

# S&P Global Flash Germany PMI<sup>®</sup>

## German private sector slips into contraction in April as inflationary pressures continue to build

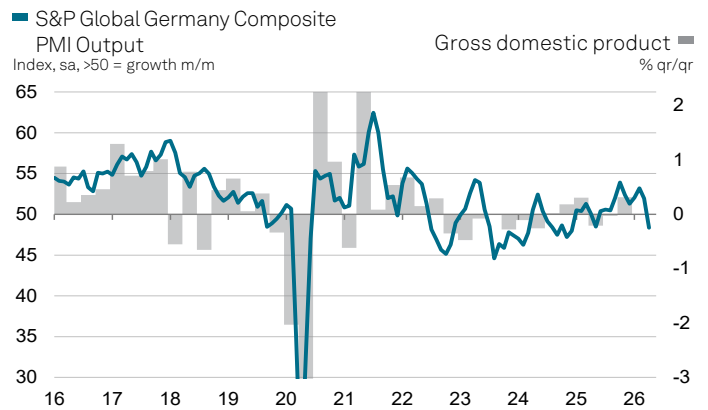
April 2026

Flash Germany PMI Composite Output Index: 48.3 (Mar: 51.9). 16-month low.

Flash Germany Services PMI Business Activity Index: 46.9 (Mar: 50.9). 41-month low.

Flash Germany Manufacturing Output Index: 51.7 (Mar: 54.0). 3-month low.

Flash Germany Manufacturing PMI: 51.2 (Mar: 52.2). 2-month low.



Data were collected 9-21 April 2026.

Sources: S&P Global PMI, Destatis via S&P Global Market Intelligence. © 2026 S&P Global

Business activity fell across the German private sector economy for the first time in almost a year in April, according to the latest 'flash' S&P Global PMI<sup>®</sup> survey, reflecting the effects of the war in the Middle East. Weaker demand led to the steepest drop in new business since December 2024, while intensifying cost pressures resulted in sharper increases in both goods and services prices, with output charge inflation jumping to its highest in over three years.

Notably, business expectations turned negative as confidence suffered another marked setback. Employment meanwhile fell at a rate that was little-changed from the month before, with cutbacks being made in line with reduced pressure on business capacity.

The S&P Global Flash Germany Composite PMI Output Index dropped from 51.9 in March to 48.3 in April, thereby registering in sub-50 contraction territory for the first time since May last year. Although indicative of only a modest rate of decline, it was the lowest reading recorded since December 2024. The downturn was led by a marked reduction in service sector business activity, which registered its worst slump in almost three-and-a-half years (index at 46.9). Manufacturing output growth meanwhile eased sharply from March's 49-month high to its slowest since January (index at 51.7).

It was a similar picture for new business, with a notable drop in intakes of new work in the service sector more than offsetting a further – albeit much slower – increase in manufacturing new orders. Reports from surveyed firms indicated that uncertainty associated with the geopolitical backdrop was causing reluctance among customers and generally weighing on demand.

The latest data meanwhile showed a sustained increase

### Comment

Phil Smith, Economics Associate Director at S&P Global Market Intelligence:

"The recovery in the German economy has been stopped in its tracks by the war in the Middle East. A ten-month sequence of growth came to an end in April as business activity contracted against a backdrop of heightened uncertainty and sharply rising prices.

"The service sector has seen the greatest immediate impact, recording its steepest drop in activity in nearly three-and-a-half years at the start of the second quarter. The manufacturing sector saw output and new orders edge higher, although there are warning signs that it too could soon slip back into contraction, with growth of both production and sales slowing sharply and manufacturers now reporting a pessimistic outlook for the year ahead.

"The business mood has darkened considerably since the outbreak of the war. There's seemingly been little spillover to the labour market as yet, with jobs being cut at only a slightly faster rate than the trend in the months before the outbreak of the war. That's likely to change, however, if activity remains suppressed and energy prices remain elevated.

"Faced with rapidly increasing costs, firms raised average prices charged for goods and services at the quickest rate in over three years in April, in a sign of widening inflationary pressures."

in cost pressures facing businesses due to the war in the Middle East, with surveyed firms widely commenting on increases in energy, fuel and transport costs. The overall rate of input price inflation reached its highest since November 2022. Manufacturers, who also frequently reported higher prices paid for materials such as metals and plastics, faced particularly elevated cost pressures, the strongest in the sector for over three-and-a-half years, although the rate of increase in service providers' input costs also ticked up to the fastest since March 2023.

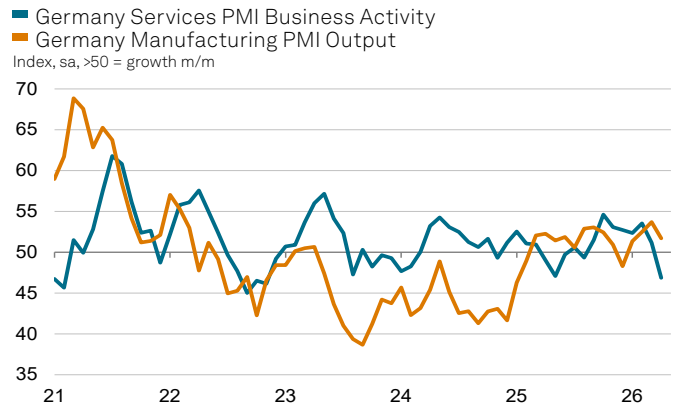
Businesses were more aggressive with their price setting in April as they looked to pass on some of the burden of higher costs to customers. The rates of inflation in services and manufacturing output charges were the highest for 35 and 39 months, respectively.

Elsewhere, April's flash data showed a further decrease in employment across the German private sector, taking the current sequence of decline to almost two years. The pace of job shedding was broadly in line with the average recorded in the year-to-date. Manufacturers once again reported a more marked reduction in staffing numbers than their services counterparts, although the rates of decline in the two sectors converged slightly.

The latest round of job cuts coincided with a broad-based reduction in backlogs of work across the private sector. Outstanding business fell to the greatest extent for eight months in April, with an accelerated decline in the service sector being compounded by a renewed decrease across manufacturing.

Business expectations towards activity in the year ahead fell to their lowest since September 2024 at the start of the second quarter. Furthermore, it was only the second time in over two-and-a-half years that sentiment had turned negative. Confidence fell particularly sharply in the manufacturing sector, where firms voiced concerns over heightened levels of uncertainty, price increases and supply issues.

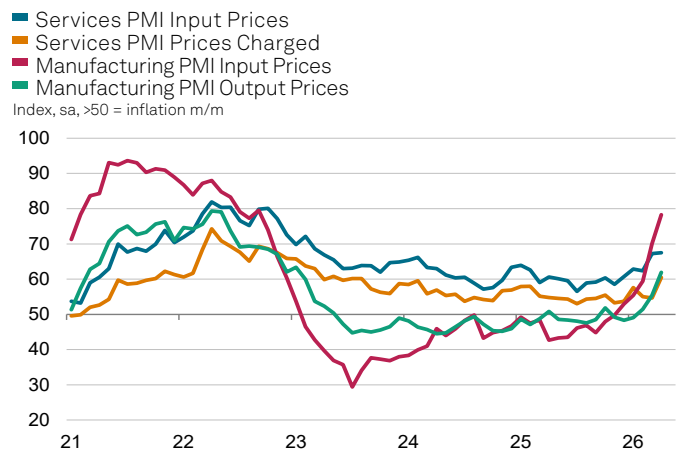
Goods producers reported an eighth successive monthly increase in average lead times on purchases in April, which they linked to bottlenecks, capacity constraints, raw material shortages, disruption to transportation due to the Middle East war, and high demand in some cases. Moreover, the deterioration in supplier performance was the most marked since mid-2022.



Source: S&P Global PMI. ©2026 S&P Global.



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## Contact

Phil Smith  
Economics Associate Director  
S&P Global Market Intelligence  
T: +44-1491-461-009  
[phil.smith@spglobal.com](mailto:phil.smith@spglobal.com)

Hannah Brook  
EMEA Corporate Communications  
S&P Global Market Intelligence  
T: +44-7483-439-812  
[hannah.brook@spglobal.com](mailto:hannah.brook@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

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## Methodology

Final April data are published on 4 May for manufacturing and 6 May for services and composite indicators.

The S&P Global Flash Germany Composite PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

**Manufacturing:** Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

**Services:** Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing 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.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

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Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.0 (absolute difference 0.4)

Services Business Activity Index = -0.1 (absolute difference 0.6)

Manufacturing PMI = 0.0 (absolute difference 0.3)

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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