



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

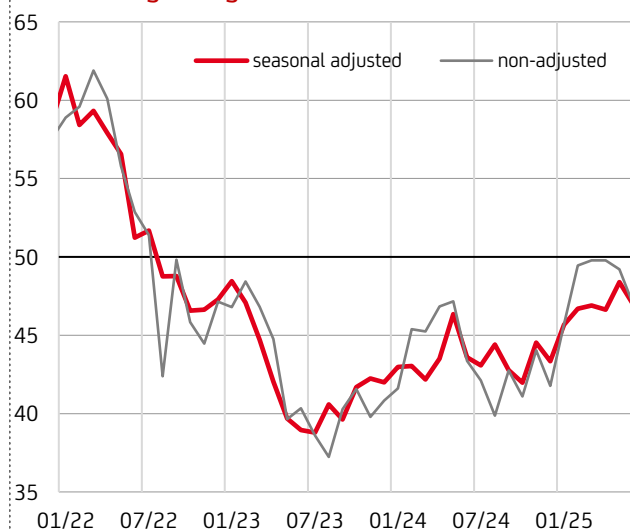
**June 2025**

# Overview

## UNCERTAINTIES WEIGH MORE HEAVILY ON THE INDUSTRIAL ECONOMY AGAIN IN THE MIDDLE OF THE YEAR

- The UniCredit Bank Austria Purchasing Managers' Index fell to 47.0 points in June
- Slight reduction in output following an accelerated decline in new business
- The pace of job cuts increased significantly in June
- Suppliers' delivery times increased for the first time in 2.5 years
- Price reductions coupled with barely falling costs had a negative impact on earnings
- Escalation of the Israel-Iran conflict with the risk of sharply rising energy prices dampen optimism
- The index of production expectations for the year fell to 55.4 points in June, but once again exceeded the long-term average value

UniCredit Bank Austria  
Purchasing Managers' Index



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>
Jun-25	<b>47.0</b>	44.3	49.1	44.2	47.2	46.2	55.4
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 FELL TO 47.0 POINTS IN JUNE

In view of the high level of uncertainty, the improvement trend in Austrian industry that began at the start of 2025 was dampened in June. The turbulence surrounding the intensification of geopolitical uncertainties due to the conflict between Israel and Iran and the associated risks of sharply rising energy prices weighed somewhat more heavily on domestic industry again in June. The UniCredit Bank Austria Purchasing Managers' Index fell to 47.0 points. However, the indicator still reached its second-highest level in around two and a half years. The indicator moved further away from the 50-point mark, above which a stable economic recovery would be signalled. The weak phase in domestic industry thus continued in the middle of the year.

With the UniCredit Bank Austria Purchasing Managers' Index falling by almost one and a half points in June, the gap with European industry has widened again. As in the previous month, the preliminary Purchasing Managers' Index for the eurozone reached 49.4 points. European industrial companies expanded their production in June for the fourth month in a row and the order situation was stable. However, the trend was not uniform across the entire eurozone. The further upward trend in Germany to 49.0 points was offset by a clear decline in France.

In a direct comparison with the eurozone and Germany in particular, there is more room for improvement for Austrian industry. Almost all sub-components of the UniCredit Bank Austria Purchasing Manager Index fell in June. Production output was reduced, as a greater drop in new orders was recorded. As a result, more jobs were cut than recently, although this had a positive effect on productivity in the sector. However, the earnings situation of companies tended to deteriorate, as output prices fell slightly more than costs.

## OUTPUT INDEX BELOW 50 POINTS AGAIN IN JUNE

After production rose in May for the first time in three years - albeit only slightly - the output of domestic industry fell again at the end of the second quarter. The output index fell to 49.1 points. The decline was driven by the consumer goods and intermediate goods sectors, while manufacturers of capital goods recorded a further increase in production.

As expected, the increase in production in the previous month proved to be unsustainable, as Austrian industry continues to face only weak demand. The decline in new business even accelerated significantly again in June. The index of new orders fell to 44.3 points. In addition to a general reluctance on the part of customers to place new orders due to high economic uncertainty, domestic industry was hit hard by foreign competition. Loss of competition as a result of high cost increases led to a loss of new business from Germany, among others. The number of new export orders fell more sharply than in the previous month. The index of export orders fell to 44.9 points. This extended the current record sequence of decline to 38 months. New business also slowed so sharply in June that, despite the reduction in production capacity, order backlogs decreased more rapidly than in the previous month.

## DECLINE IN EMPLOYMENT ACCELERATED IN JUNE

Following relatively moderate job losses over the past two months, the decline in employment in the domestic industry accelerated again in June. The employment index fell to 44.2 points. Since the turn of the year, the number of employees in manufacturing in Austria has fallen by more than 7,000 or 1.2 per cent. The industrial strongholds of Upper Austria account for almost 40 per cent and Styria for almost 25 per cent of this. Due to migration to other sectors and demographic factors, the number of jobseekers only rose by around 2,000 in the same period.

In June 2025, the seasonally adjusted unemployment rate in manufacturing was 4.4 per cent, 0.3 percentage points higher than at the turn of the year. Despite the smallest increase, the unemployment rate in Viennese industry was still the highest of all federal states at 7.9 per cent at the middle of the year, while in Tyrol the figure was even below 3 per cent. A further moderate increase in unemployment in domestic industry is to be expected in the coming months. We expect an average unemployment rate of 4.5 per cent for 2025, compared to just 3.8 per cent in the previous year. In the economy as a whole, the economists at UniCredit Bank Austria expect an unemployment rate of 7.5 per cent.

## REDUCTION IN INVENTORY COSTS ON TARGET

In addition to continuing to reduce staff numbers, domestic companies also stepped up their efforts to cut costs in June by reducing inventories. Purchasing volumes were once again reduced significantly, now exactly three years in a row. As a result, stocks of purchases continued to fall in June, at a much faster rate than in the previous month.

Although Austrian industrial companies ordered fewer primary materials and raw materials, June saw the first increase in average suppliers' delivery times since the end of 2022. According to companies, the delivery delays were the result of problems with deliveries from Asia.

## EARNINGS SITUATION DETERIORATES SLIGHTLY AGAIN

As in the previous month, domestic industrial companies benefited from slightly lower costs in June. The corresponding index fell to 49.6 points. The slight fall in costs was offset by a somewhat sharper decline in output prices. In view of the weak demand, many companies gave price reductions in order to secure orders. As a result of the price trends in purchasing and sales, the average earnings situation deteriorated slightly compared to the previous month for the eighth month in a row.

## NEW RISKS, LESS OPTIMISM

The signs of an improvement in the industrial economy weakened again in June after production was reduced again and the decline in new orders accelerated. The sharp drop in new export orders, in contrast to developments in other European countries, particularly in Germany, reinforces the assumption that domestic industry has become significantly less competitive as a result of the high cost increases of recent months. Efforts to cut costs, including by reducing staff numbers, have already led to gradual progress in productivity, but so far not enough to return to the previous successes. The

immediate outlook for Austrian industry therefore remains cautious, as the index ratio between new orders and inventories makes clear. At the current level in the delivery warehouses, incoming orders can also be fulfilled with lower production capacities and therefore do not require any expansion for the time being.

The mood in domestic industry remains optimistic despite the dip in June and the shortfall compared to developments in the eurozone and Germany. Although the index for production expectations over the next twelve months fell to 55.4 points, it exceeded the long-term average for the third month in a row. In view of the recovery trend in the manufacturing industry, which is emerging in Europe supported by the interest rate cuts, there is a good chance that Austrian industry will also be able to achieve weak growth in the second half of the year. In the coming months, the first positive effects of the German investment programme could slowly become noticeable and domestic industry could benefit from this. However, the risks of a renewed slowdown have increased again in recent weeks in light of US customs policy and increased geopolitical turmoil, which could have a massive impact on commodity prices, particularly the price of oil and gas.

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

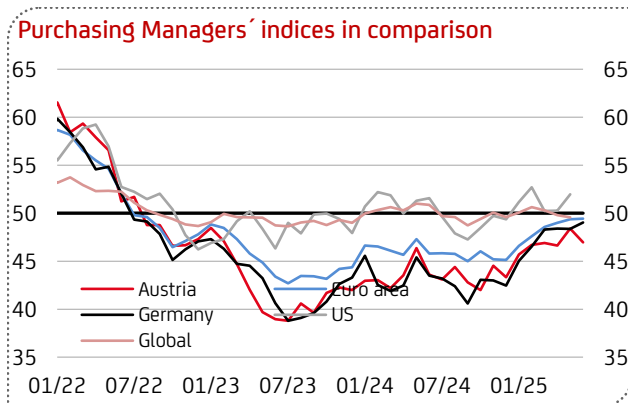
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Ø since 2000
<b>UniCredit Bank Austria Purchasing Managers' Index</b>	<b>43.1</b>	<b>44.4</b>	<b>42.8</b>	<b>42.0</b>	<b>44.5</b>	<b>43.3</b>	<b>45.7</b>	<b>46.7</b>	<b>46.9</b>	<b>46.6</b>	<b>48.4</b>	<b>47.0</b>	<b>51.5</b>
Output	45.2	43.8	43.2	41.4	46.1	42.4	46.6	48.4	48.2	49.0	50.2	49.1	52.3
New orders	41.7	44.5	41.5	40.6	45.5	42.8	46.8	48.1	47.5	44.1	46.9	44.3	50.4
Employment	40.9	41.1	39.0	40.7	39.4	40.4	41.3	41.4	43.2	47.1	47.0	44.2	50.7
Suppliers' delivery times (inverse)	54.2	52.6	51.2	51.5	50.3	50.5	50.8	50.3	51.2	51.0	50.1	47.2	45.0
Stocks of purchases	42.3	47.5	44.0	40.3	40.0	44.0	43.3	44.3	46.4	44.1	48.8	46.2	49.0
Stocks of finished goods <sup>1)</sup>	47.3	49.9	45.1	42.2	45.3	47.1	48.7	48.2	47.8	45.7	52.4	46.9	49.0
Backlog of work <sup>1)</sup>	41.2	43.0	38.3	38.2	42.7	41.3	44.7	46.8	47.6	44.7	47.7	46.1	50.3
New export orders <sup>1)</sup>	42.1	43.3	37.9	38.5	41.8	42.9	46.9	45.0	45.5	43.9	46.0	44.9	49.7
Quantity of purchases <sup>1)</sup>	40.1	40.2	35.8	39.0	38.8	40.3	44.6	46.9	44.9	44.2	44.2	45.1	50.3
Input prices <sup>1)</sup>	52.0	53.6	50.2	44.8	47.8	48.4	49.2	51.9	53.0	50.5	49.9	49.6	57.4
Output prices <sup>1)</sup>	48.2	48.6	44.5	47.3	44.9	46.3	47.6	48.8	51.8	50.7	48.0	48.5	52.1
New orders/Stocks of finished goods <sup>2)</sup>	0.88	0.89	0.92	0.96	1.01	0.91	0.96	1.00	0.99	0.96	0.90	0.95	1.03
Future output <sup>1)</sup>	55.2	50.7	47.9	46.3	50.1	49.6	52.6	54.9	51.0	55.9	56.1	55.4	54.8

1) not in the overall index 2) own calculation

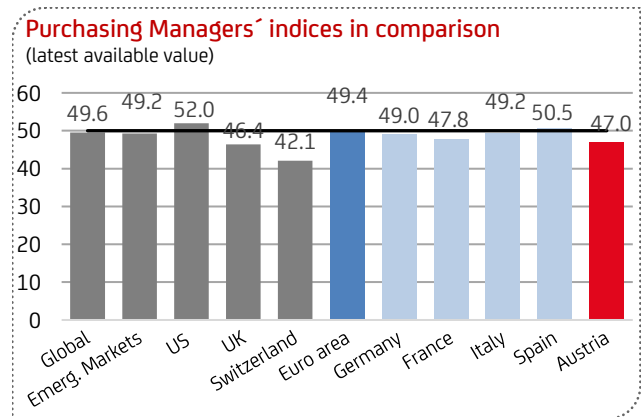
Source: S&P Global, UniCredit



## European industry is slowly getting off the ground

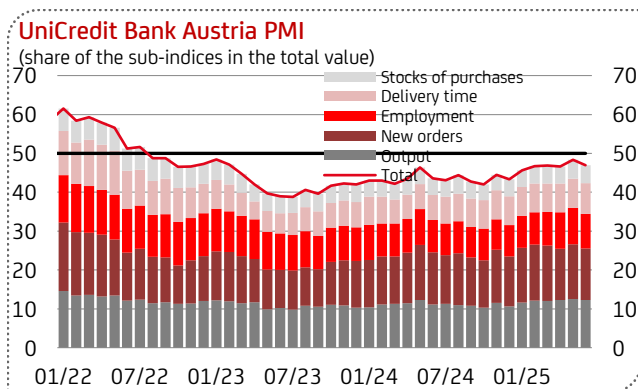


Despite the uncertainty caused by US tariff policy, the purchasing managers' index in the euro area remained stable at 49.4 points in June. The production index was above the 50-point mark for the fourth month in a row.

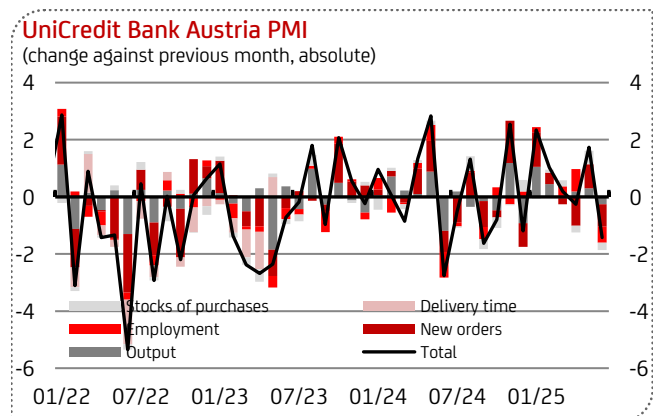


However, the development in the individual European markets was very mixed. The further improvement in Germany was offset by a deterioration in France.

## Industrial activity in Austria continues to be very mixed

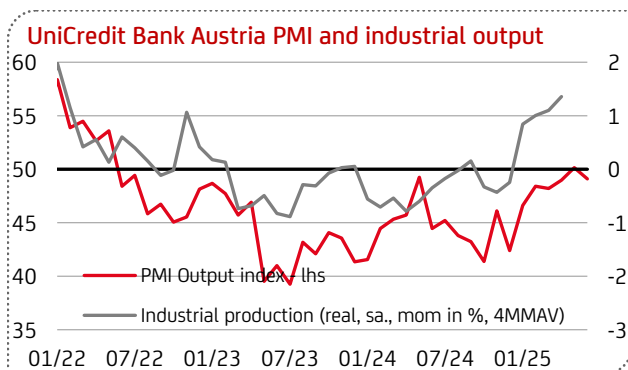


The UniCredit Bank Austria Purchasing Managers' Index fell to 47.0 points in June. Despite the decline of 1.4 points compared to the previous month, the second highest value in more than two years.

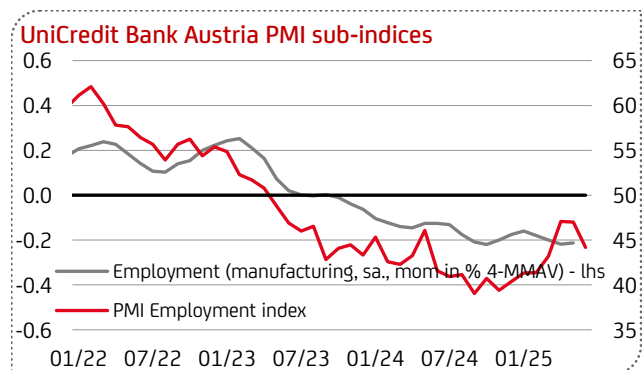


The decline in the UniCredit Bank Austria Purchasing Managers' Index in June was mainly due to the deterioration in new business and employment.

## Output fell again in June, and the reduction in employment accelerated

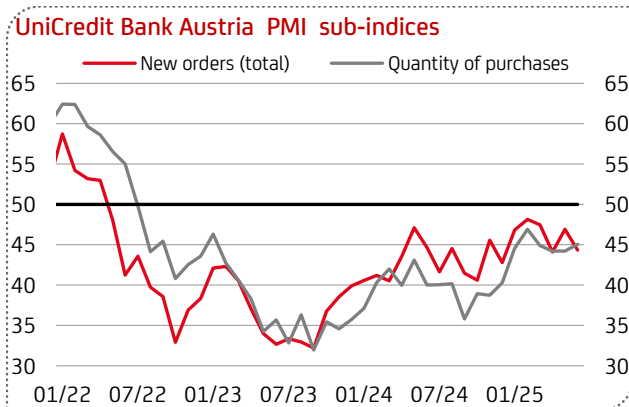


The production index fell to 49.1 points in June, falling below the growth limit again after only one month of gains.

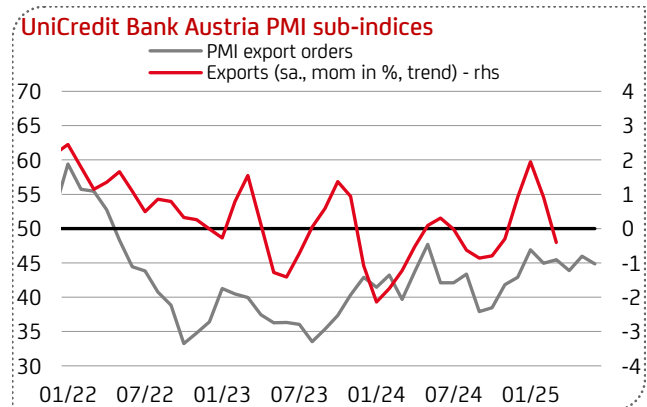


In June, Austrian companies cut jobs again, even at a slightly faster pace than in May. At 44.2 points, the index fell significantly compared to the previous month.

## Decline in new orders accelerated again

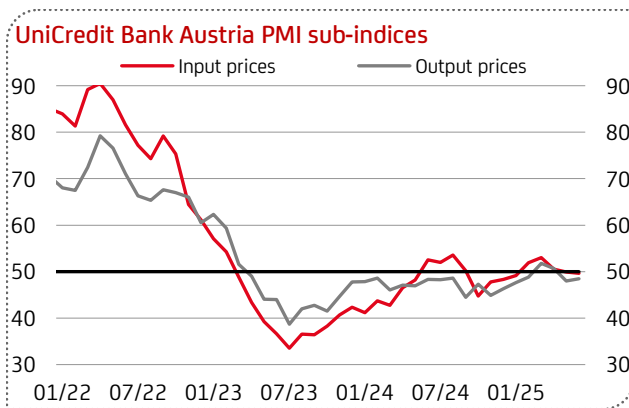


In June, the decline in new business accelerated again. The corresponding index fell to 44.3 points.

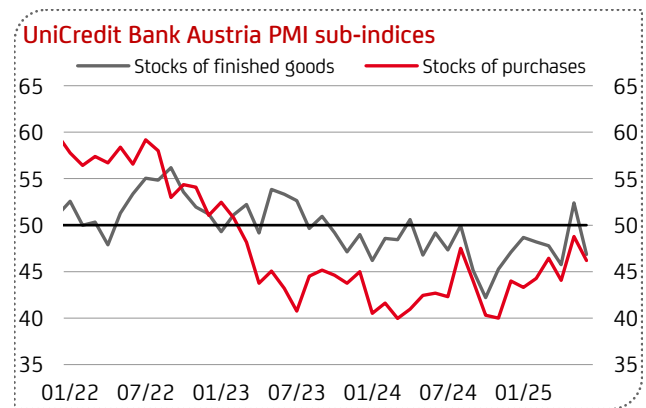


While German industry was once again able to record more export orders than in the previous month, the Austrian export orders index fell to 44.9 points in June, pointing to further declines in demand from abroad.

## Somewhat less favorable earnings situation and renewed destocking

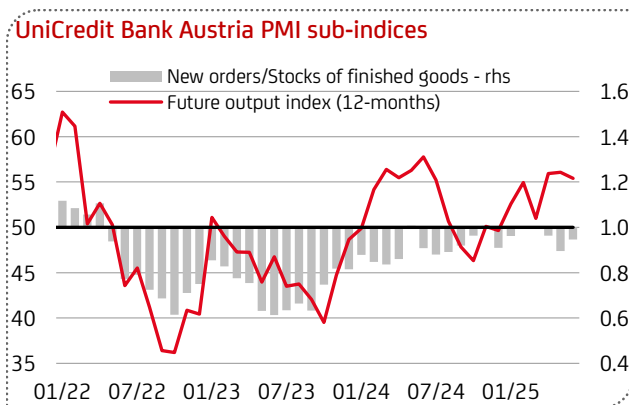


The slight decrease in costs was offset by an only slightly stronger decline in selling prices. Overall, the price trends again resulted in a slight deterioration in the earnings situation compared with the previous month.

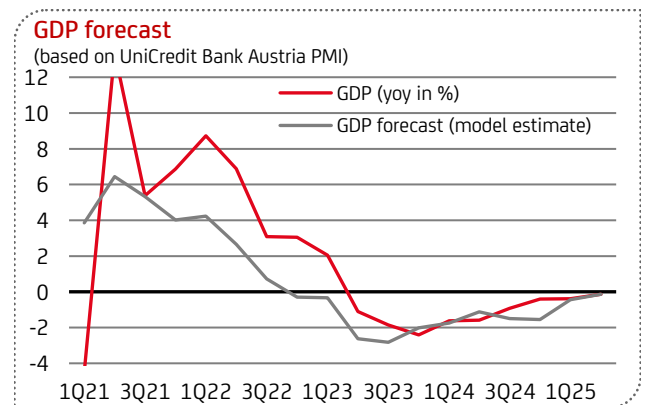


The index for raw material inventories fell to 46.2 points, only slightly below the index for inventories in finished goods inventories of 46.9 points, which also fell.

## Optimism in Austrian industry is already waning somewhat



The index for production expectations for the next twelve months fell to 55.4 points, but once again exceeded the long-term average.



The purchasing managers' index for industry indicates that the overall economy will at least continue to stabilize in the second quarter of 2025.

## MORE TO READ

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