

News Release

Embargoed until 0930 GMT (0930 UTC) 6 February 2025

S&P Global Europe Sector PMI®

Software & Services returns to top performing sector in January, but wider services-based activity growth eases

Key findings

Expansion in Software & Services activity slows in January

Number of sectors recording lower new orders increases from December

Greatest number of sectors registering a fall in employment since August 2020

European sector data continued to signal a broad divergence in performance between manufacturing- and services-based segments of the economy in January, according to the latest S&P Global Europe Sector PMI®. Nonetheless, this divergence eased as many services-focused sectors recorded slower growth in output or renewed contractions. Conversely, manufacturing-based sectors largely saw softer declines in production at the start of 2025.

Software & Services was the strongest performing sector for the first time since last September during January. Despite the rate of growth in activity easing, the solid upturn in output (alongside a slower fall in technology Equipment production) also supported the wider Technology category which moved to the top-ranking of the broad sectors.

Meanwhile, Automobiles & Auto Parts recorded the weakest decline in production since June 2024. Elsewhere, a renewed expansion in Beverages & Food output, and stabilisation in Household & Personal Use Products production supported the wider Consumer Goods category.

Subsequently – amid a still marked downturn in output – Metals & Mining replaced Automobiles & Auto Parts as the worst-performing sector for the first time in eight months.

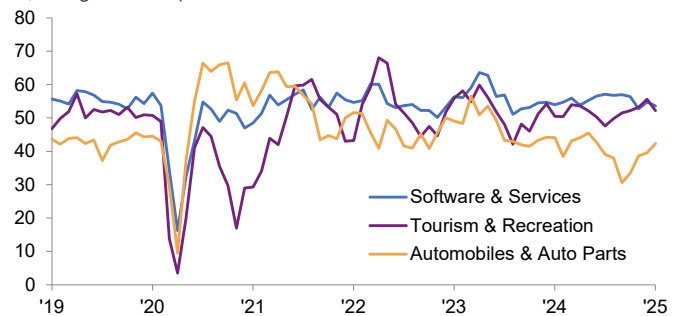
A previous top-performer for output trends, Financials, signalled less robust demand conditions in January as Real Estate and Banks recorded slower upturns in new orders. Meanwhile, Other Financials posted the fastest decline in new sales since November 2022. Moreover, 13 monitored sectors saw new business fall amid weaker demand conditions among services-based sectors.

Similarly, the number of segments which registered a drop in employment increased to 16, the highest number since August 2020. Lower staffing levels coincided with greater instances of backlog depletion and further hikes in cost burdens.

Despite challenging demand conditions for many, 17 monitored sectors registered a rise in selling prices in January. This was the highest number since last August. Only Automobiles & Auto Parts and Metals & Mining recorded a drop in output charges amid efforts to boost new orders.

Europe Sector PMI Business Activity Index

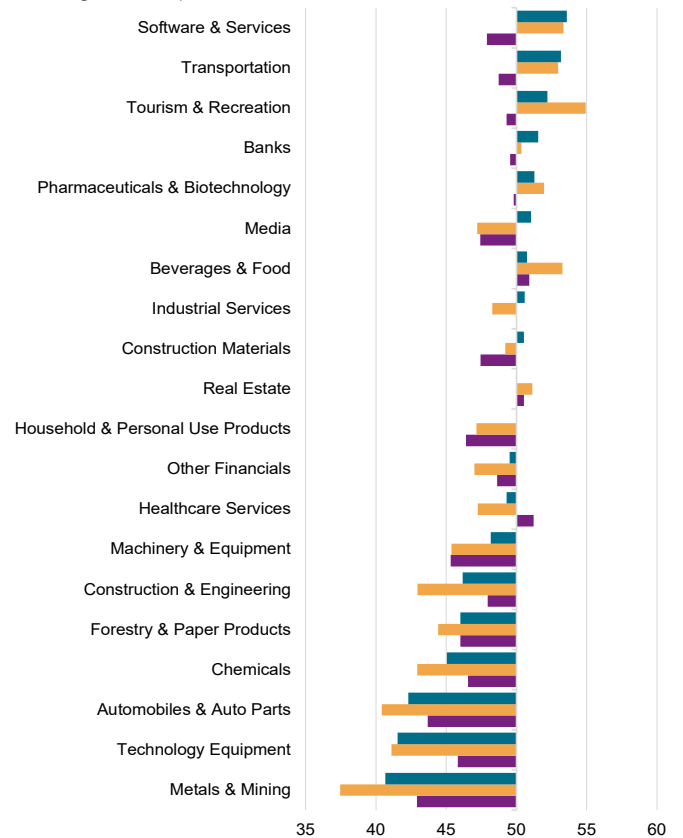
sa, >50 = growth since previous month



Source: S&P Global PMI.

Output Index
New Orders Index
Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

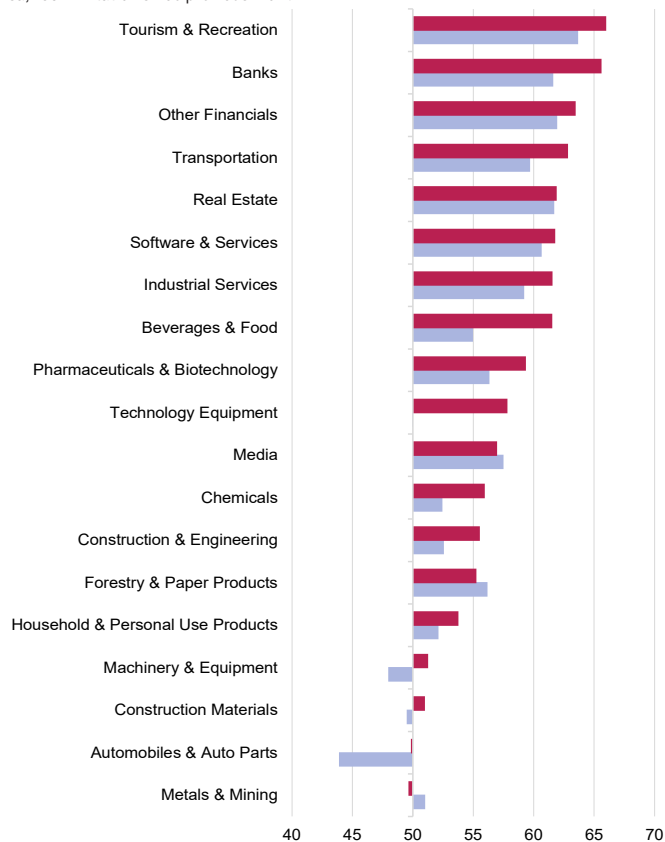
PMI®

by S&P Global

Input Prices Index

■ Jan '25 ■ 2024 average

sa, >50 = inflation since previous month



Source: S&P Global PMI.

Survey methodology

The S&P Global Europe Sector PMI® indices are compiled by S&P Global from responses to questionnaires sent to purchasing managers in S&P Global's European PMI survey panels, covering over 8,000 private sector companies in Germany, UK, France, Italy, Spain, Netherlands, Austria, Greece, Ireland, Poland, Romania and the Czech Republic.

S&P Global maps individual company responses to industry sectors according to standard industry classification (SIC) codes. Europe Sector PMI indices are available for the basic materials, consumer goods, consumer services, financials, healthcare, industrials and technology industry groups, and sub-sectors of these groups.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. Survey responses are weighted by country of origin, based on sectoral gross value added. 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.

For manufacturing sectors, the headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

For services sectors, or sectors covering both manufacturing and services, the headline figure is the Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity or output compared with one month previously.

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

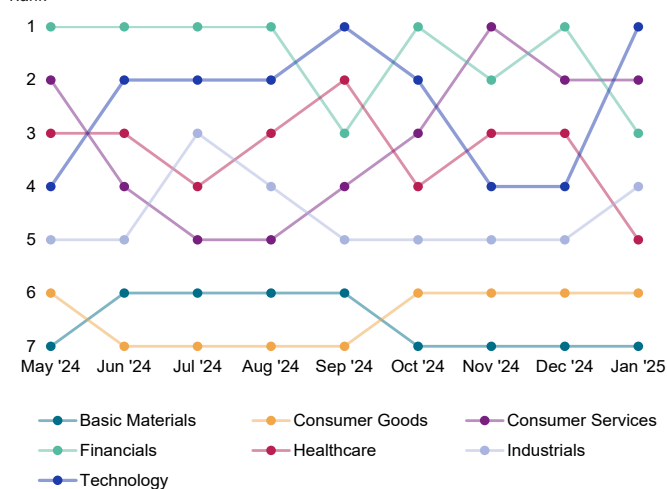
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Output Index

Rank



Source: S&P Global PMI.

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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi