



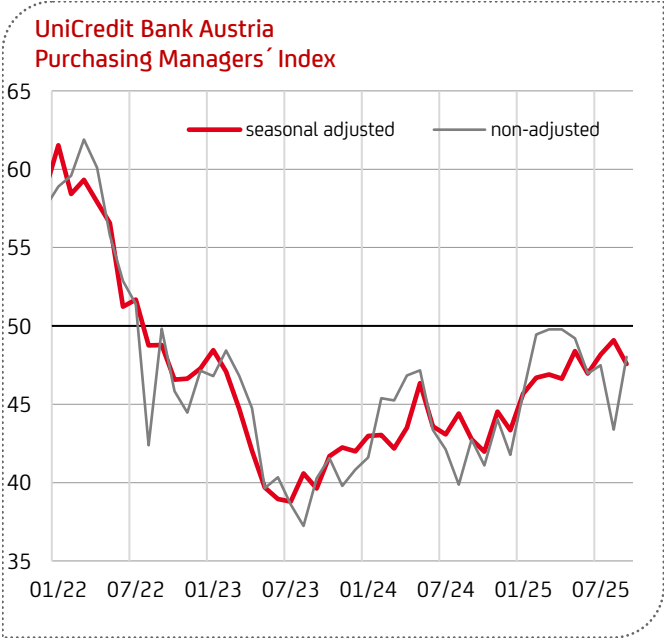
UniCredit Bank Austria Purchasing Managers' Index

September 2025

Overview

SETBACK FOR AUSTRIAN INDUSTRY AT THE START OF AUTUMN

- The UniCredit Bank Austria Purchasing Managers' Index fell to 47.6 points in September. The upward trend seen over the summer stalled
- A more rapid decline in new business prompted companies to reduce production
- Job cuts were significantly increased in order to boost productivity and competitiveness
- Accelerated cost increases and demand-driven discounts in sales weighed on companies' earnings
- Optimism in the industry has waned: the index of production expectations for the year fell to 53.7 points in September, falling below the long-term average for the first time in six months



Source: S&P Global, UniCredit Bank Austria

	UniCredit Bank Austria PMI	New orders	Output	Employment	Suppliers' delivery times	Stocks of purchases	Future output ¹⁾
Sep-25	47.6	46.1	49.7	44.4	47.4	45.6	53.7
In comparison to previous month	↘	↘	↘	↘	↘	↘	↘
average since 2000	↘	↘	↘	↘	↗	↘	↘

²⁾ 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 47.6 POINTS IN SEPTEMBER

With the onset of autumn, the industrial economy in Austria has clouded over somewhat. The UniCredit Bank Austria Purchasing Managers' Index fell to 47.6 points in September. The upward trend over the summer stalled. The indicator once again fell well below the neutral line of 50 points, which signals growth in the manufacturing industry.

The unfavorable development in Austria is accompanied by a deterioration in the industrial economy in large parts of Europe, with headwinds for the manufacturing sector emerging in Germany and France in particular. The preliminary purchasing managers' index for the eurozone fell to 49.5 points in September, dropping back below the 50-point mark that indicates growth. The decline in the purchasing managers' indices in the main markets of Germany and France to 48.5 and 48.2 points respectively contributed significantly to this. In particular, the significant decline in new orders, also weighed down by US tariff policy, suggests that European trading partners are unlikely to provide any fresh impetus for Austrian industry, at least in the short term.

The positive momentum in domestic industry that was evident in the summer evaporated in September. The UniCredit Bank Austria Purchasing Managers' Index fell by 1.5 points in September compared with the previous month, caused by a deterioration in all sub-indices, particularly the demand-side components. New business from Austria and abroad declined sharply, prompting companies to reduce production volumes. Staff numbers were cut at an accelerated pace. Significantly higher costs had a major impact, especially as output prices were reduced slightly. The forward-looking indicators, in addition to new orders, the volume of purchases, inventories and business expectations, do not point to an improvement in the challenging situation facing Austrian industry in the coming months.

PRODUCTION OUTPUT DOWN, LESS NEW BUSINESS

The decline in the UniCredit Bank Austria Purchasing Managers' Index in September was primarily attributable to the reduction in output by domestic industrial companies. Although the production index fell only slightly to 49.7 points, this represented a clear reversal from the previous month's growth, which was the strongest in more than three years. The decisive factor for the decline in production was the accelerated decline in new orders.

High uncertainty on the part of customers triggered a postponement of orders and considerable reluctance to place new orders. In addition, the protectionist US tariff policy and strong competition from abroad, coupled with reduced price competitiveness following sharp cost increases, led to an accelerated decline in new business. Almost a third of the companies surveyed received fewer new orders from home and abroad, while only slightly more than 20 per cent recorded more orders than in the previous month.

MORE JOBS LOST

Due to lower capacity utilization, domestic industrial companies once again reduced their workforce in September, primarily by not filling vacant positions. Austrian industry has now been reducing its workforce for 29 months in a row. Around 620,000 people are currently employed in manufacturing, almost 26,000 fewer than in spring 2023.

The ratio of the employment index, which fell to 44.4 points, to the significantly higher and less sharply fallen output index of 49.7 points suggests an increase in labor productivity in domestic industry in September, as has been the case for the past year and a half. In view of the headwinds caused by the protectionist US tariff policy and the high energy and wage cost increases of the last two years, job cuts in industry will continue in the coming months. It will also be necessary to adjust staffing levels to the current lower production requirements and to increase efforts to improve competitiveness in the export business. The moderate wage agreement in the metalworking industry, with its signal effect on other sectors, will contribute to this, but it is only a first step, which should be followed by, among other things, an end to investment restraint and a reduction in energy costs.

RIISING COSTS, FALLING PRICES

While input prices in industry fell in the eurozone and especially in Germany in September, Austria saw a further acceleration in the rise in costs. The input price index rose to 54.4 points, the highest level since January 2023. Higher prices for energy, raw materials and commodities are weighing more heavily on domestic industrial companies than on their European competitors and are causing higher inflationary pressure.

As domestic industrial companies were unable to pass on the higher purchasing costs to their customers due to subdued demand and strong competition for new orders, output prices fell again in September, even at a slightly faster pace than in previous months. Overall, the contrasting price trends in purchasing and sales further weighed on the earnings situation of domestic industrial companies.

INDUSTRIAL OUTLOOK WEIGHED DOWN BY WEAK DEMAND

Austrian industry is still waiting for a breakthrough. The signs of recovery seen in the summer have evaporated with the onset of autumn. The decline in new business has solidified and is limiting production prospects.

Although the ratio between order development and stocks of finished goods has improved immediately, it remains in negative territory, which does not require any expansion of production to fulfil existing customer orders. As a result, the optimism of companies for the year as a whole has also declined significantly. The expectations index fell to 53.7 points in September, its lowest level since March of this year. This means that it has once again fallen below the long-term average. While many companies are hoping for an upturn in the economy and, in particular, in industrial demand, concerns about high costs and the associated impact on competitiveness have increased.

In the first seven months, industrial production in the manufacturing sector rose by an average of 3.2 per cent in real terms, which means that despite the cautious outlook for the final quarter as indicated by the current UniCredit Bank Austria Purchasing Managers' Index, Austrian industry will end 2025 with an increase in production. However, production fell by 1.7 per cent in 2023 and by as much as 4.9 per cent in 2024. Production output in 2025 will therefore not reach the real level of three years ago.

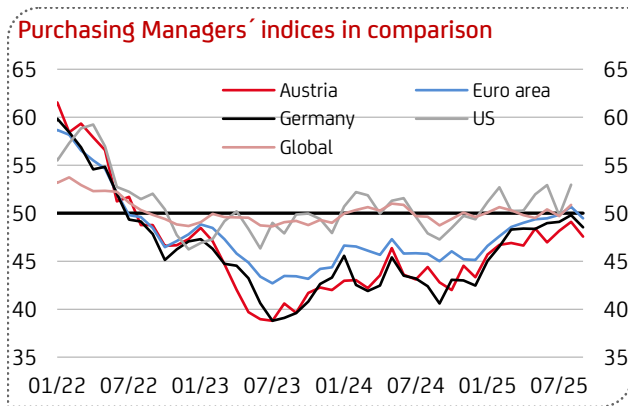
UniCredit Bank Austria Purchasing Managers' Index and components

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Ø since 2000
UniCredit Bank Austria Purchasing Managers' Index	42.0	44.5	43.3	45.7	46.7	46.9	46.6	48.4	47.0	48.2	49.1	47.6	51.4
Output	41.4	46.1	42.4	46.6	48.4	48.2	49.0	50.2	49.1	50.5	52.5	49.7	52.2
New orders	40.6	45.5	42.8	46.8	48.1	47.5	44.1	46.9	44.3	46.2	47.8	46.1	50.3
Employment	40.7	39.4	40.4	41.3	41.4	43.2	47.1	47.0	44.2	45.8	45.6	44.4	50.6
Suppliers' delivery times (inverse)	51.5	50.3	50.5	50.8	50.3	51.2	51.0	50.1	47.2	47.1	47.5	47.4	45.1
Stocks of purchases	40.3	40.0	44.0	43.3	44.3	46.4	44.1	48.8	46.2	46.0	46.2	45.6	49.0
Stocks of finished goods ¹⁾	42.2	45.3	47.1	48.7	48.2	47.8	45.7	52.4	46.9	48.6	51.8	47.2	49.0
Backlog of work ¹⁾	38.2	42.7	41.3	44.7	46.8	47.6	44.7	47.7	46.1	49.1	47.7	46.6	50.2
New export orders ¹⁾	38.5	41.8	42.9	46.9	45.0	45.5	43.9	46.0	44.9	46.3	47.0	46.2	49.7
Quantity of purchases ¹⁾	39.0	38.8	40.3	44.6	46.9	44.9	44.2	44.2	45.1	49.3	49.8	47.0	50.3
Input prices ¹⁾	44.8	47.8	48.4	49.2	51.9	53.0	50.5	49.9	49.6	52.1	52.6	54.4	57.3
Output prices ¹⁾	47.3	44.9	46.3	47.6	48.8	51.8	50.7	48.0	48.5	48.2	49.1	48.6	52.1
New orders/Stocks of finished goods ²⁾	0.96	1.01	0.91	0.96	1.00	0.99	0.96	0.90	0.95	0.95	0.92	0.98	1.03
Future output ¹⁾	46.3	50.1	49.6	52.6	54.9	51.0	55.9	56.1	55.4	59.5	57.1	53.7	54.8

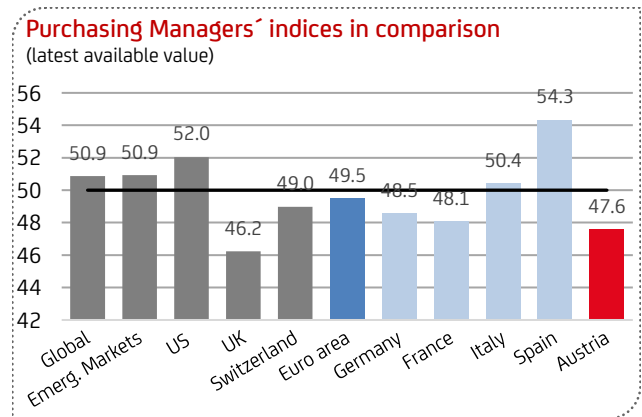
¹⁾ not in the overall index ²⁾ own calculation

Source: S&P Global, UniCredit

Setback for European industry

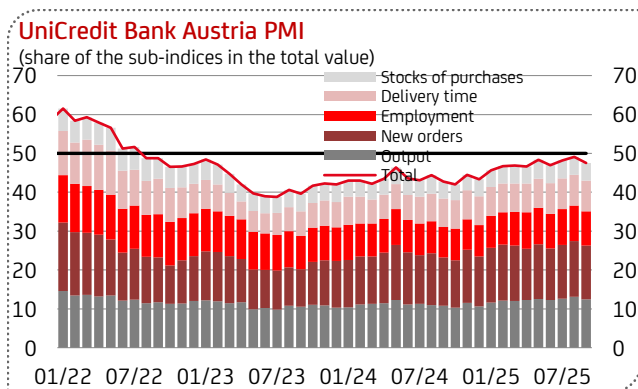


The weakening of new business caused the purchasing managers' index in the euro area to fall to 49.5 points in September.

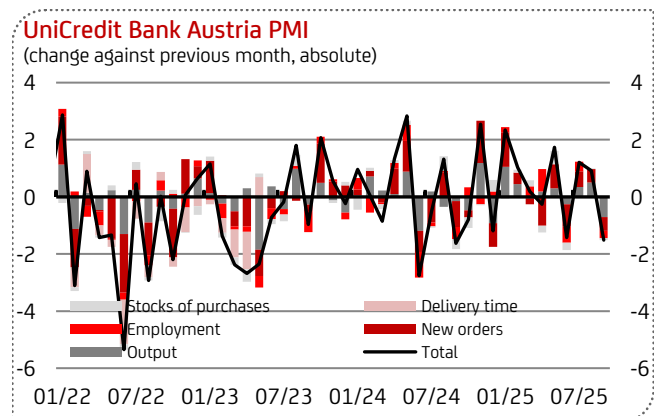


The decline was mainly due to the less favorable development in the main markets of Germany and France.

Industrial activity in Austria starts the autumn weaker

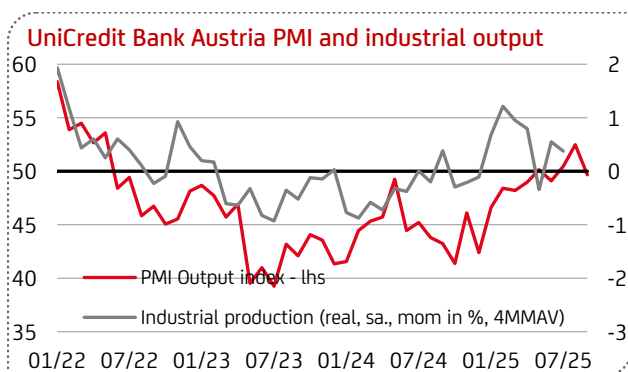


The UniCredit Bank Austria Purchasing Managers' Index fell to 47.6 points in September. For the first time in three months, industrial activity slowed down.

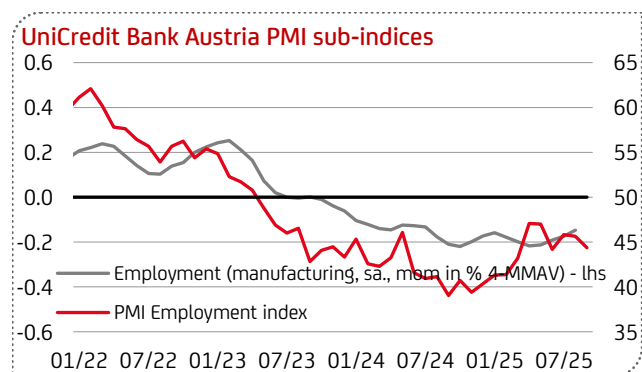


All components of the UniCredit Bank Austria Purchasing Managers' Index contributed to the decline of 1.5 points in September compared to the previous month.

Production output fell in September and the reduction in employment accelerated again

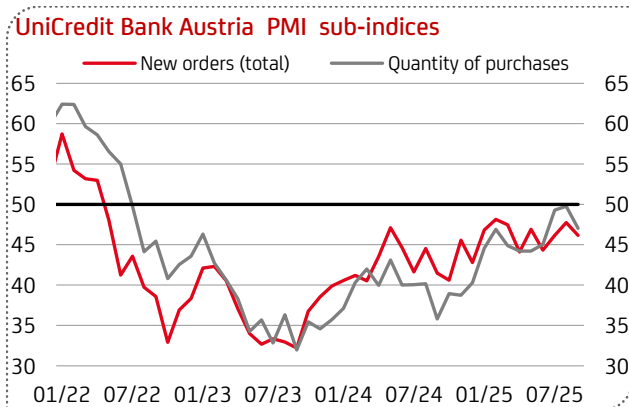


In September, the production index fell below the neutrality limit of 50 points for the first time in two months at 49.7 points.

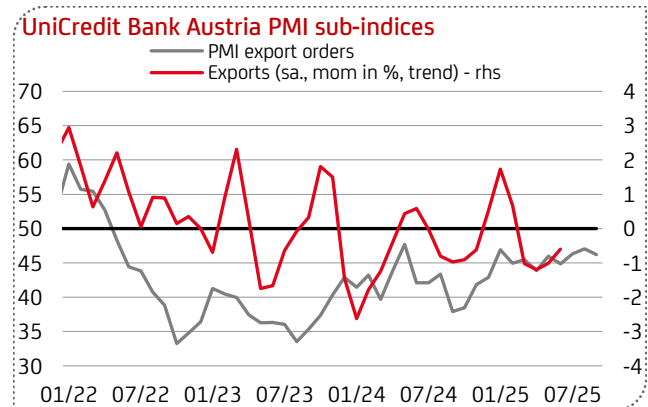


In step with the slowdown in industrial activity, companies stepped up a gear in reducing employment in September. The employment index fell to 44.4 points.

New business locally and abroad is declining again at a faster pace

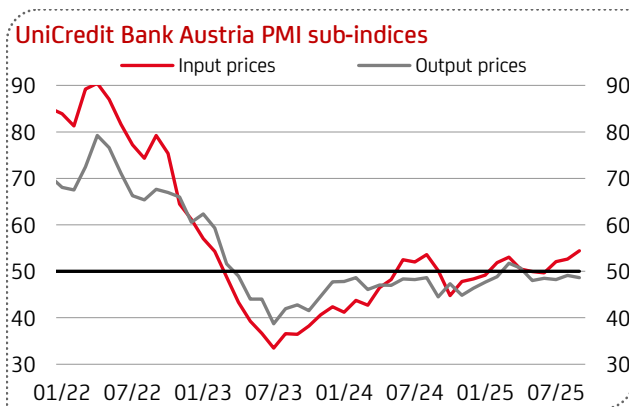


The pace of the decline in orders increased again in September. The index for new business fell to 46.1 points.

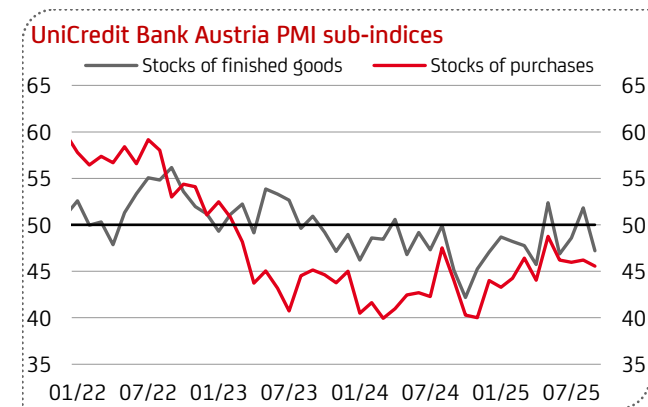


Demand from abroad also fell more sharply in September than in the previous month. The export orders index fell to 46.2 points.

Somewhat less favorable earnings situation and renewed destocking

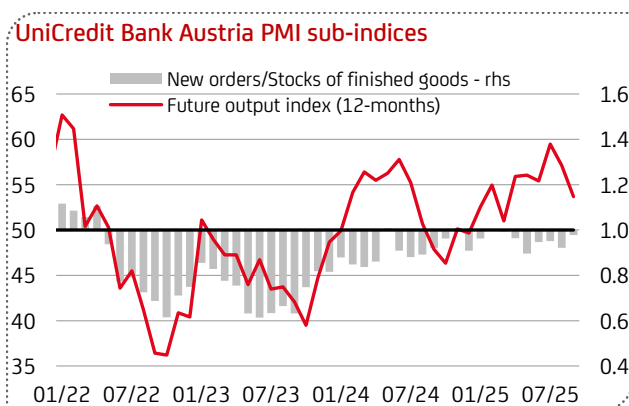


The increase in costs was quite strong in September. In contrast, selling prices fell even more sharply than in the previous month. The index ratio of purchase price and selling price was the worst of the current year.

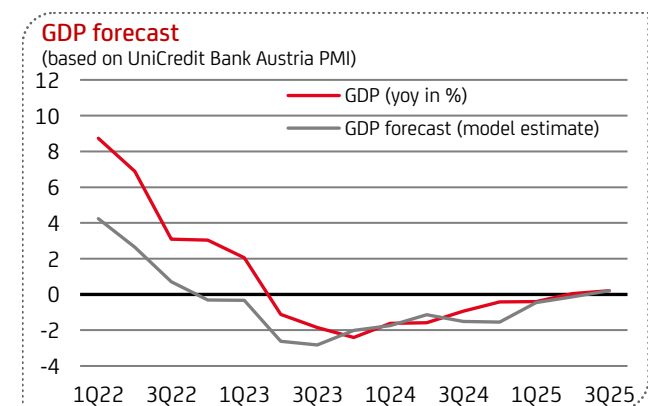


Efforts to reduce the cost burden in warehousing were intensified in September. Inventories of input materials and raw materials declined at an even faster pace than in the previous month.

Optimism in Austrian industry is waning again



The index for production expectations for the next twelve months fell to 53.7 points. This means that for the first time in five months, the companies assessed the business outlook as below average.



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

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