

News Release

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S&P Global Europe Sector PMI®

Sectors in decline in the majority for first time since February

Key findings

Highest number of sectors record a drop in output since July 2024

Only four segments signal a rise in new orders

Subdued demand conditions weigh on pricing power in majority of sectors

Only seven of the 19 monitored sectors in Europe recorded an expansion in business activity in May, according to the latest S&P Global Europe Sector PMI®, the lowest number since July 2024. Renewed contractions in many manufacturing-based segments weighed on overall sector performance, as demand conditions dampened.

Construction Materials continued to lead the output rankings, indicating the strongest growth in production for the second month running. A similarly solid upturn in Machinery & Equipment output followed close behind. Elsewhere, manufacturing-based sectors struggled in May, with renewed declines seen in Chemicals, Forestry & Paper Products, Automobiles & Auto Parts and Beverages & Food.

The Technology category continued to outperform other broad sectors, as the decline in Technology Equipment production slowed to the weakest in eight months and growth in Software & Services activity was sustained.

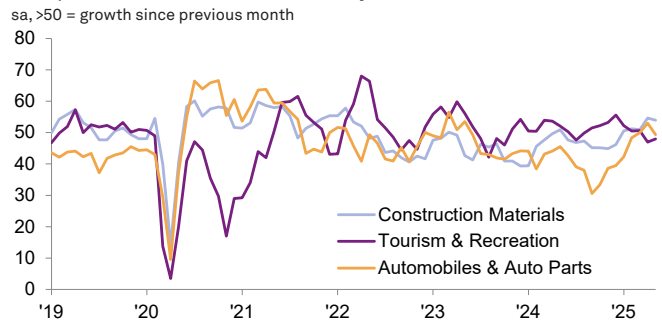
Although Basic Materials (including Chemicals, Forestry & Paper Products and Metals & Mining) was the weakest performing broad sector, subdued demand in Consumer Goods and Services was also evident midway through the second quarter, as all contributing segments registered lower output.

With regards to demand, only four monitored sectors recorded greater new order inflows in May, the lowest number since November 2023.

Subdued demand conditions in the majority of sectors hampered hiring decisions and pricing power. Almost all segments that saw an increase in employment were services-based. At the same time, of the 13 sectors where a rise in selling prices was recorded, eight registered a softer uptick in charges.

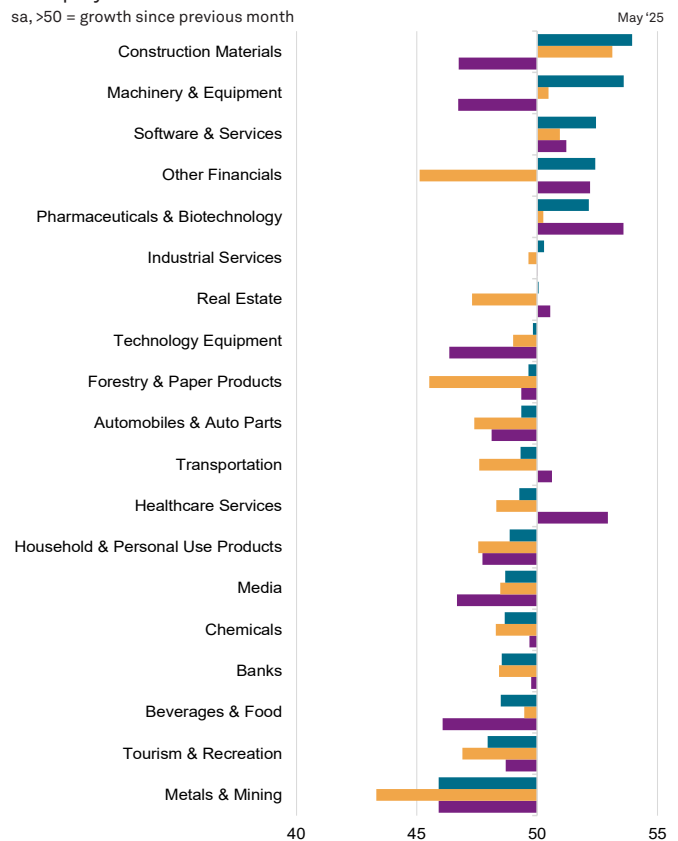
On the cost front, Tourism & Recreation indicated the fastest increase in input prices again in May, despite the pace of inflation easing to the weakest in 2025 to date. Firms sought to pass through higher costs to customers, as the sector also recorded the sharpest rise in output charges of the 19 monitored sectors.

Europe Sector PMI Business Activity Index



Source: S&P Global PMI.

Output Index
New Orders Index
Employment Index



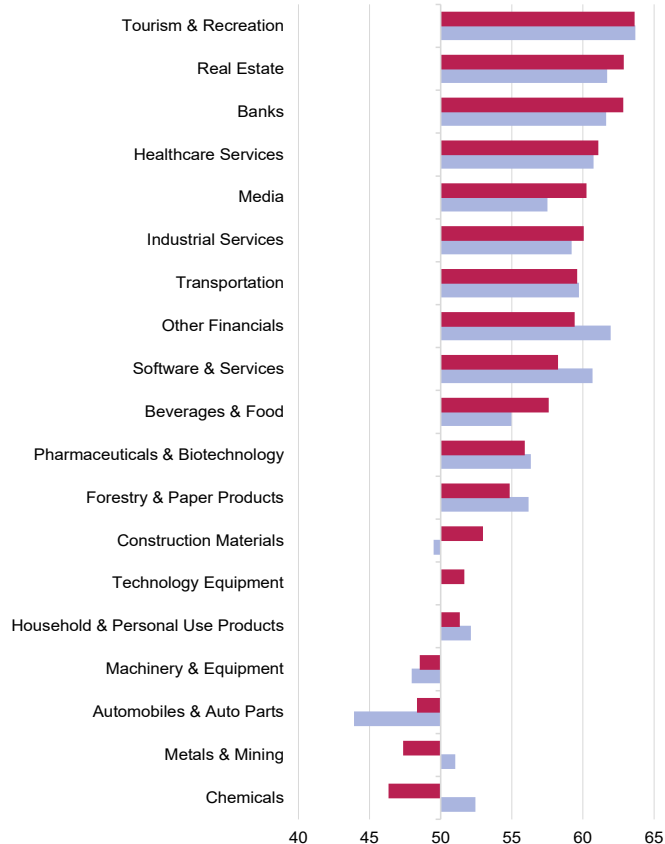
Source: S&P Global PMI.

PMI®

by S&P Global

Input Prices Index

■ May '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.

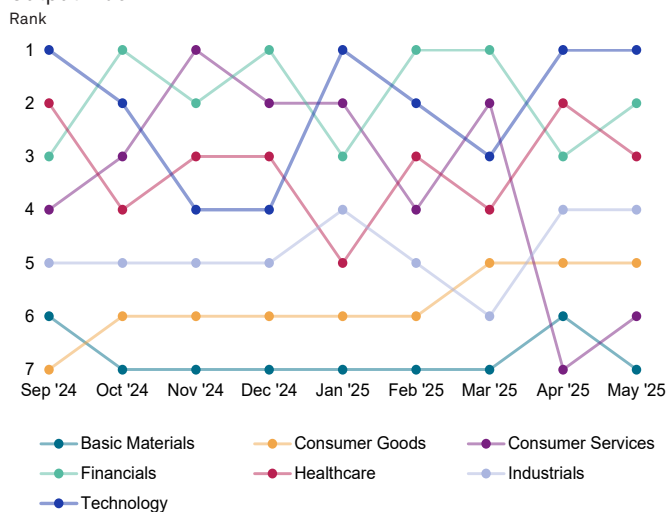
For further information on the PMI survey methodology, please contact economics@spglobal.com.

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Output Index



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.