

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 0950 CEST (0750 UTC) 6 May 2025

HCOB France Services PMI[®]

Services economy weakens further in April

Key findings:

Business activity contracts for eighth month in a row

Demand for French services declines rapidly

Confidence ticks up but remains historically subdued

Data were collected 9-25 April

France's service sector remained a drag on the economy as the second quarter of 2025 got underway. According to the latest HCOB PMI[®] survey data, compiled by S&P Global, business activity fell for an eighth successive month amid a sharp and accelerated decrease in new orders. Competition for work also led prices charged to hold steady, aided by input cost pressures of a more modest nature.

Meanwhile, French services companies grew slightly more optimistic towards the 12-month outlook, but expectations fell considerably short of their long-term average as global uncertainties dampened confidence.

The seasonally adjusted **HCOB France Services PMI[®] Business Activity Index** — which measures changes in the volume of business activity compared with one month previously — posted 47.3 in April. This was slightly lower than March's 47.9 and therefore signalled a quicker pace of contraction in output across France's services industry. Additionally, this marked the eighth successive sub-50.0 print in the headline index, indicating a sustained downturn in business activity.

Reduced client demand featured prominently in anecdotal reports from businesses that cited lower output during April. According to the latest survey data, new orders received by French services companies decreased at a rapid and accelerated pace. In fact, the decline was among the most marked since late 2020. This was not the case for new export sales, however, implying a marked drag from domestic markets. New business received from international customers shrank at the softest pace for three months.

A dearth of new work meant that French services companies were able to clear backlogs in April. This marked the twelfth straight monthly fall in outstanding business, although the latest reduction was the softest since January.

The latest survey data revealed there was a further trimming of employment across the French service sector in April. The non-replacement of leavers was a common method through which workforce capacity was lowered, according to panel member reports. In some cases, firms cited recruitment difficulties. The pace at which jobs were shed was moderate overall.

Lower staffing numbers came amid another month of subdued year-ahead business expectations from French services firms. Although the level of positive sentiment ticked up to a four-month high, it remained well below the historical average. Uncertainty at a global level was noted as a headwind by panellists.

Turning to prices, April saw a further moderation of input cost pressures faced by service providers in France. Furthermore, the rise in operating costs was the slowest in six months and weaker than the series trend. That said, some companies commented on greater purchasing costs and wages.

As for prices charged, the latest survey data signalled a near-stabilisation at the start of the second quarter. While there were companies that raised their prices, often to pass on higher expenses, there were others that offered discounts due to competition.

Comment

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

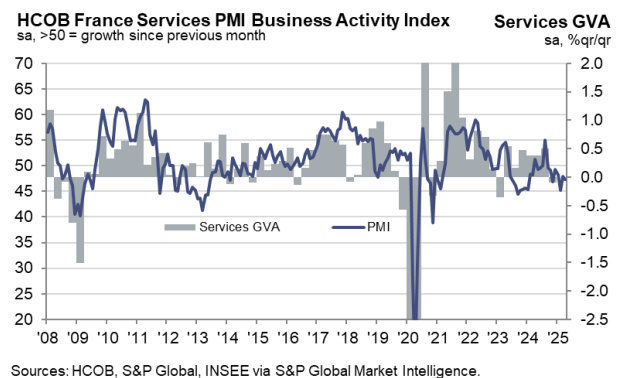
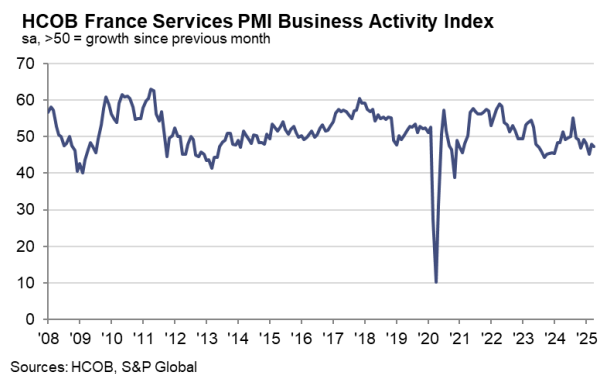
"April marked another month of declining activity in the French private sector. The HCOB Composite PMI signals a continued downturn in economic activity in France, driven by weakness in the services sector. However, the manufacturing sector has managed to increase production for the first time in nearly three years."

"The French services sector remains on a downward trajectory. Business activity declined again in April, attributed to lower customer demand and generally poorer market conditions. The rapid decline in new orders is particularly concerning this month. Surveyed companies report that weak market conditions make it very difficult to attract new business, and existing customers are also hesitant to engage in new transactions. High trade policy uncertainty seems to be causing postponements to investment and consumption decisions."

"Current developments – weak demand amid high uncertainty – do not bode well for the profit margins of French service providers. Additionally, our survey results indicate that operating costs, appear to be rising faster than end prices, which have virtually stagnated due to competitive pressures."

"Future business expectations remain in the growth zone, but significantly below the historical average. Employees find themselves in a concerning situation, as they are increasingly at risk of job loss as workloads decrease due to the order slump and simultaneous reduction of backlogs."

-Ends-



HCOB France Composite PMI[®]

Private sector output shrinks again in April

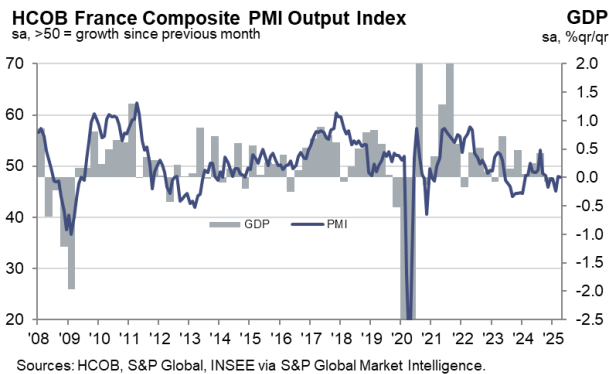
The HCOB France Composite PMI[®] Output Index posted 47.8 in April (March: 48.0), signalling an eighth straight monthly decline in private sector business activity. The service sector drove the downturn in its entirety as manufacturing production rose for the first time in nearly three years.

Demand conditions deteriorated at a quicker pace in April. Despite the fall in new factory orders easing to a pace that was the softest in 35 months, an accelerated drop in services new business more than offset this. Private sector new export orders were down by the weakest margin in three years, however.

A fifth straight monthly fall in employment was recorded during the latest survey period, but businesses were still able to clear backlogs, as has been the case in each month since August 2023.

Private sector growth expectations ticked up to a four-month high in April, with both sectors registering stronger confidence. The level of positive sentiment was weak by historical standards, however.

Lastly, prices charged were broadly unchanged as the rate of input cost inflation cooled to a six-month low.



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

Corporate Communications
press.mi@spglobal.com

Note to Editors

The HCOB France Services PMI[®] is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 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 May 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 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.

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 services data were calculated from 83% of final responses. Flash composite data were calculated from 88% of final responses. Since January 2006 the average difference between final and flash Services Business Activity Index values is -0.1 (0.5 in absolute terms). Since January 2006 the average difference between final and flash Composite Output Index values is 0.0 (0.4 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.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2025 S&P Global Ltd. All rights reserved. www.spglobal.com

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](#).

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.