

NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB France Construction PMI®

Construction sector sees further marked contraction in February

Key findings:

Civil engineering activity plummets; housing and commercial downturns ease
Construction material purchases shrink as new project wins decrease again
HCOB Future Activity Index up sharply, but pessimists still outweigh optimists

Data were collected 10-27 February 2026.

The protracted downturn in France's construction industry extended into February, according to the latest HCOB PMI® data. All three types of construction work monitored by the survey shrank midway through the opening quarter, with the civil engineering segment performing the worst. New orders received by French builders declined sharply, leading to further reductions in material purchases and employment.

That said, input price inflation cooled in February, while there was a considerable uplift in business sentiment, with the degree of pessimism towards the 12-month outlook its weakest since May 2024 amid reports from some firms of healthier sales pipelines.

The headline **HCOB France Construction PMI Total Activity Index** is a single measure that tracks changes in total industry activity compared with the previous month. A reading below 50.0 indicates a reduction in activity and the further below this threshold, the faster the rate of reduction signalled. At 43.9 in February, the index pointed to a sharp contraction in building work across France. That said, this was up slightly from 43.5 in January and marked the softest decline in six months.

Civil engineering was the main drag on total construction activity during the latest survey period. Work carried out on these types of projects saw a rapid decline, with the pace of contraction accelerating sharply to its fastest since November 2022. There were also reductions in both commercial and residential building activity levels, although rates of decrease eased to their softest since August 2025 and August 2022, respectively.

New orders received by French constructors fell in February. Slow market conditions and generally subdued demand from clients was cited. The extent to which new incoming projects decreased was steep overall and slightly sharper than that seen at the start of 2026.

Purchases of construction materials were lowered once again in February, reflecting efforts by firms to align inputs on hand with order book volumes. The rate at which buying activity fell was marked overall and slightly faster than that seen in January. Input price inflation cooled, however, to its softest in three months and was well below the average of the survey.

French constructors lowered employment, extending the current sequence of job shedding to 22 months. Albeit only moderate, the reduction was the sharpest since November last year.

As for subcontractors, a steep and accelerated fall in their usage applied downward pressure to their rates charged,

which saw the quickest decline since April 2020.

Looking ahead, French construction companies remained pessimistic on balance. However, there was a marked uplift in the number of panellists predicting growth in activity over the next 12 months, leading the level of negative sentiment to recede sharply to its softest since May 2024. Some companies reported stronger sales pipelines.

Comment

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

"France's construction sector remains firmly trapped in a structural downturn, with the headline HCOB PMI lingering deep in recessionary territory. While activity indices for all three sub-sectors were below the 50.0 no-change threshold in February, some divergences have emerged. Weakness in residential construction continued, signalling the persistence of a recession here, but the latest decline in home building was considerably softer than seen previously. A similar pattern is visible in commercial construction, where the pace of contraction has moderated. Civil engineering, by contrast, has experienced a marked acceleration in its downturn."

"The sector as a whole continues to suffer from chronically weak demand, with new orders remaining scarce. In line with this, firms are still reducing headcount. Lower usage of subcontractors and their prices charged is also reflective of weak construction sector conditions."

"Despite the persistent weakness, confidence in the outlook improved markedly in February. Some panellists report more optimistic sales expectations, accompanied by healthier project pipelines. The recent decline in long-term French government bond yields, and the narrowing spread versus German bunds, likely further underpins more positive sentiment among construction firms. However, amid the latest escalation in conflict in the Middle East, long-term yields might rise again should higher energy prices fully materialize in inflation figures."

-Ends-

HCOB France Construction PMI Total Activity Index

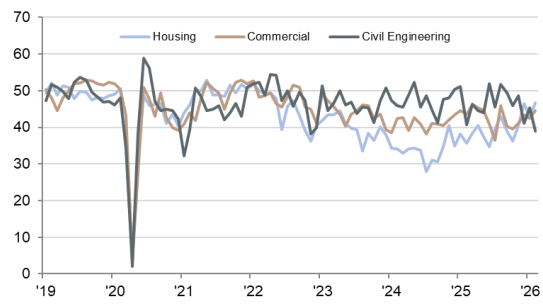
sa, >50 = growth since previous month



Sources: HCOB, S&P Global PMI.

Construction PMI Total Activity Index by sector

sa, >50 = growth since previous month



Sources: HCOB, S&P Global PMI.

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Note to Editors

The HCOB France Construction PMI[®] is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected September 2000.

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 Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction 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.

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

Hamburg Commercial Bank AG

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