



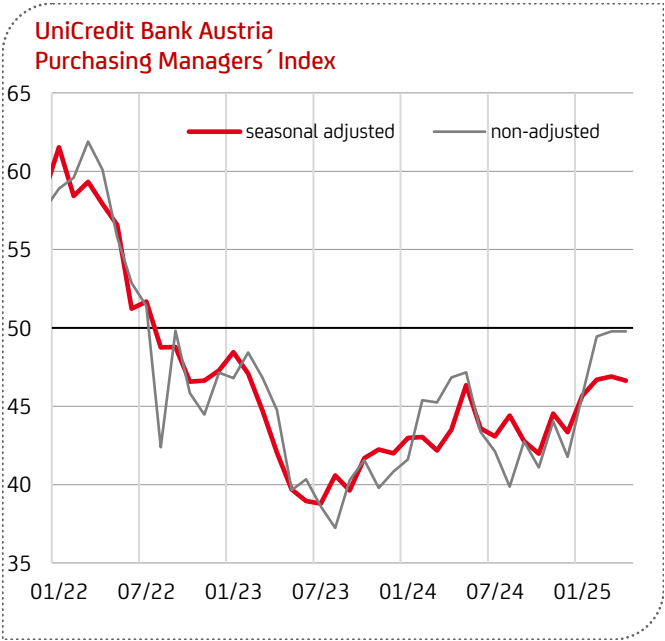
# **UniCredit Bank Austria Purchasing Managers' Index**

**April 2025**

# Overview

## AUSTRIA'S INDUSTRY IN WAITING POSITION

- The UniCredit Bank Austria Purchasing Managers' Index fell slightly to 46.6 points in April
- The decline in production slowed despite the accelerated decline in new business, mainly due to fewer foreign orders
- The significant slowdown in job cuts nevertheless dampened the improvement in productivity
- For the first time in six months, the increase in output prices exceeded the rise in costs
- Cautious inventory management led to an accelerated reduction in inventories of primary materials and finished goods
- Despite uncertainty caused by US tariff policy: the index of production expectations for the year rose significantly in April to 55.9 points, the highest value in ten months



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> |
|---------------------------------|----------------------------|------------|--------|------------|---------------------------|---------------------|-----------------------------|
| Apr-25                          | 46.6                       | 44.1       | 49.0   | 47.1       | 51.0                      | 44.1                | 55.9                        |
| In comparison to previous month | ↘                          | ↘          | ↗      | ↗          | ↘                         | ↘                   | ↗                           |
| average since 2000              | ↘                          | ↘          | ↘      | ↘          | ↗                         | ↘                   | ↗                           |

<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 DECREASED TO 46.6 POINTS IN APRIL

The improvement trend that had begun in Austrian industry came to an end at the start of the second quarter. "The turbulence surrounding the erratic US tariff announcements has hardly had any impact on domestic industry so far. Although the UniCredit Bank Austria Purchasing Managers' Index fell, with a drop of just 0.3 points, the indicator was still above the average value for the first quarter at 46.6 points in April. Once again, the threshold of 50 points, above which growth is signaled, was not reached. In view of the challenges ahead, the largely ongoing consolidation in manufacturing is surprising and speaks for the resilience of domestic producers.

Austrian industry fared better than expected in April. "Despite the risks posed by cost developments and the introduction or increase in tariffs by the USA, which is after all the second most important export destination, most industrial companies in Austria were not overly concerned in April and appear to be adopting a wait-and-see attitude. Although the influx into order books slowed, the decline in production was scaled back significantly.

Job cuts also slowed down and companies were able to improve their earnings situation thanks to lower costs and the ability to raise output prices.

## AUSTRIA'S INDUSTRY LAG SOMEWHAT BEHIND EUROPE

The current development in Austrian industry is fully in line with the European trend set by Germany. In the eurozone, the Purchasing Managers' Index for the manufacturing industry actually remained stable at 48.7 points, although there was a slight decline in both Germany and France, similar to Austria. However, the respective indicators once again exceeded the Austrian value by around two points, mainly because output in these countries actually rose in contrast to Austria.

## ONLY SLIGHT DECLINE IN OUTPUT DESPITE SHARP DROP IN NEW ORDERS

After an interruption in the previous month, the improvement in the output index continued in April. The production index rose to 49.0 points.

While the output index in the eurozone and Germany exceeded the 50-point mark again in April, signaling production growth in the manufacturing industry for the second month in a row, the indicator in Austria remained below the neutral line. This was probably determined by the development of new orders. In contrast to most countries in Europe, the decline in new business in Austria accelerated significantly in April, particularly from abroad. While German industrial companies were even able to record more new export orders than in the previous month, the export order index in Austria fell to 43.9 points in April, the lowest value of the current year.

Austrian industry was apparently unable to benefit from the pull-forward effects in Germany in connection with the introduction of US tariffs.

## DECLINE IN EMPLOYMENT SLOWS

The ongoing decline in production and the falling number of new orders continue to affect capacity utilization in the domestic industry. Austrian companies cut jobs again in April. However, the pace of job cuts has slowed further. At 47.1 points, the employment index still reached its highest level for almost two years. The employment index is still below the production index, which indicates a continued increase in productivity in the domestic industry. However, the improvement trend that has been underway since the beginning of 2024 is likely to have slowed significantly in April.

In the first third of 2025, the number of people employed in Austria's manufacturing sector fell by around 2% year-on-year, or over 13,000 people, to 625,000. The seasonally adjusted unemployment rate has risen to 4.3%, which is not even half as high as in the economy as a whole. Employment fell at an above-average rate in metal processing and vehicle production in particular. For 2025, the economists at UniCredit Bank Austria expect the unemployment rate in the economy as a whole to rise to 7.5%, compared to 7.0% in the previous year.

The unemployment rate in manufacturing is also expected to rise in 2025, to 4.5% after 3.7% in 2024, which is higher than in the economy as a whole. Low capacity utilization and efforts to cut costs will lead to a further decline in employment in the sector in the coming months, despite the consolidation of the industrial economy.

## WAREHOUSE MANAGEMENT WITH AN EYE ON COSTS

Companies scaled back their production capacities more slowly in April, although orders fell sharply. As a result, order backlogs decreased significantly, which was also accompanied by a further reduction in delivery times. In addition, purchasing volumes were reduced slightly more than in the previous month. In line with cost-oriented inventory management, inventories of purchases were reduced further, even at the highest rate since the beginning of the year. The index for inventories of primary materials fell to 44.1 points and was therefore further below the index for stocks of finished goods, which also fell to 45.7 points.

## EARNING SITUATION IMPROVES

Domestic industrial companies were confronted with higher costs for the third month in a row in April, partly due to higher food prices. However, the corresponding index fell to 50.5 points due to a partial decline in energy prices as a result of rising economic concerns caused by the US tariff announcements. The slight increase in costs was offset by a somewhat stronger rise in output prices. Despite the generally weak demand, the pricing power of businesses in many sectors was strong enough to pass on the increased costs to customers. Overall, the input and output price trends tended to improve the earnings situation compared to the previous month. For the first time since October of the previous year, domestic industrial companies benefited on average from at least a slight increase in profit margins.

## IMPROVED PRODUCTION EXPECTATIONS DESPITE MAJOR UNCERTAINTIES

The weakness in domestic industry continued at the start of the second quarter of 2025. However, signs of economic stabilization became stronger after production cuts were scaled back and the pace of job losses slowed further, despite the high level of uncertainty caused by US tariff policy.

However, the massive slump in new business, particularly from abroad, is a lasting concern in view of the reduced competitiveness due to the sharp rise in costs in recent months, which has not yet been offset by productivity gains

The order-to-stock ratio therefore deteriorated further in April, indicating that the current level of incoming orders in the delivery warehouses can also be fulfilled with lower production capacities. An immediate increase in production in the coming months is therefore unlikely, but the gap is slowly closing.

Although a noticeable recovery still does not appear to be in sight, the medium-term production expectations of companies are fueling hopes of a continued gradual improvement in the industrial economy over the course of the year.

After falling in the previous month, the index for production expectations in the coming twelve months rose significantly to 55.9 points, the highest value since summer 2024. Concerns about weak demand in a difficult competitive environment and possible negative consequences of US tariff policy were more than offset by hopes of a tailwind from investment programs in Europe, especially in Germany.

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

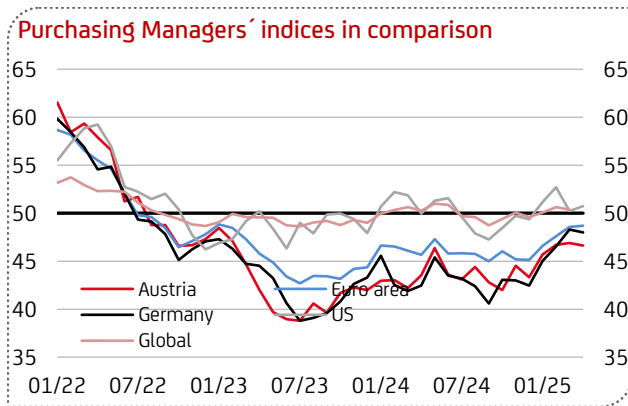
|  | May-24      | Jun-24      | Jul-24      | Aug-24      | Sep-24      | Oct-24      | Nov-24      | Dec-24      | Jan-25      | Feb-25      | Mar-25      | Apr-25      | Ø since 2000 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <b>UniCredit Bank Austria Purchasing Managers' Index</b> | <b>46.3</b> | <b>43.6</b> | <b>43.1</b> | <b>44.4</b> | <b>42.8</b> | <b>42.0</b> | <b>44.5</b> | <b>43.3</b> | <b>45.7</b> | <b>46.7</b> | <b>46.9</b> | <b>46.6</b> | <b>51.5</b>  |
| Output   | 49.2        | 44.5        | 45.2        | 43.8        | 43.2        | 41.4        | 46.1        | 42.4        | 46.6        | 48.4        | 48.2        | 49.0        | 52.3         |
| New orders   | 47.1        | 44.7        | 41.7        | 44.5        | 41.5        | 40.6        | 45.5        | 42.8        | 46.8        | 48.1        | 47.5        | 44.1        | 50.4         |
| Employment   | 46.1        | 41.6        | 40.9        | 41.1        | 39.0        | 40.7        | 39.4        | 40.4        | 41.3        | 41.4        | 43.2        | 47.1        | 50.7         |
| Suppliers' delivery times (inverse)                      | 57.1        | 56.8        | 54.2        | 52.6        | 51.2        | 51.5        | 50.3        | 50.5        | 50.8        | 50.3        | 51.2        | 51.0        | 45.0         |
| Stocks of purchases                                      | 42.5        | 42.7        | 42.3        | 47.5        | 44.0        | 40.3        | 40.0        | 44.0        | 43.3        | 44.3        | 46.4        | 44.1        | 49.0         |
| Stocks of finished goods <sup>1)</sup>                   | 46.8        | 49.2        | 47.3        | 49.9        | 45.1        | 42.2        | 45.3        | 47.1        | 48.7        | 48.2        | 47.8        | 45.7        | 48.9         |
| Backlog of work <sup>1)</sup>                            | 42.9        | 41.8        | 41.2        | 43.0        | 38.3        | 38.2        | 42.7        | 41.3        | 44.7        | 46.8        | 47.6        | 44.7        | 50.3         |
| New export orders <sup>1)</sup>                          | 47.7        | 42.1        | 42.1        | 43.3        | 37.9        | 38.5        | 41.8        | 42.9        | 46.9        | 45.0        | 45.5        | 43.9        | 49.7         |
| Quantity of purchases <sup>1)</sup>                      | 43.1        | 40.0        | 40.1        | 40.2        | 35.8        | 39.0        | 38.8        | 40.3        | 44.6        | 46.9        | 44.9        | 44.2        | 50.4         |
| Input prices <sup>1)</sup>                               | 48.2        | 52.5        | 52.0        | 53.6        | 50.2        | 44.8        | 47.8        | 48.4        | 49.2        | 51.9        | 53.0        | 50.5        | 57.4         |
| Output prices <sup>1)</sup>                              | 47.0        | 48.3        | 48.2        | 48.6        | 44.5        | 47.3        | 44.9        | 46.3        | 47.6        | 48.8        | 51.8        | 50.7        | 52.1         |
| New orders/Stocks of finished goods <sup>2)</sup>        | 1.01        | 0.91        | 0.88        | 0.89        | 0.92        | 0.96        | 1.01        | 0.91        | 0.96        | 1.00        | 0.99        | 0.96        | 1.03         |
| Future output <sup>1)</sup>                              | 56.3        | 57.8        | 55.2        | 50.7        | 47.9        | 46.3        | 50.1        | 49.6        | 52.6        | 54.9        | 51.0        | 55.9        | 54.7         |

1) not in the overall index 2) own calculation

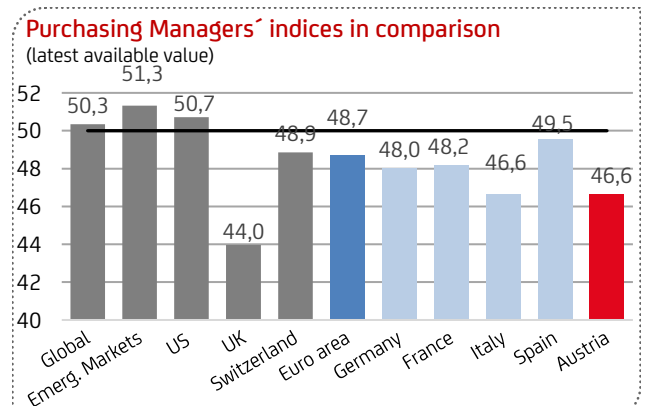
Source: S&P Global, UniCredit



## European industry defies US tariff policy

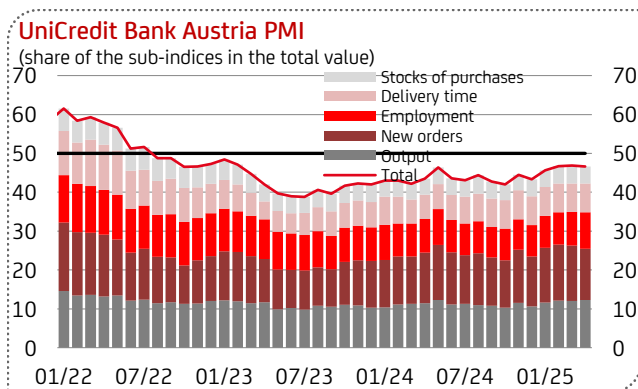


Despite the uncertainty caused by US tariff policy, the purchasing managers' index for the manufacturing industry in the euro area rose slightly, and the production index was even above the neutrality line of 50 points.

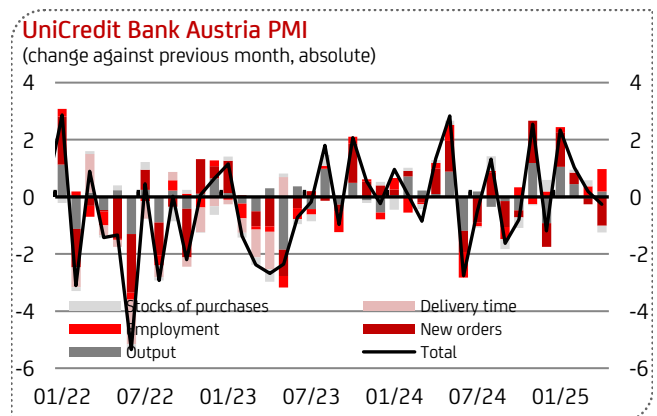


Industrial activity improved in all major markets. In Germany, Austria's most important trading partner, the purchasing managers' index rose in particular.

## Gradual consolidation of industrial activity

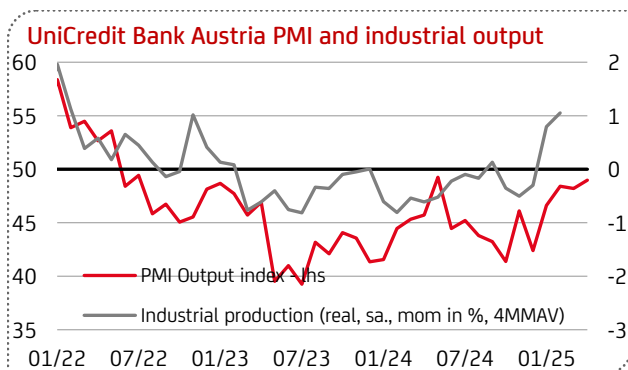


The UniCredit Bank Austria Purchasing Managers' Index fell to 46.6 points in April. In view of the challenges posed by US tariffs, the industry did better than expected.

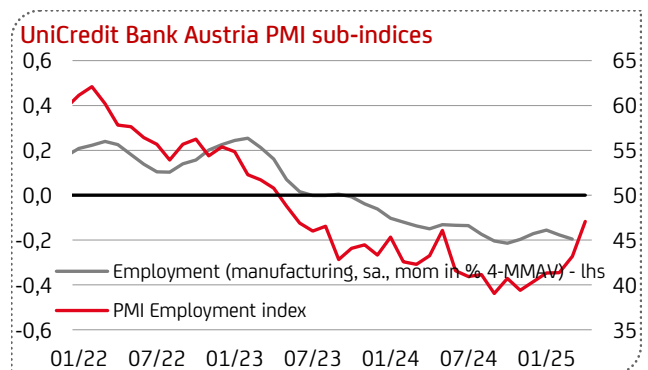


The decline in the UniCredit Bank Austria Purchasing Managers' Index in April was mainly caused by the renewed slump in new orders, while an upward trend of the indicator was shown in employment and output.

## Only a slight decline in production and a slowdown in the pace of job cuts

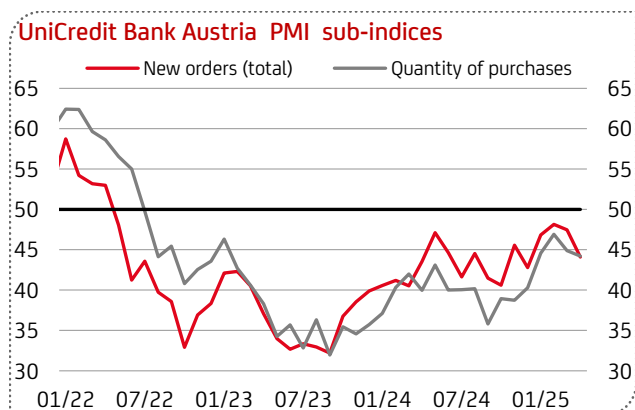


After an interruption in the previous month, the improvement in the production index continued in April. The production index rose to 49.0 points.

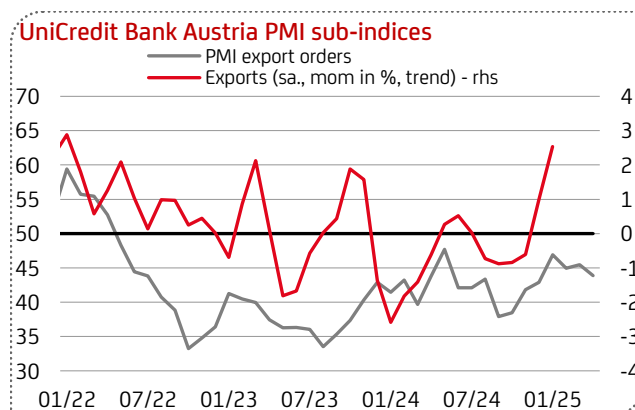


In April, Austrian companies again cut jobs. At 47.1 points, the employment index reached its highest level in almost two years.

## Again strong losses in new orders, especially from abroad.

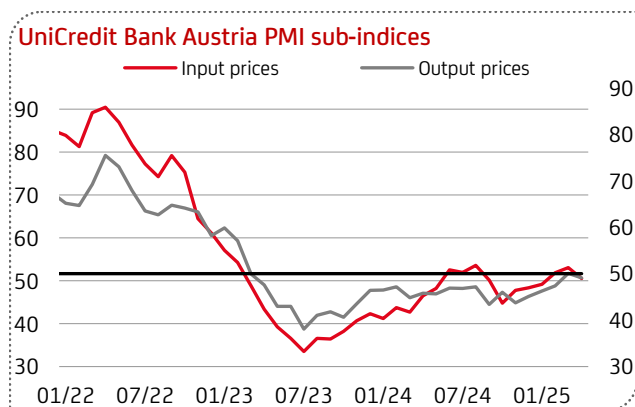


In April, the decline in the number of employees accelerated significantly. The index for new business fell to 44.1 points, consequently the purchase volume was also reduced more sharply.

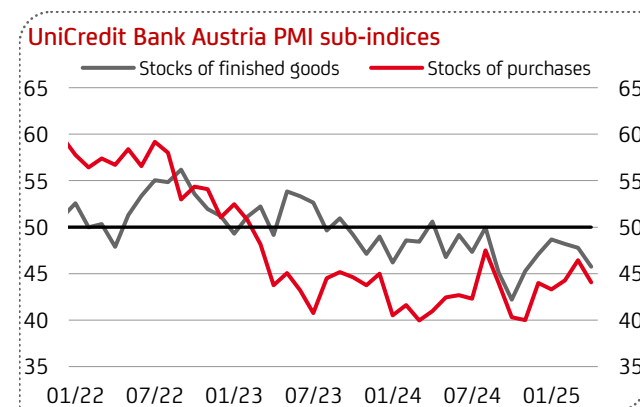


While German industrial companies were even able to book more export orders than in the previous month, the export order index in Austria fell to 43.9 points in April, the lowest value of the current year.

## Improved earnings situation and continued caution in warehouse management

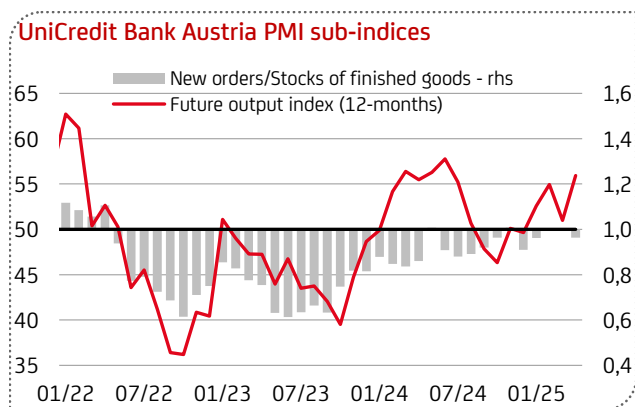


The slight increase in costs was offset by a slightly stronger increase in selling prices. Overall, the price trends resulted in an improvement in the earnings situation compared to the previous month.

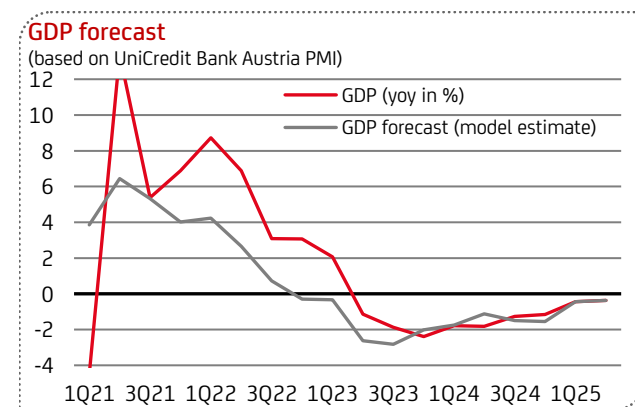


The index for stocks of purchases fell to 44.1 points, further below the index for stocks of finished goods of 45.7 points, which also fell.

## Despite challenges from US tariff policy, production expectations have improved



The index for production expectations for the next twelve months rose significantly to 55.9 points, the highest level since summer 2024.



The purchasing managers' index for industry points to a stabilisation of the overall economy for the first and beginning of the second quarter of 2025.

## MORE TO READ

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