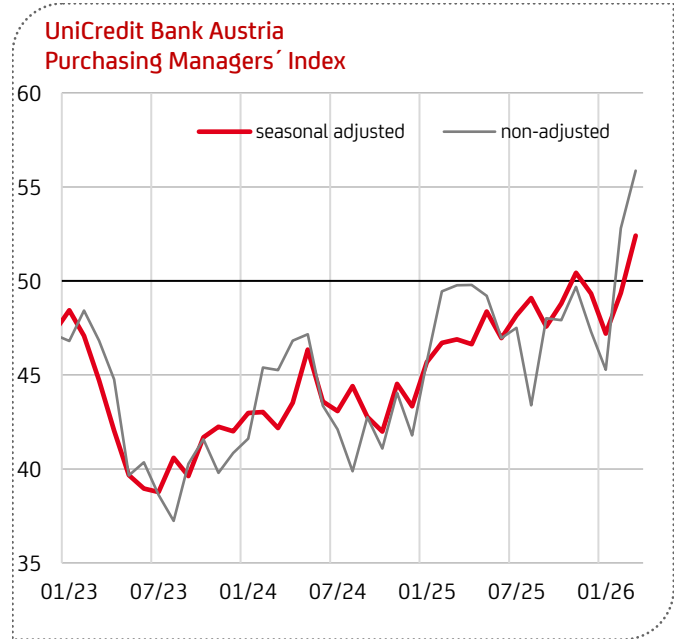
# UniCredit Bank Austria Purchasing Managers' Index

**March 2026**

# Overview

## AUSTRIA'S INDUSTRY INCREASED PRODUCTION, BUT THE WAR IN IRAN HAS DRIVEN UP COSTS AND IS WEIGHING ON THE OUTLOOK

- The UniCredit Bank Austria Purchasing Managers' Index improved to 52.4 points in March, the highest level since May 2022
- More new orders from home and abroad led to a further expansion of production
- The pace of job cuts in domestic industry slowed in March
- Margins deteriorated significantly due to the sharpest rise in costs in three and a half years
- Higher production demands and supply concerns led to an increase in purchase volumes for the first time since June 2022
- Disruption to supply chains caused by the war in the Middle East led to a drastic lengthening of delivery times
- A sharp deterioration in sentiment, but still a hint of optimism: business expectations over the coming year fell to 57.7 points in March.



Source: S&P Global, UniCredit Bank Austria

	UniCredit Bank Austria PMI	New orders	Output	Employment	Suppliers' delivery times	Stocks of purchases	Future output <sup>1)</sup>
Mar-26	<b>52.4</b>	52.4	51.9	47.0	37.2	49.1	57.7
<i>In comparison to previous month</i>	↗	↗	↗	↗	↗	↗	↘
<i>average since 2000</i>	↗	↗	↗	↘	↗	↗	↗

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

Source: S&P Global, UniCredit

# In details

## **THE UNICREDIT BANK AUSTRIA PURCHASING MANAGERS' INDEX INCREASED TO 52.4 POINTS IN MARCH**

Austrian industry continued its upward trend at the end of the first quarter. The UniCredit Bank Austria Purchasing Managers' Index rose to 52.4 points in March, reaching its highest level in almost four years. The indicator thus signals a consolidation of the ongoing recovery. Hopefully, this positive development will not prove to be the calm before the storm. The effects of the war in the Middle East were already being felt in March in the form of supply chain disruptions and sharp cost increases for Austrian businesses.

The recent rise in the UniCredit Bank Austria Purchasing Managers' Index was driven by an improvement in all survey sub-indices. However, the increase in individual components is likely to be attributable, at least in part, to companies' responses to the anticipated major challenges posed by the war in Iran. In March, Austrian industry increased its production output more sharply than in the previous month, following a noticeable rise in new business, partly due to front-loading of purchases driven by concerns over supply disruptions. The increased pressure on supply chains was already evident in a massive extension of delivery times and a significant rise in costs. Employment in industry fell again, albeit at a slower pace.

Developments in Austrian industry in March largely mirrored industrial trends across Europe. The preliminary Purchasing Managers' Index for industry in the eurozone rose to 51.4 points in March. The improvement in Germany to 51.7 points was a key factor in this rise.

In March, the UniCredit Bank Austria Purchasing Managers' Index exceeded the corresponding indicators for the eurozone and for Germany for the first time this year. Domestic industry stood out with stronger production growth and higher order growth than the eurozone. However, there was a more sensitive reaction to the war in Iran in the form of higher cost increases and a significantly longer extension of delivery times.

## **MORE NEW BUSINESS AND HIGHER PRODUCTION, BUT FRONT-LOADING OF PURCHASES DISTORTS THE PICTURE**

Despite the uncertainty caused by the war in Iran, Austrian industry recorded a surprisingly strong rise in production in March compared with the previous month. The production index rose to 51.9 points. This marked the first noticeable increase in production this year, following a significant rise in orders.

The second consecutive increase in new orders in March was the highest it has been for almost four years. The new orders index climbed to 52.4 points, buoyed by a sustained rise in domestic demand and, for the first time in a long while, a resurgence in new orders from abroad. In addition to the ongoing economic recovery, demand also picked up due to the war in the Middle East. Some companies brought forward orders in order to be better equipped to cope with potential supply disruptions and further price rises by keeping their warehouses well-stocked.

The purchasing volume index rose to 53.8 points in March. This marked the first increase in purchasing volume by domestic industrial firms since June 2022. The additional orders, driven by concerns over supply difficulties, further increased the pressure on supply chains already heightened by the war in Iran. Average delivery times in March lengthened to levels last seen in the summer of 2022.

## **SHARP RISE IN COSTS WEIGHED ON PROFITABILITY**

In view of higher demand and, above all, due to supply disruptions caused by the blockade of the Strait of Hormuz, as well as considerable uncertainty regarding further consequences for global trade, purchase prices rose in March at a rate not seen for three and a half years. In view of the drastic rise in world market prices for oil and gas, the costs of energy and fuel in particular increased, which was already reflected in transport costs. Furthermore, the price of a range of other raw materials, such as certain metals and foodstuffs, also climbed. Consequently, output prices were raised as well, by as much as they had been three years ago.

However, due to demand conditions and fierce competition, the average increase in output prices remained significantly lower than that of input prices. Given the very sharp rise in costs, which could not be passed on to customers in full, the earnings situation of domestic businesses has deteriorated significantly on average. The trend of falling margins, which has essentially persisted for over a year, accelerated significantly in March. The ratio of input to output prices fell to its lowest level in five years.

## **JOB CUTS IN INDUSTRY CONTINUED**

Despite higher production requirements and a stronger increase in new orders, job cuts in Austrian industry continued in March. The employment index rose to 47.0 points, which at least indicates a slowdown in the decline in employment.

As the war in Iran drags on, the expected easing of labor market conditions in domestic industry is becoming increasingly unlikely as 2026 progresses. Following an annual average of 4.3 per cent in 2025, we now anticipate a slight rise to 4.4 per cent for 2026. However, the unemployment rate in manufacturing will remain significantly lower than in the whole economy, which is forecast to be 7.4 per cent.

## **WAR IN IRAN CLOUDS THE OUTLOOK FOR INDUSTRY**

Austrian industry at the end of the first quarter is unlikely to be sustainable in view of the war in Iran. The sharp rise in energy costs and the disruption to supply chains will weigh heavily on industrial performance and significantly reduce growth prospects for the coming months.

The business expectations of domestic industrial firms for the year ahead have deteriorated significantly in light of the uncertainties arising from the war in Iran. The month-on-month decline was the sharpest since the Russian invasion of Ukraine at the start of 2022. Nevertheless, at 57.7 points, the expectations index still indicates at least a degree of optimism. Ultimately, the outlook for domestic industry depends heavily on the duration of the war and its impact on energy markets and supply chains. A swift resolution to the conflict now appears to

have become less likely, suggesting disruptions in the energy markets and supply chain disruptions throughout 2026. However, we are optimistic that domestic industry can avoid another recession even under these difficult conditions.

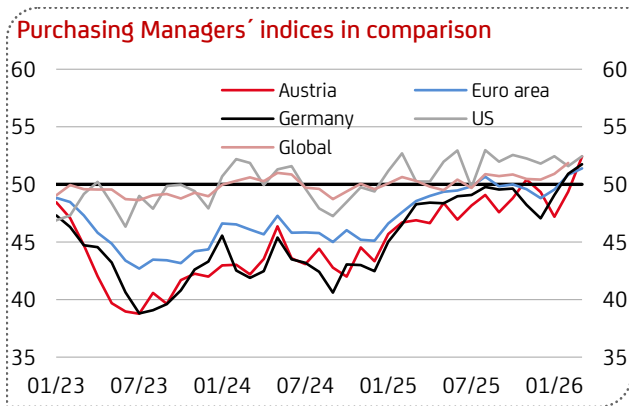
### UniCredit Bank Austria Purchasing Managers' Index and components

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Ø since 2000
<b>UniCredit Bank Austria Purchasing Managers' Index</b>	<b>46.6</b>	<b>48.4</b>	<b>47.0</b>	<b>48.2</b>	<b>49.1</b>	<b>47.6</b>	<b>48.8</b>	<b>50.4</b>	<b>49.3</b>	<b>47.2</b>	<b>49.4</b>	<b>52.4</b>	<b>51.4</b>
Output	49.0	50.2	49.1	50.5	52.5	49.7	50.7	52.7	50.2	47.1	50.1	51.9	52.2
New orders	44.1	46.9	44.3	46.2	47.8	46.1	49.0	50.7	47.2	45.6	50.4	52.4	50.3
Employment	47.1	47.0	44.2	45.8	45.6	44.4	43.7	45.4	48.0	45.1	44.1	47.0	50.5
Suppliers' delivery times (inverse)	51.0	50.1	47.2	47.1	47.5	47.4	46.1	45.5	44.3	46.6	46.0	37.2	45.0
Stocks of purchases	44.1	48.8	46.2	46.0	46.2	45.6	46.0	47.9	46.7	47.1	48.1	49.1	48.9
Stocks of finished goods <sup>1)</sup>	45.7	52.4	46.9	48.6	51.8	47.2	50.6	50.1	52.2	52.1	50.9	51.6	49.0
Backlog of work <sup>1)</sup>	44.7	47.7	46.1	49.1	47.7	46.6	45.6	48.7	50.5	46.5	48.7	51.1	50.2
New export orders <sup>1)</sup>	43.9	46.0	44.9	46.3	47.0	46.2	49.1	51.1	46.5	46.0	48.4	50.9	49.7
Quantity of purchases <sup>1)</sup>	44.2	44.2	45.1	49.3	49.8	47.0	45.5	48.1	47.1	46.1	47.4	53.1	50.3
Input prices <sup>1)</sup>	50.5	49.9	49.6	52.1	52.6	54.4	52.5	53.6	52.8	54.0	56.4	72.1	57.3
Output prices <sup>1)</sup>	50.7	48.0	48.5	48.2	49.1	48.6	47.7	49.7	48.7	48.6	50.7	53.8	52.0
New orders/Stocks of finished goods <sup>2)</sup>	0.96	0.90	0.95	0.95	0.92	0.98	0.97	1.01	0.90	0.88	0.99	1.01	1.03
Future output <sup>1)</sup>	55.9	56.1	55.4	59.5	57.1	53.7	59.7	59.2	59.8	58.9	62.6	57.7	55.0

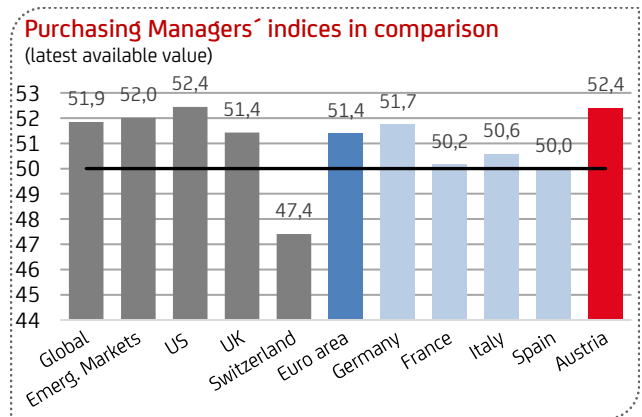
1) not in the overall index 2) own calculation

Source: S&P Global, UniCredit

## Improvement in industrial activity in Europe, but Iran war casts shadows ahead

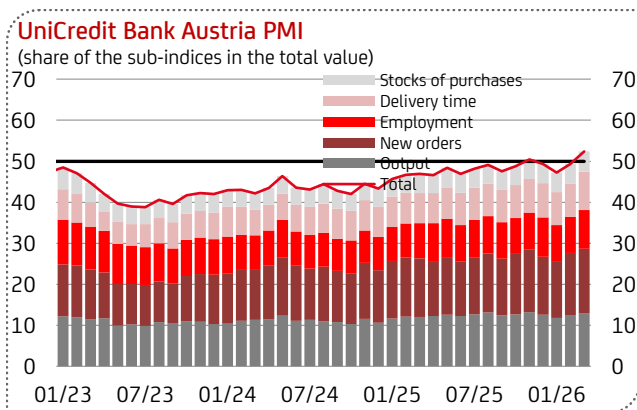


In the euro area, the preliminary purchasing managers' index for the manufacturing industry improved to 51.4 points in March and is thus once again in growth territory.

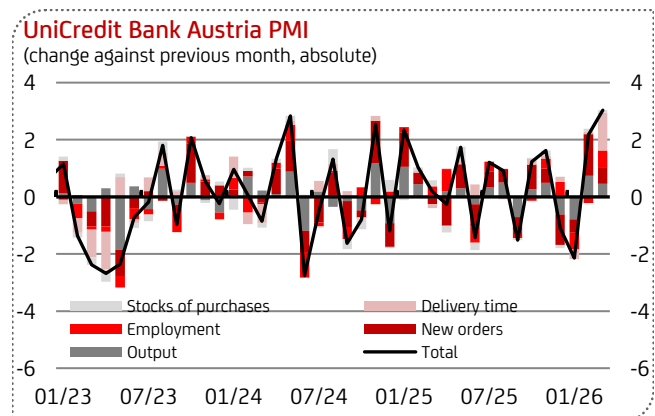


The increase in the index in Germany, the largest market, to 51.7 points, supported by rising new orders, made a significant contribution to the better result in the euro area.

## Industrial recovery consolidated at the end of the first quarter

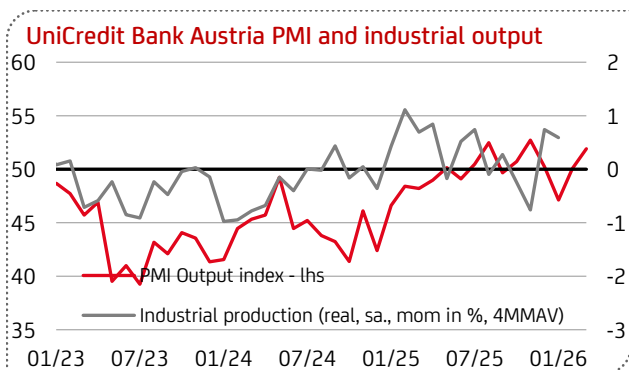


Austrian industry has continued its upward trend. The UCBA Purchasing Managers' Index rose to 51.9 points in March, its highest level in almost four years.

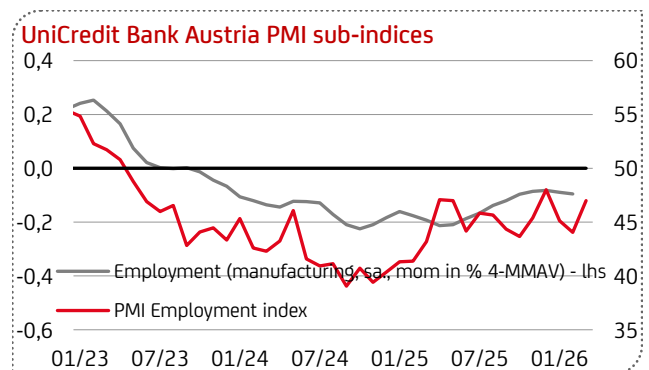


All components contributed to the increase of 3.0 points in March, in particular the extension of delivery times, which, however, was not caused by economic factors, but by supply chain problems.

## Production output rose noticeably in March, job losses slowed down

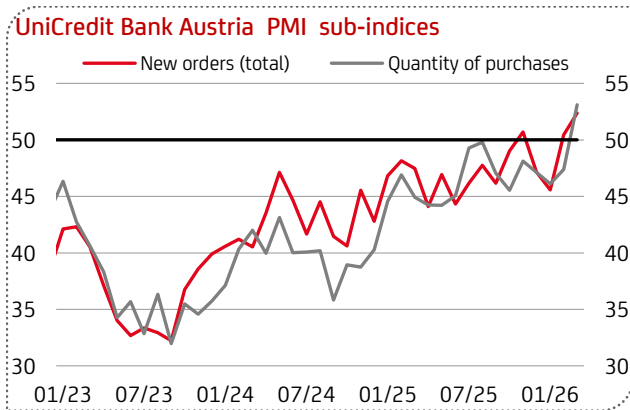


Despite the uncertainty caused by the Iran war, Austrian industry was able to record a surprisingly strong increase in production in March compared to the previous month. The production index rose to 51.9 points.

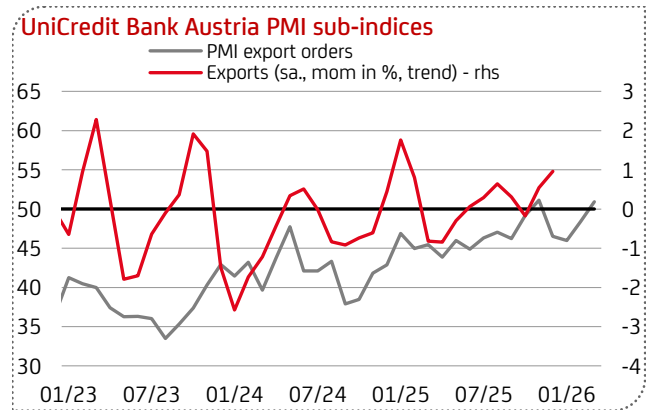


Despite higher production requirements, job cuts continued in March. The employment index rose to 47.0 points, which at least indicates a slowdown in the decline in employment.

## New business increased strongly

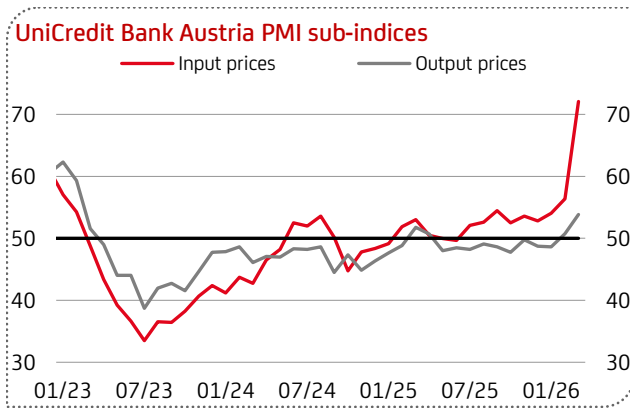


The index for new business reached 52.4 points. Only the second consecutive increase in orders in March was higher than at any time in almost four years.

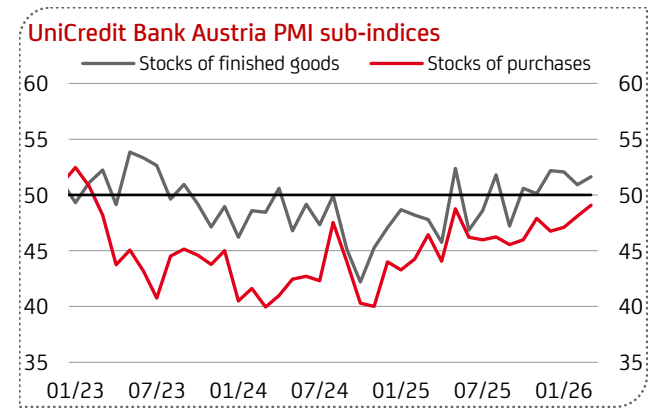


Despite the sharp increase in purchasing volumes, inventories of input materials fell, but at the slowest pace in years.

## Strong cost increases due to Iran war

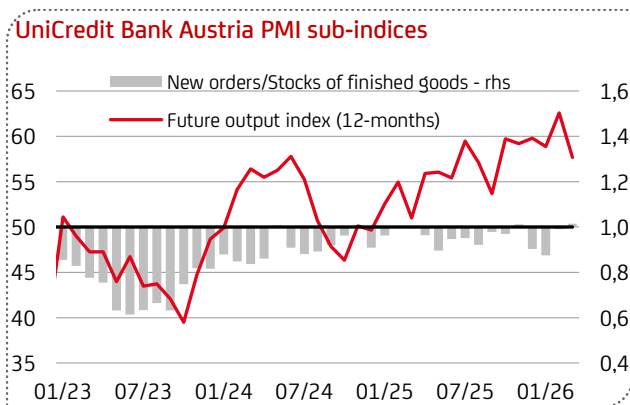


Input costs rose sharply as a result of supply chain disruptions and high price increases in global oil and gas markets.

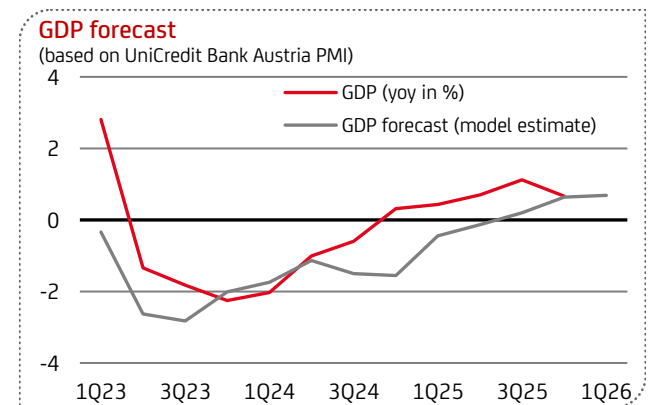


Despite the sharp increase in purchasing volumes, inventories of input materials fell, but at the slowest pace in years.

## Optimism in industrial companies has fallen significantly



The index for production expectations fell to 57.7 points, the sharpest month-on-month decline since the beginning of the Ukraine war.



The purchasing managers' index for industry points to a stable year-on-year increase in GDP at the beginning of 2026.

Sources: S&P Global, Statistik Austria, UniCredit Bank Austria

## MORE TO READ

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