

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB France Construction PMI<sup>®</sup>

## Construction activity declines sharply again in December

### Key findings:

Steep fall in civil engineering drives sharper fall in total construction activity

French constructors most pessimistic since October 2014

Input cost inflation picks up to 11-month high

Data were collected 4-23 December 2025.

The latest HCOB PMI<sup>®</sup> survey showed there was no let up in France's construction downturn, as activity levels declined sharply once again. The reduction extended the sector's decline to just over three-and-a-half years. Weighing on activity was a steep and accelerated fall in new orders, which prompted firms to retrench further by cutting employment and purchasing volumes. Cost pressures nevertheless intensified, with input prices rising at the quickest pace in nearly a year.

Looking ahead, French constructors turned more pessimistic towards the outlook. Expectations for activity over the next 12 months were their most downbeat since October 2014.

The headline **HCOB France Construction PMI Total Activity Index** — a single measure that tracks changes in total industry activity compared with the previous month — posted 43.4 in December, slightly below November's reading of 43.6. In turn, the headline measure signalled a fractionally sharper decline in total construction activity in the final month of 2025.

In a stark contrast to November, where housing and commercial activity were the key driving forces behind the overall contraction trend, December's downturn was driven by the civil engineering sub-sector. Here, the pace of decline accelerated considerably to its steepest since last February. Meanwhile, residential building work fell at the softest rate since August 2022 and commercial construction posted its slowest drop in four months.

December survey data signalled a rapid decrease in the volume of new work received by French construction companies. According to panellists, the slump reflected generally weak demand conditions and fewer calls for tender. The overall pace of reduction accelerated sharply on the month.

Expectations that the subdued trend in new orders would persist led French construction companies to record their most pessimistic assessment of the coming 12 months since October 2014. Approximately 35% of surveyed firms anticipate activity levels to be lower than at present by the end of 2026, whereas just 6% foresee growth.

Construction material purchases were reduced yet again in December. While the extent to which buying activity fell was the slowest in seven months, it was sharp nonetheless.

Retrenchment across the sector was also carried out by reducing workforce capacity. Employment in France's construction sector has fallen continuously since May 2024, although the latest drop was the weakest in seven months and only marginal.

Lastly, French constructors faced a further intensification of cost pressures, with input price inflation picking up for a third month in succession. While this led overall operating expenses to rise at the quickest rate in almost a year, the rate of increase was below that seen on average since the survey started.

### Comment

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

*"Activity in the French construction sector remained subdued at the close of the year and weakened once again. With an index reading of 43.4, the level is well below the no-change threshold of 50, which has not been surpassed for over three-and-a-half years, signalling a deep and persistent recession that began alongside the ECB's rate-hiking cycle in summer 2022.*

*"In December, the decline in construction activity was as pronounced as in the previous month. However, a closer look at the underlying sectors reveals significant differences. While there appear to be tentative signs of recovery in residential construction, civil engineering activity collapsed in December. In the commercial construction sector, activity is no longer deteriorating at the steep rates seen earlier in Q4, but the respective index remains at an alarmingly low level.*

*"The outlook for the new year is historically poor among French construction firms. Sentiment is shaped by weak order books, and companies lack confidence in any meaningful improvement in demand in 2026. The ECB's room for further rate cuts appears exhausted, while long-term yields remain under pressure due to France's ongoing fiscal concerns. Political uncertainty adds to the strain. The challenging environment is also evident among subcontractors, whose services are being used less frequently. They are responding with price concessions.*

*"Falling purchasing activity reflects the sector's weakness, with panellists citing poor demand and a lack of new projects as key reasons. Additionally, input cost inflation in the French construction sector has now risen for the third consecutive month. In historical terms, however, the increase remains moderate."*

-Ends-

**HCOB France Construction PMI Total Activity Index**

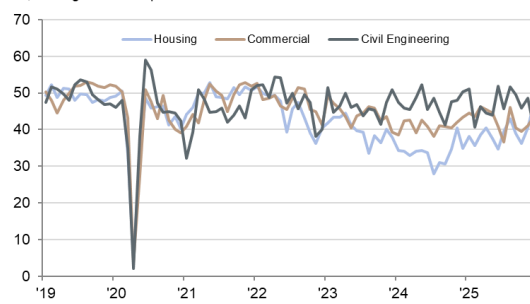
sa, >50 = growth since previous month



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<sup>®</sup> 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](mailto:economics@spglobal.com).

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