NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 0950 CET (0850 UTC) 2 January 2026

HCOB France Manufacturing PMI®

Business conditions see best improvement in three-and-a-half years during December amid export rebound

Key findings:

New export orders rise at strongest rate in almost four years

Manufacturers raise employment at the fastest pace since August

Firms predict growth in 2026, but optimism remains subdued

Data were collected 4-16 December 2025.

France's manufacturing sector recorded its strongest month in three-and-a-half years at the end of 2025, HCOB PMI® survey data revealed, as new export orders rose markedly and employment returned to growth. Notably, factory output volumes came close to stabilising after November's sharp and accelerated contraction.

When looking towards the outlook for 2026, French goods producers remained optimistic. That said, growth expectations weakened and were subdued by historical standards.

The seasonally adjusted **HCOB France Manufacturing Purchasing Managers' Index™ (PMI)** rose to 50.7 in December, from 47.8 in November. The headline measure's final print of 2025 ended a three-month spell of deteriorating business conditions and signalled the strongest improvement since June 2022. All five sub-components of the PMI provided a positive directional influence during December.

After falling sharply and at a quicker pace during November, the latest survey data signalled a near-stabilisation of production volumes across France. Output was supported by a further (and steeper) rise in new export orders, with panel members reporting a pickup in sales to Eastern and Southern Europe, North America and parts of Africa. In fact, December's expansion in international demand was the fastest in close to four years.

The acceleration in new export order growth helped to offset demand-side weakness across domestic markets. Consequently, overall new business volumes fell at the softest pace since May 2025.

Employment was a bright spot for France's manufacturing industry, with more factory jobs created than lost for a seventh time in eight months. Moreover, the extent to which payroll numbers rose was the quickest since August last year.

That said, French goods producers made sustained cutbacks elsewhere. Purchasing activity was reduced in December, while both pre- and post-production stocks decreased. According to survey respondents, input buying and inventory levels were reduced to better optimise warehouses and avoid a build-up of excess supply. Nevertheless, rates of decline eased on the month in all three cases.

Input costs faced by French manufacturers continued to rise at the end of the year, stretching the current sequence of inflation to 14 months. However, the latest increase was slower than that seen previously and well below its survey trend.

Prices charged for goods produced in France saw a renewed rise during December — the first time since August 2025 that this has been the case. Where charges were lifted, firms noted that this reflected the passing on of higher costs to clients. As was the case with input prices, the rate of inflation was historically weak.

Looking ahead, French manufacturers remained optimistic that output would rise over the coming 12 months. Factors supporting growth forecasts included expectations of stronger sales conditions and planned new product launches. However, the level of positive sentiment was relatively subdued, with domestic political uncertainty weighing on confidence.

Comment

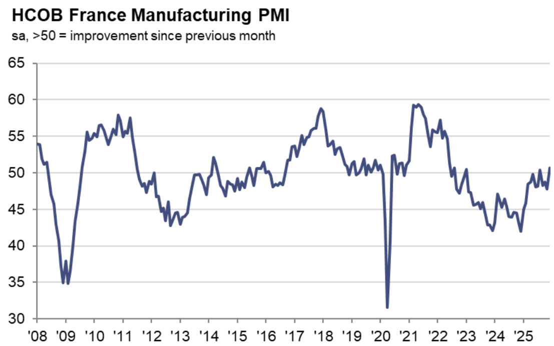
Commenting on the PMI data, Jonas Feldhusen, Junior Economist at Hamburg Commercial Bank, said:

"2025 closes on a surprisingly upbeat note. Business conditions in France's manufacturing sector improved in December, with the PMI climbing back above the growth threshold to reach its highest level in three-and-a-half years. While this should not obscure the structural challenges of recent years, it is nonetheless a step in the right direction. Looking ahead, the sector could benefit from large-scale orders in defence and aerospace, particularly from abroad, as export demand has already shown greater resilience than domestic orders in recent months. Still, persistent political instability and the resulting uncertainty among businesses and households remain key headwinds for future prospects.

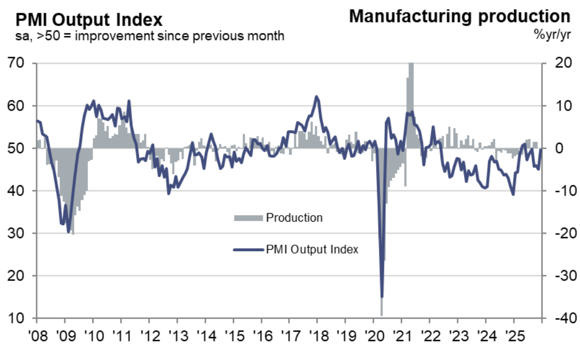
"After several months of contraction, production at French manufacturing plants broadly stabilised in December. Robust export orders were a key support, even as pressure on supply chains and cautious customer behaviour continue to limit output. Companies have also been meeting orders by drawing down inventories. Purchasing activity, which has been declining since 2022, is now approaching stabilisation, potentially signalling that the sector may have reached its trough heading into next year.

"The modest improvement in business conditions has prompted firms to raise prices again after three consecutive months of cuts, likely aimed at stimulating sales. Input cost inflation remains subdued, providing some relief, but margin pressures will persist if demand fails to strengthen further."

-Ends-



Sources: HCOB, S&P Global PMI.



Sources: HCOB, S&P Global PMI, INSEE via S&P Global Market Intelligence.

Contact

Hamburg Commercial Bank AG
Jonas Feldhusen
Junior Economist
T: +49-151-2294-9096
jonas.feldhusen@hcob-bank.com

Katrin Steinbacher
Head of Press Office
Senior Vice President
T: +49-40-3333-11130
katrin.steinbacher@hcob-bank.com

S&P Global Market Intelligence
Joe Hayes
Principal Economist
T: +44-1344-328-099
joe.hayes@spglobal.com

Hannah Brook
EMEA Communications Manager
T: +44-7483-439-812
hannah.brook@spglobal.com
press.mi@spglobal.com

Note to Editors

The HCOB France Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 1998.

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 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.

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.

Flash data were calculated from 95% of final responses. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.1 (0.3 in absolute terms).

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

Hamburg Commercial Bank AG

Hamburg Commercial Bank (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. The bank offers its clients a high level of structuring expertise in the financing of commercial real estate projects with a focus on Germany as well as neighboring European countries. It also has a strong market position in international shipping. The bank is one of the pioneers in European-wide project financing for renewable energies and is also involved in the expansion of digital and other areas of important infrastructure. HCOB offers individual financing solutions for international corporate clients as well as a focused corporate client business in Germany. The bank's portfolio is completed by digital products and services facilitating reliable, timely domestic and international payment transactions as well as for trade finance.

Hamburg Commercial Bank aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored sustainability aspects in its business model. It supports its clients in their transition to a more sustainable future.

The bank's specialists are as experienced as they are pragmatic. They act in a reliable manner and at eye level with their customers. They provide in-depth advice in order to jointly find efficient solutions that are a perfect fit – for complex projects in particular. Tailor-made financing, a high level of structuring and syndication expertise and many years of experience are just as much a hallmark of the bank as are our profound market and sector expertise.

S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

About CNA

CNA (Conseil national des achats – National Purchasing Council), is a non-profit making, non union trade association, gathering individuals, and people actually involved in the purchasing activity of companies or public services. Its aim is to increase the efficiency of the purchasing function in the economy by training and informing those concerned, defining and applying a professional ethic, providing studies, research, surveys, and all actions of general interest in any field directly or non directly related to purchasing and subsidiary functions.

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.html

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click here.