

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB France Manufacturing PMI®

## Renewed fall in manufacturing output in June

### Key findings:

Production declines amid sharper contraction in new orders

Further improvement in optimism

Selling prices cut amid competitive pressures

Data were collected 12-23 June 2025.

French manufacturers posted a renewed fall in production as the opening half of the year drew to a close, in line with an accelerated decline in new orders. Confidence in the year-ahead outlook continued to strengthen, however, encouraging firms to increase their employment marginally. Nevertheless, purchasing activity and inventory holdings continued to be scaled back.

Input costs increased modestly again, but competition for scarce new business meant that manufacturers lowered their own selling prices.

The seasonally adjusted **HCOB France Manufacturing Purchasing Managers' Index™ (PMI®)** dropped to 48.1 in June from 49.8 in May. The index has now posted below the 50.0 no-change mark in 29 consecutive months, signalling a sustained period of deteriorating business conditions. The health of the sector worsened modestly in the latest survey period, but to the most marked extent since February.

Investment goods producers recorded the sharpest deterioration in business conditions, but declines were also noted at intermediate and consumer goods firms.

Central to the overall deterioration in the health of the sector was a sharp and accelerated reduction in new orders. New business decreased at the fastest pace in four months, with panellists reporting weak demand in both domestic and international markets.

Indeed, manufacturers also saw a reduction in new export orders, extending the current sequence of contraction which began in March 2022. Here too the pace of decline quickened from May, but the fall in new business from abroad was less pronounced than that seen for total new orders.

Falling new orders and muted economic conditions led manufacturers to reduce production at the end of the second quarter, thereby ending a two-month sequence of growth. Moreover, the fall was solid. There were some specific mentions of weakness in the auto industry.

Although firms cut output in June, confidence in the year-ahead outlook for production strengthened for the eighth month running and was the highest since February 2022. Positive sentiment generally reflected hopes that new orders will improve.

With confidence in the outlook for production improving, manufacturers were encouraged to increase employment for the second month running despite the drop in new orders. That said, the pace of job creation was only marginal.

Firms were able to keep on top of workloads, and reduced outstanding business modestly following a rise in May.

While manufacturers continued to increase employment slightly, they cut back on the purchasing of inputs. Moreover, the rate of decline was marked and the fastest since February.

Stocks of purchases and finished goods were also reduced amid falling demand, with holdings of inputs also affected by the use of inventories to help support production and supplier delivery delays.

In fact, suppliers' delivery times have now lengthened on a monthly basis throughout the past year. The latest deterioration in vendor performance was the most marked since February.

Higher costs for raw materials and energy contributed to an increase in input prices in June. The pace of inflation was slightly faster than in May, but remained relatively muted.

Meanwhile, manufacturers lowered their own selling prices for the fourth month running amid competition for new business.

## Comment

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

*"Over the course of 2025, the headline HCOB PMI for France's manufacturing sector had shown a marked improvement, edging closer to the expansion threshold by May. However, this positive momentum came to a halt in June, with the headline manufacturing index declining for the first time this year. The deterioration can largely be attributed to two key subcomponents. First, output contracted again after two consecutive months of modest growth, with several panellists citing persistent weakness in the automotive sector as a contributing factor. Second, domestic demand—which had exhibited a clear recovery trend since the beginning of the year—saw a notable loss of momentum in June. As a result, the fragile recovery path of French manufacturing has suffered a significant setback. The key question now is whether this represents a temporary correction or the premature end of a hard-won rebound."*

*"Looking ahead, there are still reasons for cautious optimism. Despite the decline in the headline index, future output expectations continued to improve in June, extending their upward trajectory. This optimism likely reflects a combination of factors: the European Central Bank's recent monetary easing, planned increases in defence-related investment, and EU-level initiatives aimed at reducing regulatory burdens. Labour market dynamics, however, remain subdued. The employment subindex has hovered around the neutral 50 mark for the fourth consecutive month, suggesting stagnation in industrial hiring activity."*

*"Price developments present a mixed picture. Output prices declined marginally for the fourth month in a row, likely reflecting ongoing competitive pressures. At the same time, input prices remained above the growth threshold, indicating continued cost increases. This divergence is placing further pressure on firms' profit margins."*

-Ends-

**HCOB France Manufacturing PMI**

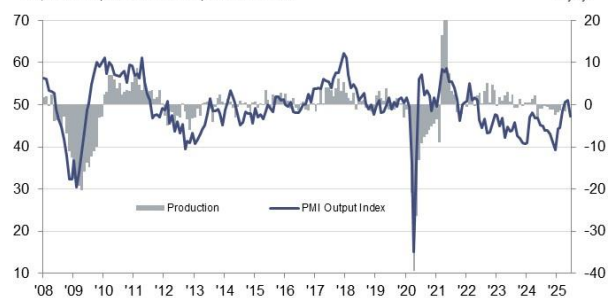
sa, >50 = improvement since previous month



Sources: HCOB, S&P Global PMI.

**PMI Output Index**

sa, >50 = improvement since previous month



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

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## Note to Editors

The HCOB France Manufacturing PMI<sup>®</sup> 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<sup>™</sup> (PMI<sup>®</sup>). 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 94% 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](mailto:economics@spglobal.com).

## Hamburg Commercial Bank AG

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Purchasing Managers' Index<sup>™</sup> (PMI<sup>®</sup>) 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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi.html)

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