UniCredit Bank Austria Purchasing Managers´ Index

July 2026

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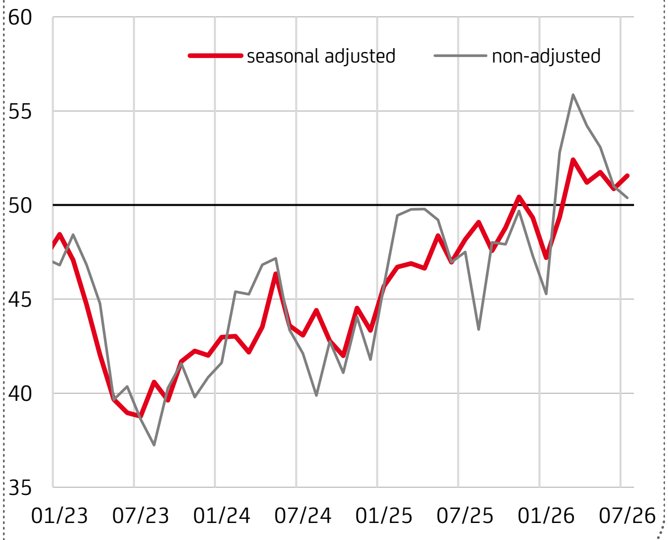
Overview

INDUSTRY CONTINUES ON A PATH OF MODEST GROWTH; OPTIMISM HAS RETURNED

- The UniCredit Bank Austria Purchasing Managers' Index rose to 51.5 points in July
- An expansion in production, despite an accelerated decline in new orders, was the key factor behind the improvement in the overall index
- Domestic firms continued to cut staff, albeit at a slower pace than in the previous month
- Price inflation eased: both input and output prices rose more slowly than in the previous month
- While the stocks of purchases were built up, stocks of finished goods were reduced, in order to secure the supply of raw materials and avoid price fluctuations
- Optimism has risen again: the index of expectations for production over the coming year rose to 57.9 points, the highest level since February

UniCredit Bank Austria
Purchasing Managers´ Index



Source: S&P Global, UniCredit Bank Austria

	UniCredit Bank Austria PMI	New orders	Output	Employ-ment	Suppliers' delivery times	Stocks of purchases	Future output [1]
Jul-26	**51.5**	47.7	53.0	47.4	37.9	51.8	57.9
In comparison to previous month	↗	↘	↗	↗	↗	↗	↗
average since 2000	↗	↘	↗	↘	↘	↗	↗

[1] not in the overall index / business expectations 12 months

Source: S&P Global, UniCredit

In detail

THE UNICREDIT BANK AUSTRIA PURCHASING MANAGERS' INDEX INCREASED TO 51.5 POINTS IN JULY

Austrian industry continued its recovery at the start of the third quarter, even gaining momentum in the process. The UniCredit Bank Austria Purchasing Managers' Index rose to 51.5 points in July, 0.6 points higher than the previous month's figure. The index thus remained well above the 50-point growth threshold, signalling a further moderate improvement in industrial activity.

Austrian industry has made a positive start to the third quarter. The recovery trend, which has held up so far despite the war in the Gulf, has even gained some momentum recently. However, the recent escalation in the region, with its impact on the energy and commodities markets, could once again pose a greater challenge to industrial activity in the coming months. The path to a sustainable recovery therefore remains fraught with considerable risks."

The main factor behind the improvement in the UniCredit Bank Austria Purchasing Managers' Index compared with the previous month was, above all, the significant expansion in production output. Domestic firms increased their production in July at the fastest rate in over four years. At the same time, stocks of purchases were further increased to safeguard against potential supply disruptions and a renewed escalation of geopolitical risks. New business declined even more sharply and employment was cut back once again. One positive development worth highlighting is the easing of cost pressures. Nevertheless, companies' ability to pass on higher costs through price adjustments remained limited.

PRODUCTION EXPANSION DESPITE WEAK NEW BUSINESS

The current recovery in Austrian industry remains fragile and fraught with risks given the continued weakness in demand. The index for new orders fell to 47.7 points in July, remaining firmly in contractionary territory. In particular, the sharp decline in foreign demand weighed on companies' order books. The new export orders index fell to 45.7 points, reaching its lowest level in a year.

Nevertheless, domestic industrial firms managed to expand their production. Despite the decline in new orders, production in July increased at a rate not seen since May 2022. The production index rose to 53.0 points. Since the start of the war in Iran, companies have increasingly decoupled their production from current demand. Instead, the focus has been on clearing order backlogs and ensuring delivery capacity. This is indicated, on the one hand, by the slight decline in order backlogs and, on the other, by increased purchasing activity and the ongoing build-up of raw material stocks.

The build-up of raw material stocks as a safeguard against potential supply bottlenecks underlines that a full normalisation of supply chains is still not in sight. However, there were signs of stabilisation in July: supplier´s delivery times lengthened again, but at a significantly slower rate than in the previous month. This suggests a certain easing of the supply situation, even though uncertainty along global supply chains remained high.

JOB CUTS CONTINUE

Domestic industrial firms continued to cut jobs in July. Although the employment index improved slightly to 47.4 points, it continued to signal a sharp reduction in the workforce. In manufacturing, the seasonally adjusted number of employees fell by almost 7,000, or just over one per cent, in the first seven months of the year compared with the same period last year.

The renewed job cuts in July, coupled with rising production, point to a further improvement in labour productivity in Austrian industry. Companies were able to increase their output without expanding their workforce. On the one hand, this points to efficiency gains within firms; on the other hand, however, it also points to a continued cautious approach to staffing policy in view of the declining trend in new orders.

SECURITY OF SUPPLY MORE IMPORTANT THAN SALES OPTIMISM

Driven by a further increase in purchase volumes, the build-up of stocks of raw materials and inputs continued for the fourth month in a row. The rise in the corresponding index to 51.8 points even indicates a slight acceleration in the pace of this trend. By contrast, the index for stocks of finished goods fell to 47.6 points, signalling the sharpest reduction in stocks of finished goods for a year.

Domestic industrial firms continued to build up their stocks of input materials in July, whilst stocks of finished goods declined. In manufacturing, given the persistently long supplier's delivery times and geopolitical uncertainties, higher priority was given to securing supplies of raw materials and intermediate inputs than to building up stocks for sales. The aim is to keep stocks of finished goods as lean as possible in order to limit costs and avoid tying up capital.

EASING PRICE PRESSURE IN JULY, BUT NO RELIEF ON MARGINS

Inflationary pressure in manufacturing continued to ease in July. The input price index fell significantly to 68.3 points, having stood at 77.7 points in June. Price inflation also slowed on the sales side. The output price index fell to 56.2 points, continuing to point to rising sales prices, albeit at a less rapid pace.

Falling energy and raw material prices provided some relief on the cost side prior to the recent escalation. Furthermore, supply concerns eased as supply chain issues subsided, and demand for intermediate goods remained subdued. At the same time, the scope for passing on higher costs to customers remained limited due to subdued demand for finished goods. Although margins are likely to have come under less pressure in July than in previous months, this does not constitute a noticeable improvement in profitability. Given the renewed rise in oil prices, domestic industry also appears to be facing a period of further sharp cost increases, which, whilst reflected in steeper rises in output prices, are likely to increase pressure on margins due to weak demand.

GREATER OPTIMISM PRIOR TO THE RECENT GEOPOLITICAL ESCALATION

At 51.5 points, the UniCredit Bank Austria Purchasing Managers' Index signalled growth in manufacturing for the fifth consecutive month. Compared with the previous month, the pace of expansion even increased slightly. The rise in the production index to its highest level in over four years points to increasing capacity utilisation coupled with rising productivity, which is also likely to have had a positive impact on profitability. Furthermore, companies regained their optimism in July and are anticipating an improvement in business over the coming twelve months, as demonstrated by the significant rise in the expectations index to 57.9 points.

Austrian industry is likely to continue its recovery in the coming months. The marked improvement in business expectations and rising production output point to a sustained stabilisation of the economy. However, the recovery has so far lacked a broad base of demand. The continued decline in new domestic and new export orders, as well as cautious staffing policies, show that the upturn is on shaky ground. We are cautiously optimistic that the recovery trend will gain greater momentum in the coming months. However, the recent escalation of the Gulf conflict highlights how quickly geopolitical tensions – through higher energy prices, rising transport costs, new supply chain disruptions and growing uncertainty – can once again undermine this positive development.

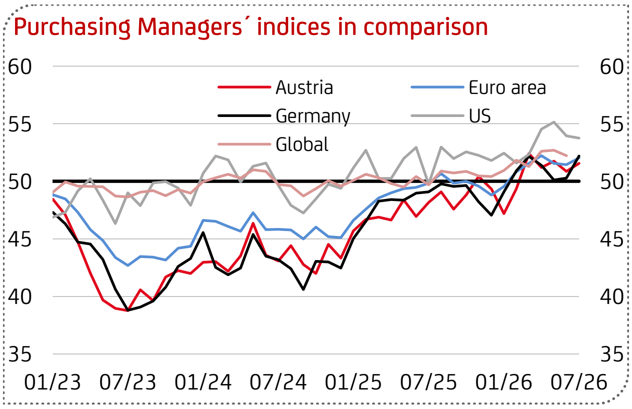
UniCredit Bank Austria Purchasing Managers' Index and components

	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Ø since 2000
UniCredit Bank Austria Purchasing Managers' Index	**49.1**	**47.6**	**48.8**	**50.4**	**49.3**	**47.2**	**49.4**	**52.4**	**51.2**	**51.7**	**50.9**	**51.5**	**51.4**
Output	52.5	49.7	50.7	52.7	50.2	47.1	50.1	51.9	49.5	51.4	50.6	53.0	52.2
New orders	47.8	46.1	49.0	50.7	47.2	45.6	50.4	52.4	49.2	49.6	48.5	47.7	50.3
Employment	45.6	44.4	43.7	45.4	48.0	45.1	44.1	47.0	45.8	46.1	45.6	47.4	50.4
Suppliers' delivery times (inverse)	47.5	47.4	46.1	45.5	44.3	46.6	46.0	37.2	35.3	35.7	37.2	37.9	44.9
Stocks of purchases	46.2	45.6	46.0	47.9	46.7	47.1	48.1	49.1	52.0	51.2	51.0	51.8	49.0
Stocks of finished goods[1]	51.8	47.2	50.6	50.1	52.2	52.1	50.9	51.6	52.3	51.3	49.0	47.6	49.0
Backlog of work[1]	47.7	46.6	45.6	48.7	50.5	46.5	48.7	51.1	46.1	47.7	50.1	49.7	50.2
New export orders[1]	47.0	46.2	49.1	51.1	46.5	46.0	48.4	50.9	49.2	50.7	48.9	45.7	49.7
Quantity of purchases[1]	49.8	47.0	45.5	48.1	47.1	46.1	47.4	53.1	50.8	51.6	51.9	50.3	50.3
Input prices[1]	52.6	54.4	52.5	53.6	52.8	54.0	56.4	72.1	77.4	83.0	77.7	68.3	57.4
Output prices[1]	49.1	48.6	47.7	49.7	48.7	48.6	50.7	53.8	59.8	65.2	60.4	56.2	51.9
New orders/Stocks of finished goods[2]	0.92	0.98	0.97	1.01	0.90	0.88	0.99	1.01	0.94	0.97	0.99	1.00	1.03
Future output[1]	57.1	53.7	59.7	59.2	59.8	58.9	62.6	57.7	53.7	54.7	50.8	57.9	55.0

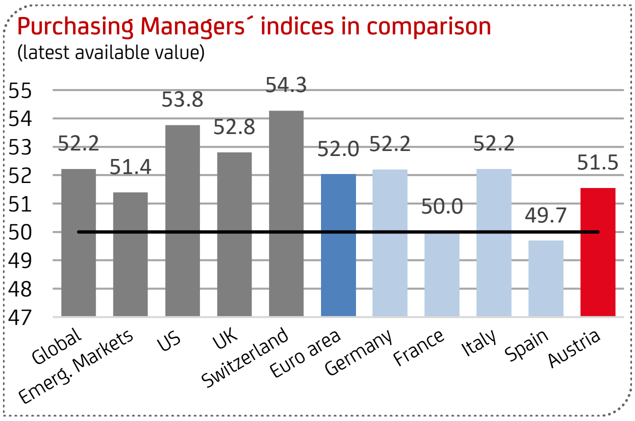
1) not in the overall index 2) own calculation

Source: S&P Global, UniCredit

Industry in the euro area continues to grow moderately

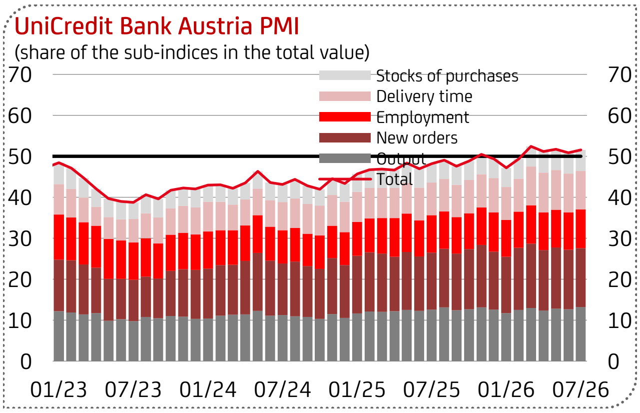


In the euro area, the purchasing managers' index for the manufacturing industry improved to 52.0 points in July, signalling a moderate recovery.

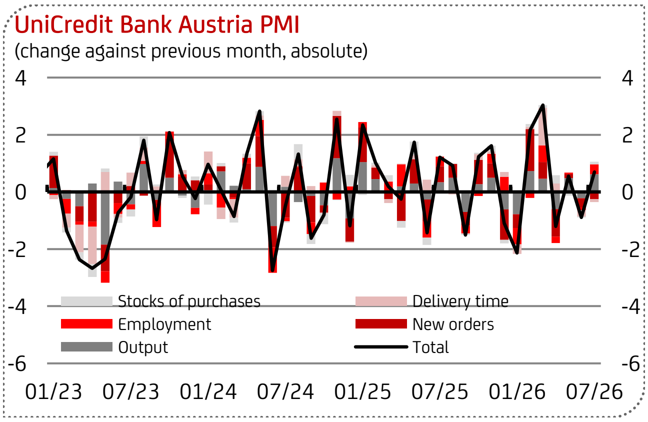


The rise in the PMI for the euro area in July was mainly driven by a significant improvement in the German indicator.

Iran war weighed on development in Austrian industry

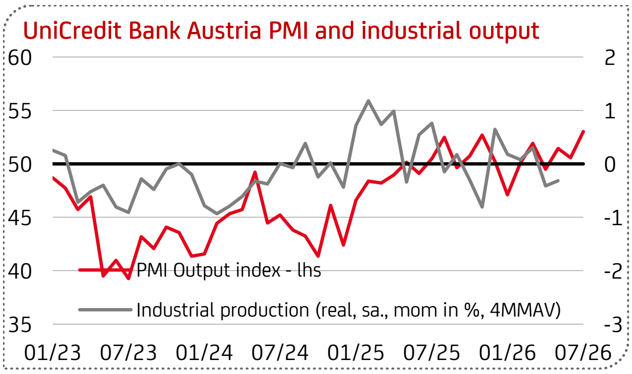


The UCBA Purchasing Managers' Index rose to 51.5 points in July, signalling a further moderate improvement in industrial activity.

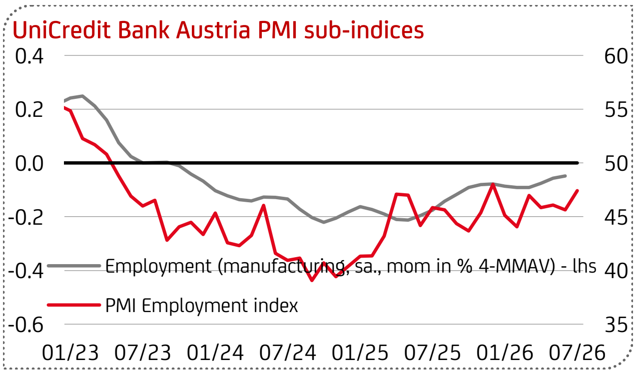


The increase of 0.6 points in July compared to the previous month was mainly due to the significant expansion of production output.

Production output rose significantly in July, but job cuts continued



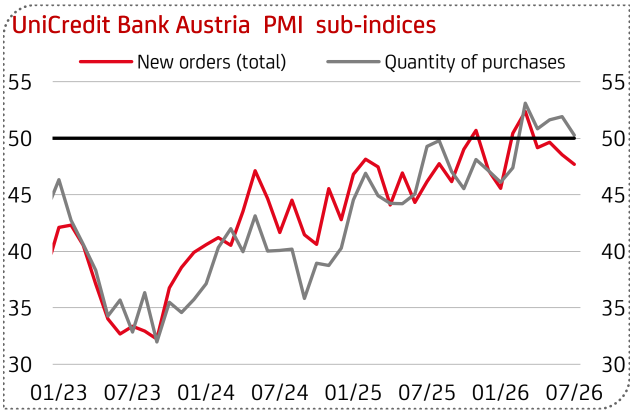
The production index rose to 53.0 points in July, which was due to the processing of order backlogs and the assurance of delivery capability, in the face of weak demand



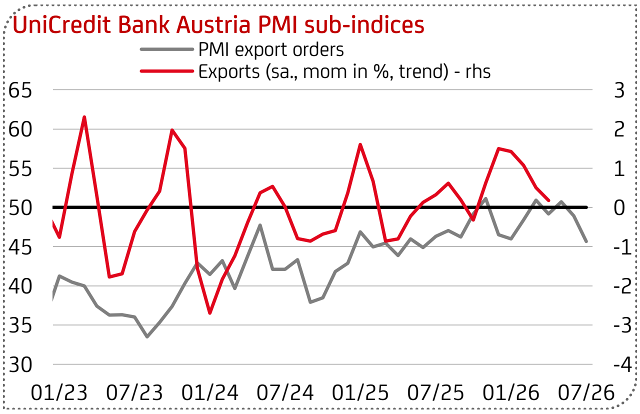
Although the employment index improved slightly to 47.4 points in July, it continued to signal a sharp decline in labour input.

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

Domestic demand and from abroad fell even more sharply in July

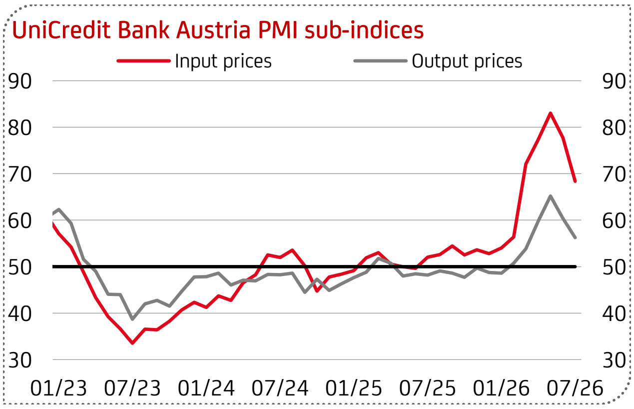


The index for new orders fell to 47.7 points in July and thus remained clearly in declining territory.

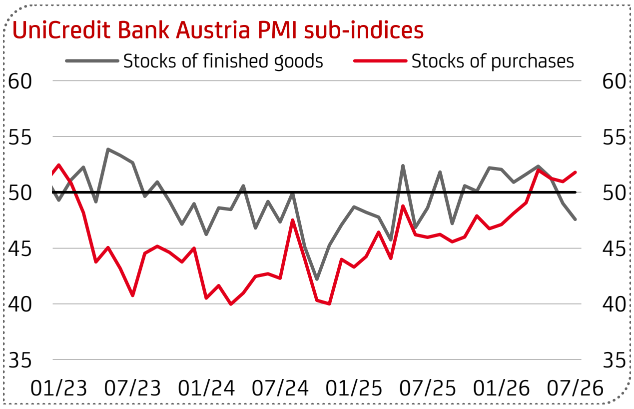


Above all, the significant decline in foreign demand weighed on the order situation. The index for export orders fell to 45.7 points, the lowest level in a year.

Easing cost pressure

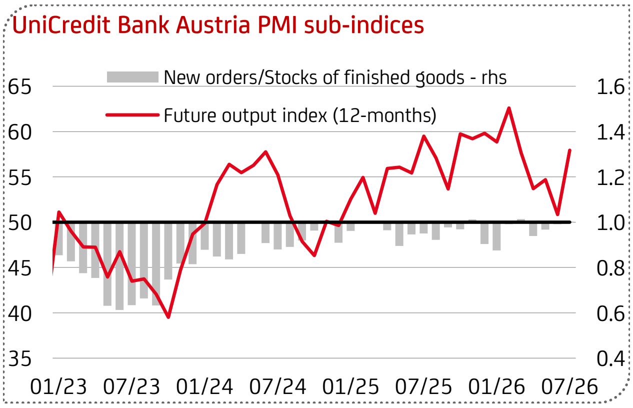


Declining energy and raw material prices provided relief on the cost side before the latest escalation. At the same time, the possibility of passing on higher costs to customers remained limited.

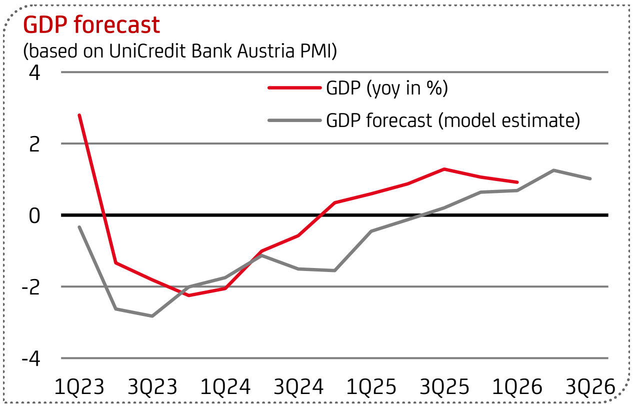


Driven by an increase in purchasing volumes, stocks of purchases continued to rise for the fourth month in a row, while stocks of finished goods declined.

More optimism again



Companies were more optimistic again in July, as shown by the significant increase in the expectations index to 57.9 points.



The manufacturing purchasing managers' index points to a slight year-on-year increase in GDP for the second quarter of 2026, but the services sector is likely to dampen the overall result.

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

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