



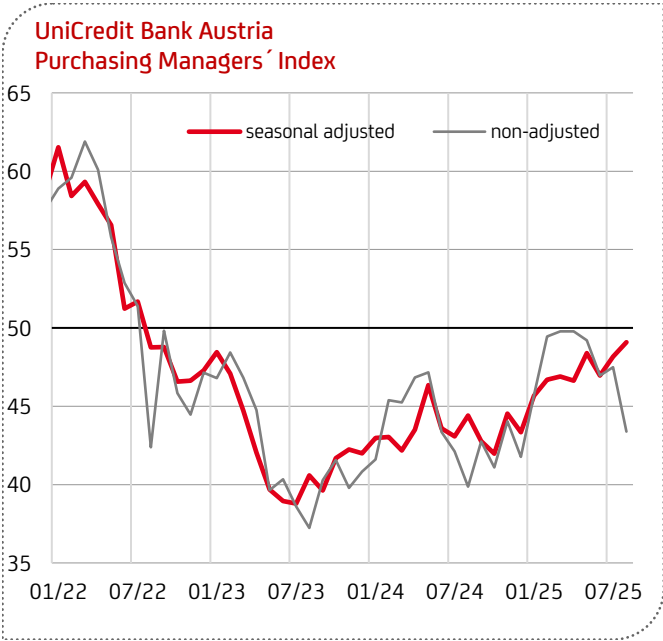
# **UniCredit Bank Austria Purchasing Managers' Index**

**August 2025**

# Overview

## RECOVERY OF AUSTRIAN INDUSTRY GAINS MOMENTUM

- The UniCredit Bank Austria Purchasing Managers' Index rose to 49.1 points in August, its highest level in three years
- Noticeable expansion in production at the expense of order backlogs
- US tariff policy leaves its mark: new orders continue to decline sharply
- Suppliers' delivery time lengthened in August for the third month in a row
- Efforts to improve productivity and competitiveness kept the pace of job cuts high
- The earnings situation of domestic companies was burdened by another sharp rise in costs
- Industry expects continued growth: although the index of production expectations for the year as a whole fell to 57.1 points in August, it was still well above the long-term average



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>
Aug-25	49.1	47.8	52.5	45.6	47.5	46.2	57.1
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 ROSE TO 49.1 POINTS IN AUGUST

Over the summer, the industrial economy in Austria brightened noticeably. The UniCredit Bank Austria Purchasing Managers' Index rose to 49.1 points in August. The indicator thus reached its highest level in three years and is now only slightly below the neutral line of 50 points.

The positive development in Austria is accompanied by an improvement in the industrial economy throughout Europe, with the manufacturing sector in Germany in particular enjoying a strong tailwind. At 50.5 points, the preliminary purchasing managers' index for the eurozone exceeded the 50-point mark, which indicates growth, for the first time in three years in August. The ongoing recovery in the manufacturing sector in Germany contributed significantly to this. The preliminary Purchasing Managers' Index rose to 49.9 points, also the best figure in three years. The increase in new orders is particularly encouraging. In view of the US tariff policy, which has led to a decline in new export orders, this could indicate encouraging resilience in European industry and a strengthening of the European Single Market.

The development of new business in Austrian industry continued to be less favorable than in the eurozone, but also showed a slight upward trend. The slowdown in the decline in new orders and the expansion of production output were the main factors behind the rise in the UniCredit Bank Austria Purchasing Managers' Index by 0.9 points compared with the previous month. The sharp reduction in stocks of purchases and the continued rapid pace of job cuts indicate that domestic companies remain highly uncertain in view of adverse circumstances such as US tariffs and geopolitical risks. In addition, the renewed sharp rise in costs is weighing on the economy.

## MORE PRODUCTION, FEWER ORDER BACKLOGS

Although the decline in incoming orders continued in August, production output increased. For the first time in more than three years, domestic industrial companies have noticeably expanded their production. The production index rose to 52.5 points. However, the expansion in production was only possible by clearing backlogs, as new business continued to decline. Nevertheless, new orders did not fall as sharply in August as in previous months. Foreign demand also weakened at a slower pace, but around a quarter of the companies surveyed continued to be affected by declining foreign orders.

The index for new business rose by 1.6 points to 47.8, improving significantly more than the index for export orders, which rose by only 0.7 points to 47.0. While the wait-and-see attitude of domestic customers is beginning to ease, supported by lower interest rates, the protectionist trade policy of the USA is dampening foreign demand.

## LONGER DELIVERY TIMES

The expansion of production was again reflected in a sharp decline in inventories of raw materials in August, as the procurement volumes of raw materials and intermediate products were not increased. However, for the first time in three years, the quantity of purchases was hardly reduced at all. In view of the low inventories of individual components on the supplier side and delays in sea freight traffic, this led to longer suppliers' delivery times. After a two-and-a-half-year period in which delivery times shortened continuously due to weak demand and overcapacity, delivery times lengthened for the third month in a row in August.

## JOB CUTS CONTINUE

Despite the expansion of production, the number of employees in domestic companies continued to fall sharply in August, even slightly more than in the previous month. The employment index fell to 45.6 points.

Staff cuts in domestic industry will continue for some time. On the one hand, given the long recession, there is still a backlog in adjusting personnel capacities to lower production requirements. On the other hand, efforts to increase productivity and competitiveness will continue as a result of strong wage increases and the challenges posed by US tariff policy. The unemployment rate in Austrian industry rose to a seasonally adjusted 4.4 percent in August. After 3.8 percent in 2024, we expect the unemployment rate in the sector to rise to an annual average of 4.5 percent in 2025.

## CONTINUED RISE IN COSTS

While input prices in the eurozone industrial sector stagnated, dampened by falling oil prices and the strong euro, Austria saw another significant rise in costs in August. The input price index rose to 52.6 points. Higher energy and wage costs are weighing more heavily on domestic industrial companies than on their European competitors and are causing higher inflationary pressure.

As the higher costs could not be passed on to customers due to still subdued demand, output prices fell again in August, albeit at a much slower pace than in previous months. Overall, the contrasting price trends in purchasing and sales put further pressure on the earnings situation of domestic industrial companies.

## INDUSTRY ON THE USWING

The renewed rise in the UniCredit Bank Austria Purchasing Managers' Index, supported above all by an expansion in production and an easing of the weakness in new orders, signals that Austrian industry is on the upswing again. The fragile improvement trend of recent months strengthened noticeably in the third quarter. The index of production expectations reached 57.1 points in August.

The recovery of industry in Austria is gaining momentum. Production is rising and the demand environment is showing signs of stabilization. In addition, the majority of companies are once again optimistic about the future. Production expectations have been above the long-term average for five months now. However, challenges such as US tariff policy, geopolitical uncertainties and the deteriorated competitive position are

dampening the outlook. Nevertheless, after two years of recession, domestic industry is on track to regain momentum and end 2025 with real production growth of at least 1.5 per cent.

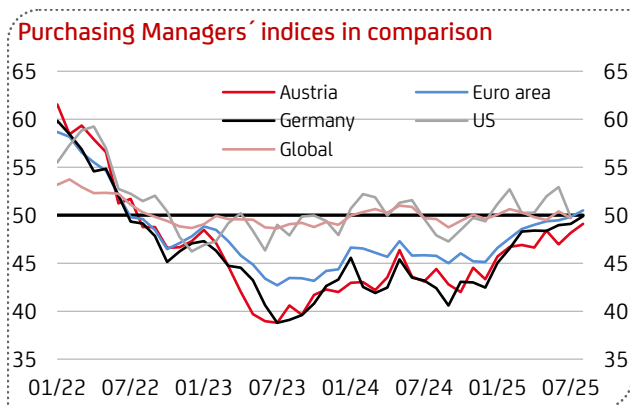
#### UniCredit Bank Austria Purchasing Managers' Index and components

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Ø since 2000
<b>UniCredit Bank Austria Purchasing Managers' Index</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>48.2</b>	<b>49.1</b>	<b>51.4</b>
Output	43.2	41.4	46.1	42.4	46.6	48.4	48.2	49.0	50.2	49.1	50.5	52.5	52.2
New orders	41.5	40.6	45.5	42.8	46.8	48.1	47.5	44.1	46.9	44.3	46.2	47.8	50.4
Employment	39.0	40.7	39.4	40.4	41.3	41.4	43.2	47.1	47.0	44.2	45.8	45.6	50.6
Suppliers' delivery times (inverse)	51.2	51.5	50.3	50.5	50.8	50.3	51.2	51.0	50.1	47.2	47.1	47.5	45.1
Stocks of purchases	44.0	40.3	40.0	44.0	43.3	44.3	46.4	44.1	48.8	46.2	46.0	46.2	49.0
Stocks of finished goods <sup>1)</sup>	45.1	42.2	45.3	47.1	48.7	48.2	47.8	45.7	52.4	46.9	48.6	51.8	49.0
Backlog of work <sup>1)</sup>	38.3	38.2	42.7	41.3	44.7	46.8	47.6	44.7	47.7	46.1	49.1	47.7	50.2
New export orders <sup>1)</sup>	37.9	38.5	41.8	42.9	46.9	45.0	45.5	43.9	46.0	44.9	46.3	47.0	49.7
Quantity of purchases <sup>1)</sup>	35.8	39.0	38.8	40.3	44.6	46.9	44.9	44.2	44.2	45.1	49.3	49.8	50.3
Input prices <sup>1)</sup>	50.2	44.8	47.8	48.4	49.2	51.9	53.0	50.5	49.9	49.6	52.1	52.6	57.3
Output prices <sup>1)</sup>	44.5	47.3	44.9	46.3	47.6	48.8	51.8	50.7	48.0	48.5	48.2	49.1	52.1
New orders/Stocks of finished goods <sup>2)</sup>	0.92	0.96	1.01	0.91	0.96	1.00	0.99	0.96	0.90	0.95	0.95	0.92	1.03
Future output <sup>1)</sup>	47.9	46.3	50.1	49.6	52.6	54.9	51.0	55.9	56.1	55.4	59.5	57.1	54.8

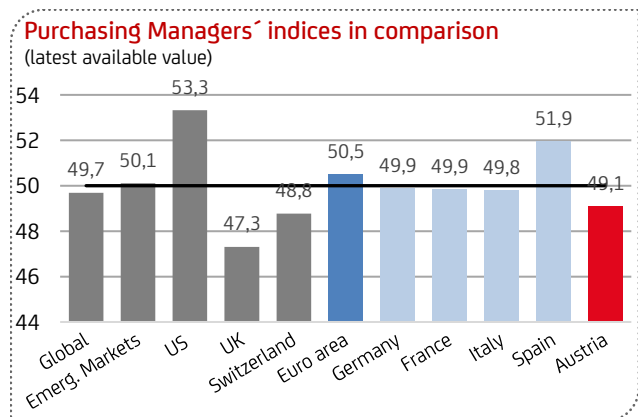
1) not in the overall index 2) own calculation

Source: S&P Global, UniCredit

## European industry is slowly getting off the ground

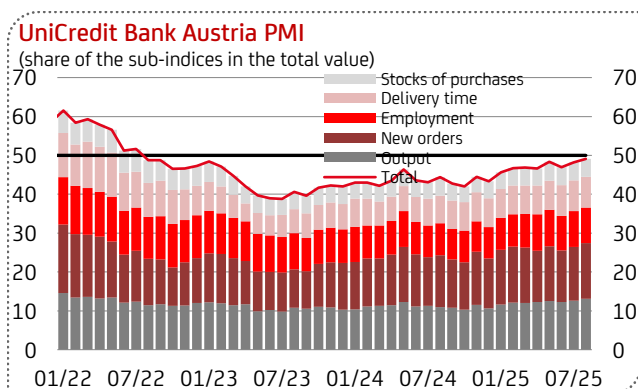


Despite the uncertainty caused by US tariff policy, the purchasing managers' index in the euro area rose to 49.8 points in July. The production index was above the 50-point mark for the fifth month in a row.

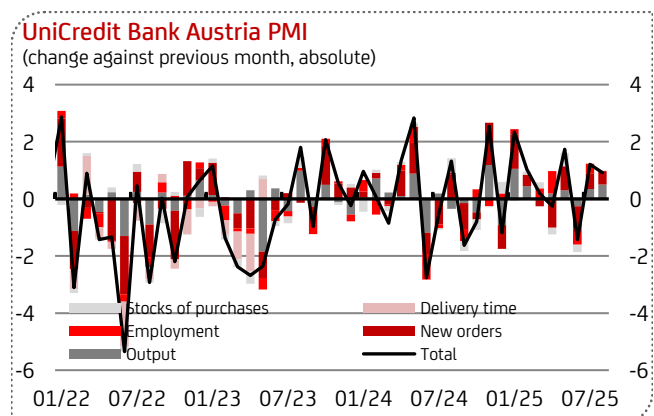


The positive trend was mainly due to the continued favorable development in Germany. The purchasing managers' index for the manufacturing industry in Germany rose to 49.9 points.

## Industrial activity in Austria is slowly gaining ground too

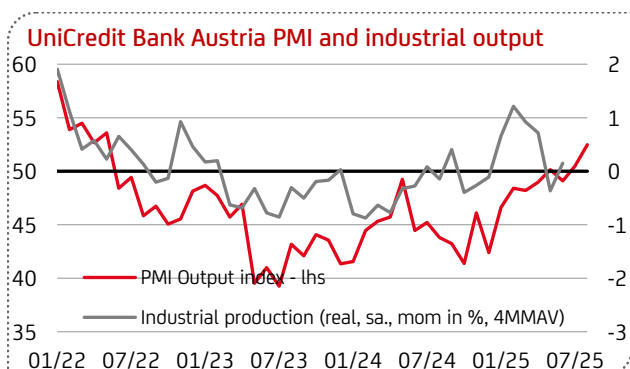


The UniCredit Bank Austria Purchasing Managers' Index rose to 48.2 points in July. This means that the indicator has been below the neutrality line of 50 points for exactly three years.

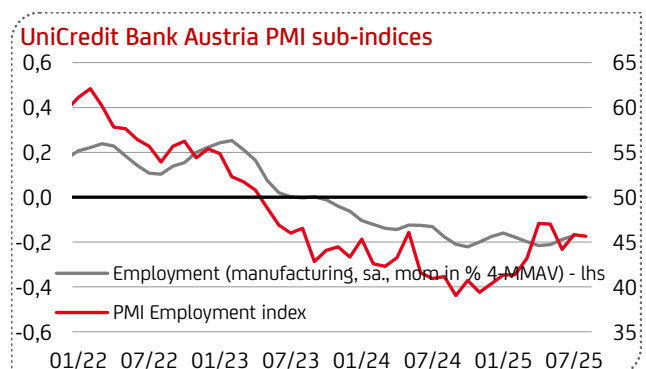


Almost all components of the UniCredit Bank Austria Purchasing Managers' Index contributed to the month-on-month increase of 1.2 points in July.

## Output rose slightly in July, and the reduction in employment slowed



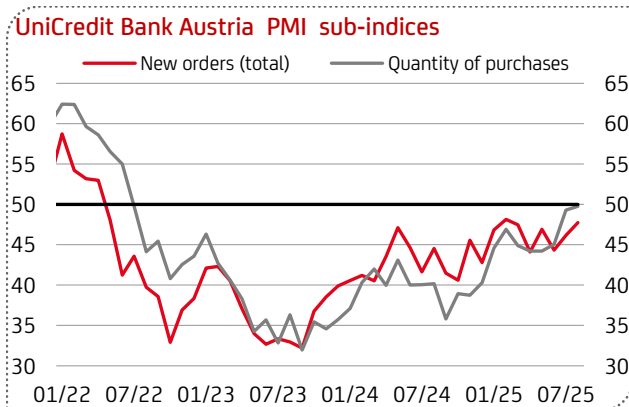
In July, the production index rose slightly. At 50.5 points, the neutral threshold was only slightly exceeded, but the best value since May 2022 was reached.



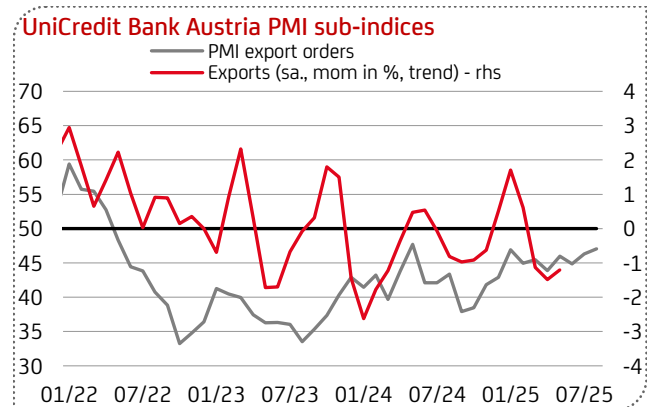
Due to the slight improvement in industrial activity, companies also shifted down a gear in July when it came to reducing employment. The employment index rose to 45.8 points.



## Decline in new orders slowed again

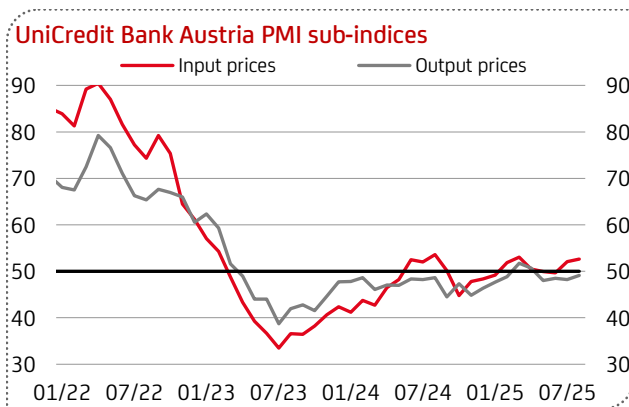


The pace of the decline in new orders slowed significantly in July. The index for new business rose to 46.2 points.

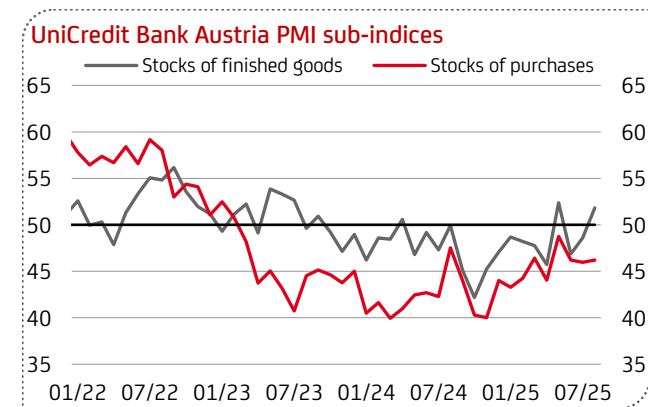


Demand from abroad fell much more slowly in July than in the previous month. The export order index rose to 46.3 points.

## Somewhat less favorable earnings situation and renewed destocking

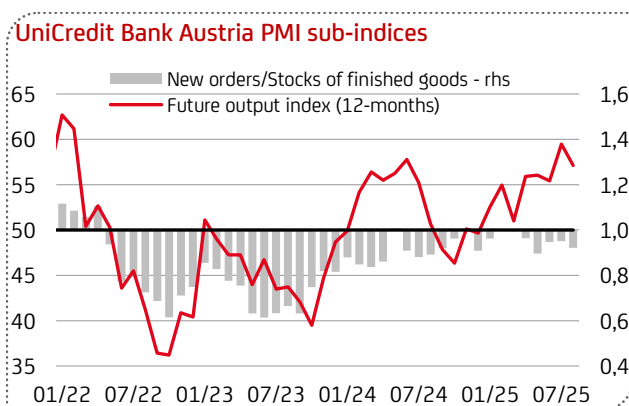


The increase in costs was quite strong in July. In contrast, output prices fell even more sharply than in the previous month. The index ratio of input and output price was the worst of the current year.

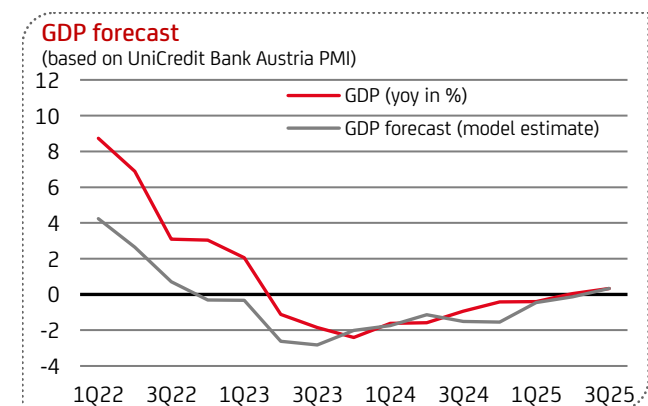


Efforts to reduce the cost burden in warehousing were further intensified in July. Inventories of input materials and raw materials even declined at an even faster pace than in the previous month.

## Optimism in Austrian industry suggests GDP growth in the third quarter of 2025



The index for production expectations for the next twelve months fell to 57.1 points. However, the companies continue to assess the business prospects as above-average favorable.



For the third quarter of 2025, the Manufacturing PMI points to a slight year-on-year increase in GDP.

## MORE TO READ

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