

UniCredit Bank Austria Purchasing Managers´ Index

October 2026

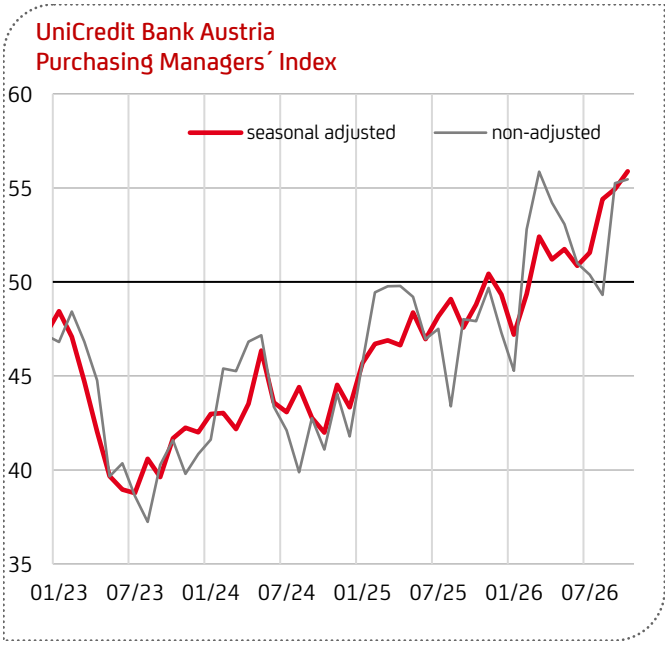
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Overview

INDUSTRIAL RECOVERY CONTINUES TO GAIN MOMENTUM

- The UniCredit Bank Austria Purchasing Managers' Index rose to 55.9 points in October, its highest level in three and a half years
- Domestic companies saw a noticeable expansion in production thanks to rising demand
- Employment rose slightly in October for the third consecutive month
- Input prices rose significantly faster than achievable output prices in October
- Ongoing supply chain issues, longer delivery times, and high cost pressures remain a challenge
- Inventory trends signal growing optimism among companies
- The rise in the expectations index to 59.9 points and a favorable international environment point to a continuation of the industrial upswing



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)]
Oct-26	**55.9**	57.2	56.4	51.6	39.1	51.8	59.9
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 55.9 POINTS IN OCTOBER

The recovery of the Austrian industrial sector has further solidified at the start of the fourth quarter of 2026. “The UniCredit Bank Austria Purchasing Managers’ Index rose to 55.9 points in October, reaching its highest level in 53 months. The fourth consecutive rise in the indicator was primarily due to a further improvement in the order situation, which led to an even stronger expansion in production than in the previous month. As a result, companies also increased their workforce. Inventory levels were also adjusted to meet higher demand. At the same time, however, supply chain issues and cost pressures resulting from tensions in the Middle East have continued to intensify.

Order backlogs rose significantly in October for the third consecutive month, pointing to increasing utilization of production capacity and continued growth in the coming months, especially as the recovery of the Austrian industrial sector is being supported by a favorable international environment. In the U.S., the Purchasing Managers’ Index for the manufacturing sector rose to 56.0 points. In the eurozone, the preliminary indicator weakened slightly to 52.4 points; however, in Germany—the domestic industry’s most important trading partner—strong export demand and increased investment in defense and infrastructure drove the Purchasing Managers’ Index up to 54.2 points.

SIGNIFICANT EXPANSION IN PRODUCTION

Developments in Austrian industry in October were once again marked by a noticeable increase in production—the strongest since the start of the war in Ukraine in early 2022. Over the past three months, the pace of production growth has remained consistently high and even accelerated slightly in October. The production index rose to 56.4 points.

The renewed strong increase in production in October was a result of the significant growth in orders for domestic industry. New business from abroad—and, to an even greater extent, domestic orders—increased. In both cases, the upward trend accelerated compared to previous months.

In line with the rise in new business, Austrian manufacturers’ order backlogs grew at a faster pace in October than in September. Continuing the trend that has persisted since mid-2025 and intensified since the start of the war in Iran, delivery times lengthened significantly at the beginning of the fourth quarter. In addition to increased demand resulting from the global industrial recovery and efforts to strengthen supply security, ongoing disruptions in supply chains—including blockades of key sea lanes—have also contributed to this.

EMPLOYMENT HAS BEEN RISING SINCE THE SUMMER

In October, domestic companies responded to the ongoing improvement in the order situation and the growing order backlog by once again adjusting their staffing levels. At 51.6 points, the employment index now indicates an increase in staffing levels in manufacturing for the third consecutive month. The pace of job creation has even increased slightly compared to the previous month.

In the domestic industrial sector, however, employment is still down compared to the previous year and is expected to decline by about 1 percent for 2026 as a whole. The decline in employment in manufacturing—averaging about 6,000 people over the year—is accompanied by an increase in the number of job seekers. The unemployment rate in the sector will therefore rise to an annual average of 4.4 percent in 2026, up from 4.3 percent in 2025. However, the unemployment rate in domestic industry will remain significantly lower than in the economy as a whole. We expect the average unemployment rate for the economy as a whole to be 7.6 percent in 2026.

INVENTORY TRENDS POINT TO GREATER OPTIMISM

The sustained rise in production output and new business was also reflected in October in a further increase in manufacturers’ purchasing volumes. The index for purchasing volume rose to 54.0 points, reaching a new high since the summer of 2022. In addition to the more favorable demand situation, the stronger purchasing activity is also consistent with increased efforts to ensure a secure supply of raw materials in light of supply chain issues.

The consolidation of the industrial recovery is also evident in the trend in inventory levels. While companies continued to expand their purchasing activities, the build-up of raw material inventories was comparatively moderate. The index for stocks of purchases fell to 51.8 points, placing it below the index for stocks of finished goods —which rose to 52.3 points in October—for the first time since the spring. At first glance, this situation could be interpreted as an indication of overestimated demand and a possible economic slowdown. However, robust order intake, rising purchasing volumes, and growing order backlogs currently suggest that domestic industrial firms are anticipating a sustained recovery and are strategically building up their finished goods inventories to meet expected stronger demand and potential supply bottlenecks.

THE GAP BETWEEN INPUT AND OUTPUT PRICES HAS WIDENED FURTHER

Price inflation in the Austrian manufacturing sector accelerated further in October. The input price index rose from 72.1 to 77.4 points, reaching a new high since the spring. In particular, rising prices for oil and other raw materials, as well as for components such as electronic parts, contributed to a sharp increase in costs. In addition, supply bottlenecks, increased demand, and precautionary inventory buildup contributed to rising prices.

However, companies were only able to pass on some of the higher costs to their customers. At 57.5 points, the output price index continues to signal a clear rise in selling prices, though the increase is significantly smaller than that of purchase prices.

Despite the improved order situation, fierce competition continues to limit pricing flexibility. In October, the costs of raw materials, intermediate goods, and energy rose significantly faster than the achievable selling prices. The price gap has even widened further and is weighing on the profit margins of many companies even more heavily than in previous months.

POSITIVE EXPECTATIONS DESPITE GEOPOLITICAL UNCERTAINTIES

The latest UniCredit Bank Austria Purchasing Managers' Index for Austrian industry has now remained above the 50-point growth threshold for the eighth consecutive month. Following a dip in the summer due to the escalation of the Iran conflict, the recovery in industrial activity appears to be gradually gaining traction, and the robust order book suggests the upswing will continue in the coming months. This outlook is supported by developments in Austrian industry's key export markets, particularly in Germany.

The ratio of new orders to inventory levels also points to further growth. For the past four months, this indicator has remained within a range that suggests the upswing will continue. In October, the new orders index rose to 57.2 points, while the finished goods inventory index reached only 52.3 points. Inventories thus apparently did not increase at the same rate as demand. This suggests that companies will continue to expand production and create additional jobs in the coming months.

The economic outlook among domestic industrial firms continued to improve in October despite the uncertainties caused by tensions in the Middle East and their impact on cost trends. Since the beginning of 2025, the number of domestic companies expecting production growth over the course of the year has exceeded the number of companies expecting declines. Austria's industrial companies became even more optimistic in October. The expectations index rose to 59.9 points, significantly exceeding the long-term average.

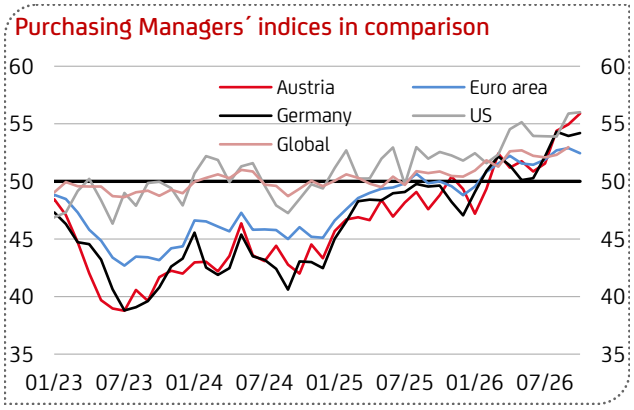
UniCredit Bank Austria Purchasing Managers' Index and components

	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26	Oct-26	Ø since 2000
UniCredit Bank Austria Purchasing Managers' Index	**50.4**	**49.3**	**47.2**	**49.4**	**52.4**	**51.2**	**51.7**	**50.9**	**51.5**	**54.4**	**54.9**	**55.9**	**51.4**
Output	52.7	50.2	47.1	50.1	51.9	49.5	51.4	50.6	53.0	56.0	55.3	56.4	52.2
New orders	50.7	47.2	45.6	50.4	52.4	49.2	49.6	48.5	47.7	53.6	55.3	57.2	50.4
Employment	45.4	48.0	45.1	44.1	47.0	45.8	46.1	45.6	47.4	51.3	51.1	51.6	50.5
Suppliers' delivery times (inverse)	45.5	44.3	46.6	46.0	37.2	35.3	35.7	37.2	37.9	40.3	40.2	39.1	44.9
Stocks of purchases	47.9	46.7	47.1	48.1	49.1	52.0	51.2	51.0	51.8	51.1	53.4	51.8	49.0
Stocks of finished goods[1)]	50.1	52.2	52.1	50.9	51.6	52.3	51.3	49.0	47.6	48.1	50.4	52.3	49.0
Backlog of work[1)]	48.7	50.5	46.5	48.7	51.1	46.1	47.7	50.1	49.7	52.4	55.2	57.5	50.2
New export orders[1)]	51.1	46.5	46.0	48.4	50.9	49.2	50.7	48.9	45.7	53.2	53.6	56.2	49.7
Quantity of purchases[1)]	48.1	47.1	46.1	47.4	53.1	50.8	51.6	51.9	50.3	53.4	53.8	54.0	50.3
Input prices[1)]	53.6	52.8	54.0	56.4	72.1	77.4	83.0	77.7	68.3	68.8	72.1	77.4	57.7
Output prices[1)]	49.7	48.7	48.6	50.7	53.8	59.8	65.2	60.4	56.2	58.0	57.9	57.5	52.2
New orders/Stocks of finished goods[2)]	1.01	0.90	0.88	0.99	1.01	0.94	0.97	0.99	1.00	1.11	1.10	1.09	1.03
Future output[1)]	59.2	59.8	58.9	62.6	57.7	53.7	54.7	50.8	57.9	61.5	59.4	59.9	55.0

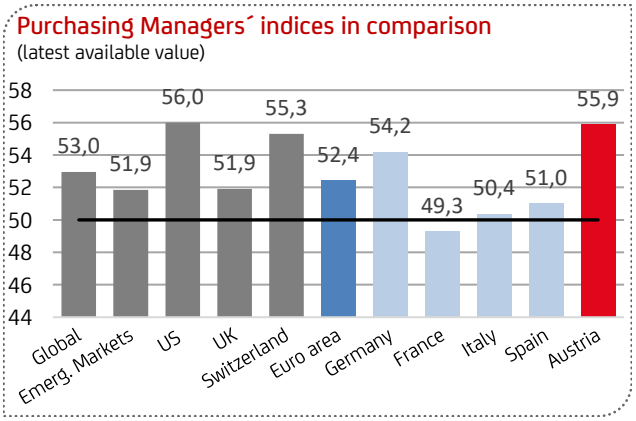
1) not in the overall index 2) own calculation

Source: S&P Global, UniCredit

Industrial upswing in the euro area is slowing down

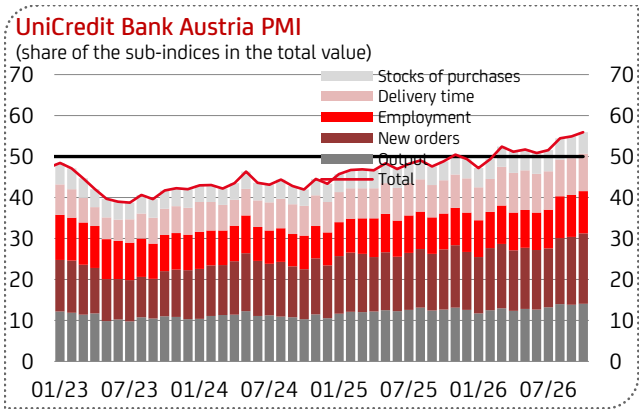


In the euro area, the purchasing managers' index for the manufacturing industry fell slightly to 52.4 points in October. However, the euro area is thus maintaining a robust pace of recovery.

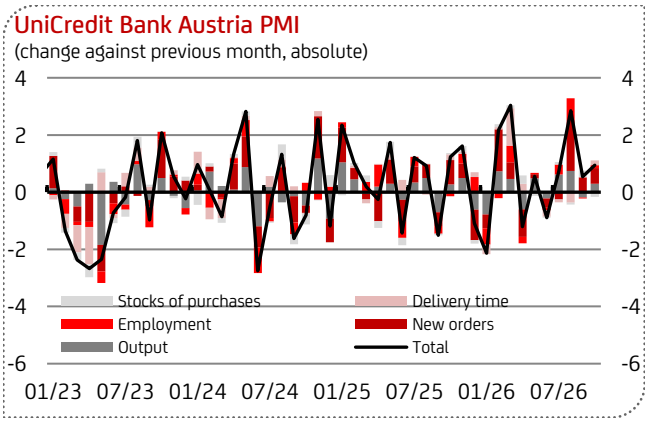


The pace of recovery in the euro area remained high, despite a significant deterioration in the purchasing managers' index in France.

Recovery of Austrian industry continues to gain strength

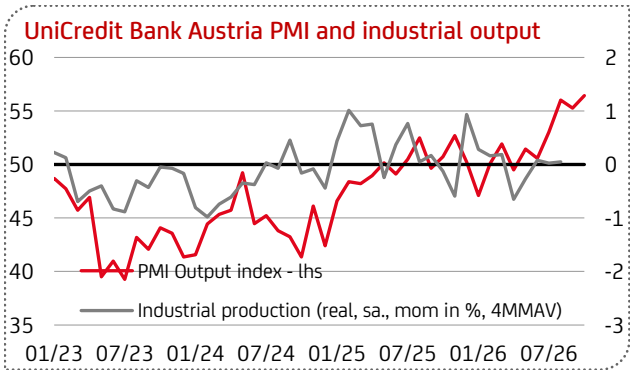


The UCBA Purchasing Managers' Index rose to 55.9 points in October, reaching a new high since the start of the war in Ukraine in spring 2022.

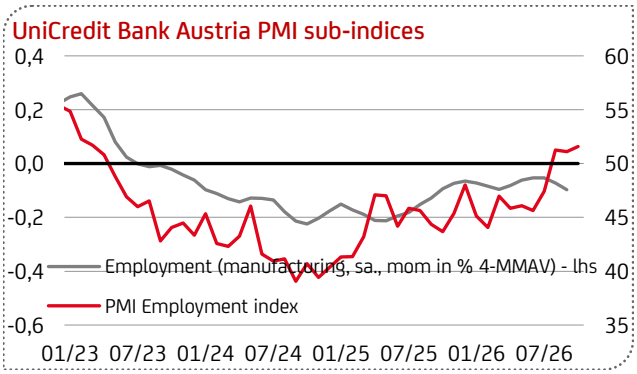


The increase of 1.0 points in October compared to the previous month was mainly due to the improved order situation and an expansion of production.

Production output expanded sharply in October, employment rose again



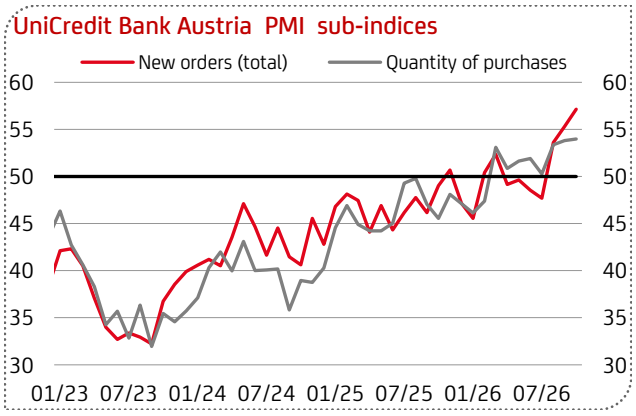
With the strong order intake behind it, industry expanded its production for the sixth month in a row. The production index reached 56.4 points in October.



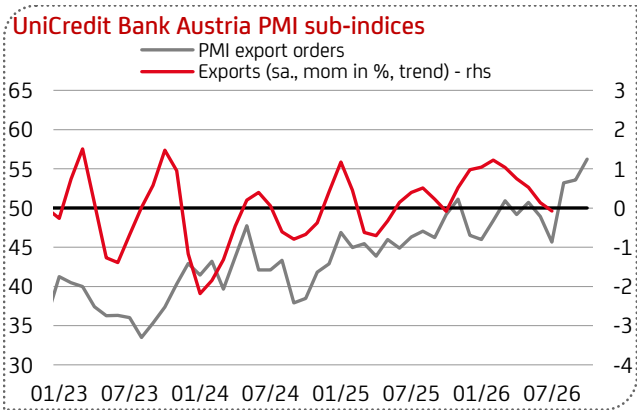
At 51.6 points, the employment index was again above the growth threshold in October, signalling the third consecutive increase.

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

New business increased significantly in October

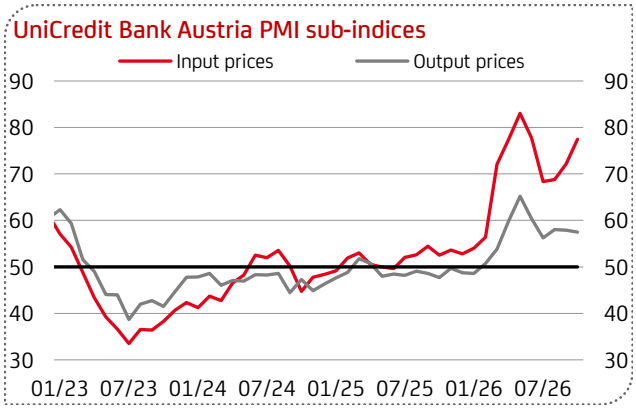


The index for new orders rose to 57.2 points in October, reaching its highest level since the beginning of 2022.

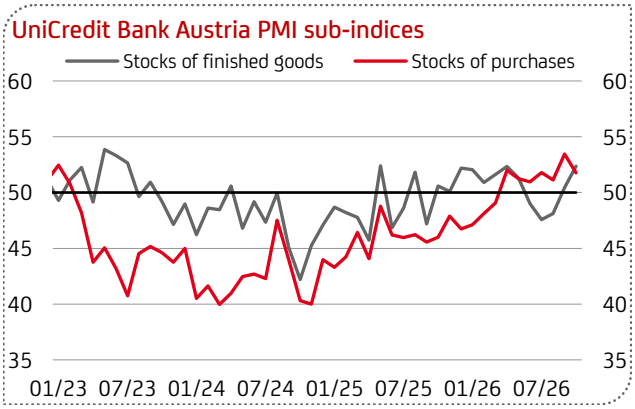


New export orders in particular developed positively, with the index rising to 56.2 points, signaling a further revival of international business.

Cost pressure and supply chain problems were once again the focus of warehouse policy

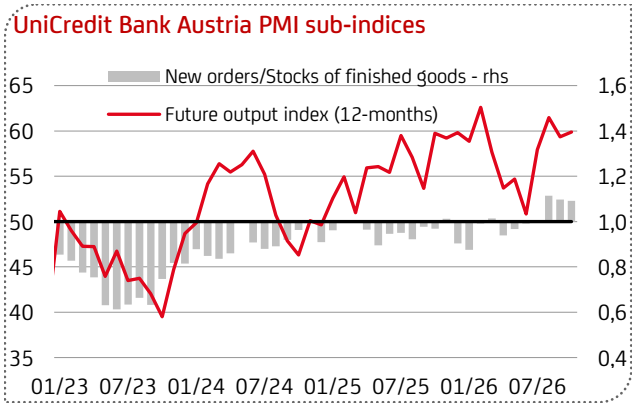


The cost of intermediate products and, above all, energy rose much faster than the achievable selling prices. The price gap has widened again and is weighing on profit margins.

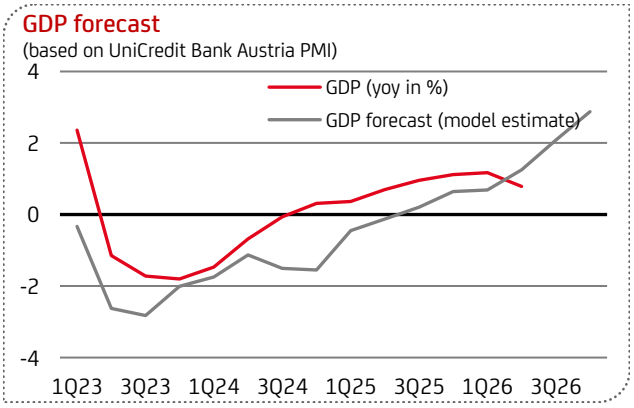


Driven by an increase in purchasing volumes, stocks of purchases continued to grow for the sixth month in a row, albeit at a slower pace than in the previous month. Inventories of finished goods expanded more strongly.

Optimism continued to rise



The economic assessment of companies improved in October. At 59.9 points, the expectations index was well above the long-term average.



After the third quarter of 2026, the purchasing managers' index for industry also signals an acceleration of the economy due to the production sector for 4Q26.

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

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