# S&P Global UK Services PMI®

## Slower service sector growth amid renewed decline in new orders

### November 2025

Marginal expansion of business activity in November

Fastest fall in employment since February

Prices charged inflation lowest since January 2021

November data highlighted a slowdown in business activity growth across the UK service economy amid weakening demand conditions and fragile client confidence.

Moreover, reduced volumes of new work and elevated margin pressures contributed to the fastest decline in employment since February.

At 51.3 in November, the headline seasonally adjusted S&P Global UK Services PMI Business Activity Index eased from 52.3 in October and signalled only a marginal expansion of service sector output. The index was up from the earlier 'flash' figure in November (50.5) and has posted above the neutral 50.0 value in each month since May. However, the latest reading was still below the average seen over this period.

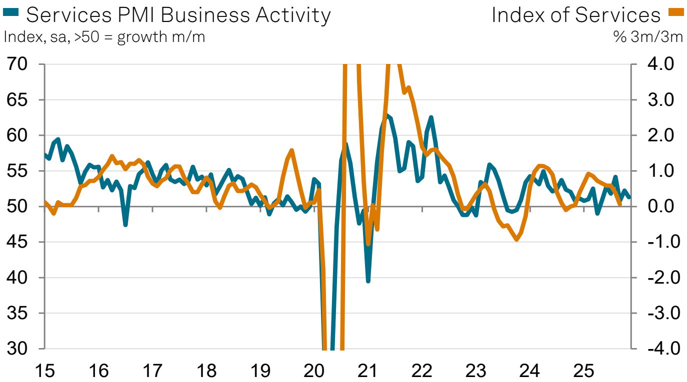
Service providers widely commented on growth headwinds due to subdued business and consumer confidence. A number of firms noted that uncertainty ahead of the Budget had resulted in delayed investment decisions and cautious spending patterns.

A lack of willingness to commit to new projects was reflected in a renewed downturn in service sector order books in November. Although only fractional, the decline in new work was the first recorded since July.

Some firms commented on efforts to expand into new overseas markets to help offset weak domestic demand. However, overall export sales across the service economy continued to soften in November, with the rate of decline accelerating to the fastest since June. This was attributed to intense competition and challenging economic conditions in major global markets, in part reflecting geopolitical uncertainties and concerns among clients about US tariffs.

Meanwhile, reduced backlogs of work and worries about elevated employment costs once again acted as a brake on staff hiring in November. Lower workforce numbers have been recorded in each month since October 2024 and the latest decline was the fastest for nine months.

Higher payroll costs were cited as a key factor pushing up operating expenses at service sector businesses during November. There were also reports of rising raw material prices (especially food), energy and fuel bills and insurance costs. Around 29% of the survey panel recorded a rise in their average cost burdens, while only 2% signalled a




Data were collected 12-26 November 2025.

Sources: S&P Global PMI, ONS via S&P Global Market Intelligence. © 2025 S&P Global.

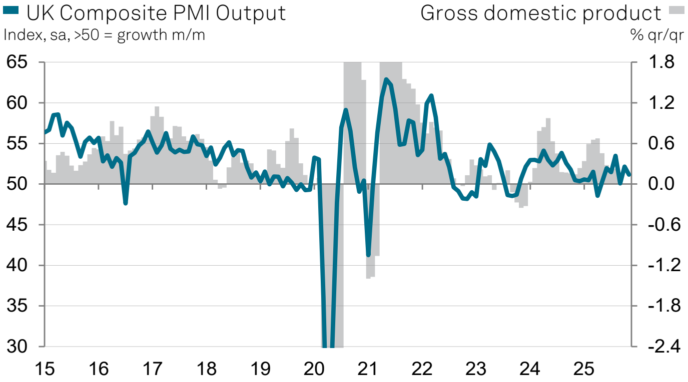
### Comment

**Tim Moore, Economics Director at S&P Global Market Intelligence, said:**

*"November data revealed an abrupt end to the steady improvement in order books seen since the summer. Unfavourable demand conditions were signalled in both domestic and export markets. Lower workloads led to a renewed slowdown in business activity growth across the UK service economy, with the latest expansion much softer than the post-pandemic trend. Moreover, staffing numbers were trimmed to the greatest extent since February.*

*"Survey respondents widely commented on business challenges linked to fragile client confidence, heightened risk aversion and elevated policy uncertainty in the run up to the Budget. Many firms noted that major spending decisions had been delayed, while some also cited long-term growth headwinds from subdued investment spending.*

*"Intensifying price competition at home and abroad, combined with weak sales pipelines, contributed to an erosion of margins across the service economy. Input cost inflation accelerated during November, mostly driven by higher salary payments, but prices charged by service sector firms increased at the slowest pace for nearly five years."*



Sources: S&P Global PMI, ONS via S&P Global Market Intelligence. © 2025 S&P Global.

reduction.

Despite a sharp and accelerated pace of input price inflation, the latest survey indicated only a marginal rise in output charges across the service economy. Moreover, the rate of prices charged inflation eased markedly in November to its lowest for just under five years. Anecdotal evidence suggested that rising competition and weak sales pipelines had constrained service providers' ability to pass on higher business costs.

Service providers remain optimistic overall about their year ahead growth prospects. Around half of the survey panel predict an increase in business activity, while only 16% forecast a decline. However, the degree of optimism eased since October and was weaker than the post-pandemic trend. Survey respondents often cited concerns about the impact of weak UK economic prospects and cutbacks to business investment plans.

## S&P Global UK Composite PMI®

UK private sector output growth weakened in November. At 51.2 in November, down from 52.2 in October, the seasonally adjusted S&P Global UK PMI Composite Output Index signalled only a marginal expansion of business activity. The index has registered above the 50.0 no-change threshold in each month since May.

Higher levels of output in November reflected modest rises in service sector activity and manufacturing production.

However, total new work across the private sector economy declined fractionally during the latest survey period. This contributed to the steepest decline in employment levels since February.

Prices charged by private sector firms increased only slightly in November, despite a sharp and accelerated rise in input costs. The rate of output charge inflation was the slowest since December 2020.

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## Methodology

The S&P Global UK Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 650 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in July 1996.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

Flash services data were calculated from 76% of final responses. Since January 2006 the average difference between final and flash Services Business Activity Index values is 0.2 (0.7 in absolute terms).

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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