

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB France Construction PMI®

## French construction downturn remains sharp

### Key findings:

- Broad-based decline in activity seen again in April
- New orders fall at sharper pace and employment shrinks
- Business expectations remain pessimistic

Data were collected 9-30 April 2025.

The latest HCOB PMI® survey results showed no signs of a turnaround in France's construction sector as activity decreased for a thirty-fifth month running and at a pace that was sharp. A lack of incoming new work restricted building on residential, commercial and civil engineering projects, leading firms to reduce purchasing volumes and remain downbeat on year-ahead prospects.

The headline **HCOB France Construction PMI® Total Activity Index** — which measures month-on-month changes in total industry activity — posted 43.6 in April, which was little-changed from 43.8 in March. Subsequently, it pointed to another sharp monthly contraction and extended the current period of decline to almost three years.

France's construction sector downturn remained housing-led, underlying survey data showed, as has generally been the case since the industry's downward trend began in mid-2022. The fall in residential activity was nevertheless the softest since November last year.

There was another marked drop in commercial building work at the start of the second quarter, extending this segment's decline to just over two-and-a-half years. Civil engineering activity meanwhile decreased for a third successive month.

Construction activity levels were constrained by weak demand, according to anecdotal reports. The latest survey data signalled a considerable reduction in new work intakes at French building firms during April, stretching the current sequence of deteriorating new order intakes to over three years.

A lack of incoming new business prompted companies to make additional reductions to purchasing volumes at the start of the second quarter. The pace of contraction was steep overall and slightly stronger than that seen in March.

Cutbacks to employment were once again made by French construction companies during the latest survey period, extending the current job shedding sequence to precisely a year. The extent to which workforce numbers dipped was moderate overall.

April survey data indicated a renewed rise in operating costs for French constructors. That said, the rate of increase was considerably slower than that seen on average since the survey started almost 25 years ago.

The subdued state of France's construction sector also resulted in a sharp contraction in subcontractor usage. Their rates charged were subsequently reduced for a fourth successive month.

Finally, French construction companies remained pessimistic towards the outlook for activity over the next 12 months. Firms cited weak order pipelines as a reason to be downbeat. However, the overall degree of negativity was softer than that seen in 2024 on average.

**Comment**

Commenting on the PMI data, Norman Liebke, Economist at Hamburg Commercial Bank, said:

*"The French construction sector is still in troubled waters. In April, the HCOB Construction PMI signalled a steep decline in construction activity, showing no signs of revitalization. HCOB Economics expects the ECB to cut rates within the next few months, making a case for a possible restart of the French construction sector. So far, French constructors are continuing to cut staff as geopolitical uncertainties rise.*

*"The decline in the French construction sector is expected to persist in the second quarter. Our HCOB nowcast indicates that construction will negatively impact economic activity during this period. This aligns with the pessimistic outlook of surveyed French construction companies. Higher economic uncertainty due to an unclear monetary policy path in the euro area, as well as geopolitical tensions, are enough of a justification for the more pessimistic outlook in April. The worsening employment situation further confirms that companies are bracing for tougher times ahead.*

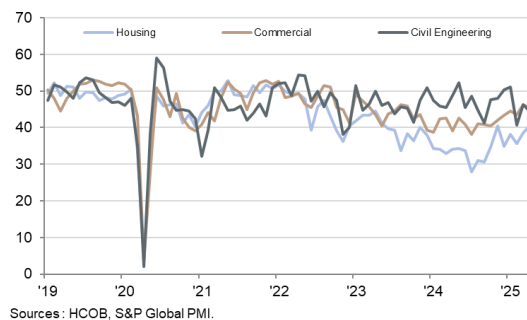
*"The outlook remains grim. Order intake and purchasing volumes are shrinking significantly, suggesting little chance of improvement in the medium term. Customers are cautious, budgets are uncertain, and market activity is subdued – these are the prevailing signals from the HCOB PMI survey. The weak overall dynamics could be compelling companies to make layoffs. Constructors will hope that they will soon overcome unfavorable economic conditions and weak demand."*

-Ends-

**HCOB France Construction PMI Total Activity Index**  
sa, >50 = growth since previous month



**Construction PMI Total Activity Index by sector**  
sa, >50 = growth since previous month



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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).

## 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.

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