

S&P Global Flash UK PMI®

Output growth accelerates in December, led by sharpest rise in new business for 14 months

December 2025

Flash UK PMI Composite Output Index: 52.1 (Nov: 51.2). 2-month high.

Flash UK Services PMI Business Activity Index: 52.1 (Nov: 51.3). 2-month high.

Flash UK Manufacturing Output Index: 51.8 (Nov: 50.3). 15-month high.

Flash UK Manufacturing PMI: 51.2 (Nov: 50.2). 15-month high.

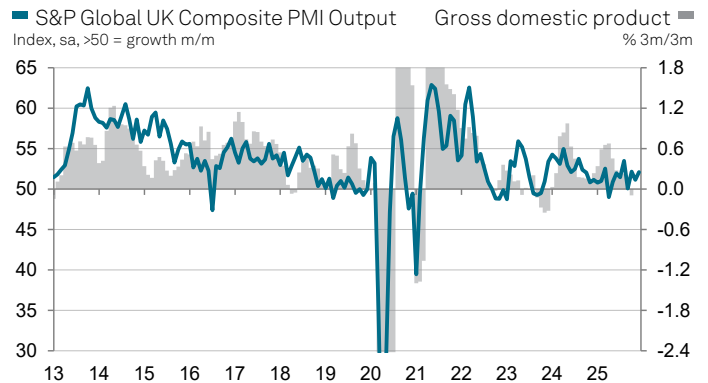
December data indicated that business activity growth across the UK private sector economy regained momentum, supported by the strongest upturn in new work since October 2024. Cutbacks to staffing numbers persisted, however, with employment decreasing for the fifteenth successive month.

Stronger inflationary pressures were signalled at the end of 2025. Input costs increased sharply and at the fastest pace since May. At the same time, prices charged inflation rebounded to the highest seen since August.

The headline seasonally adjusted S&P Global Flash UK PMI® Composite Output Index registered 52.1 in December, up from 51.2 in November and indicative of a moderate increase in output levels. Faster rises in business activity were seen in both the manufacturing and service sectors, although growth remained subdued in comparison to long-run trends.

A renewed upturn in new order intakes helped to boost private sector output in December. The rise in new business was the strongest for 14 months and mainly reflected a solid improvement in demand across the service economy. Survey respondents commented on improved confidence among clients and a gradual turnaround in sales pipelines. New work from abroad also picked up in December, which ended a 13-month period of decline.

Backlogs of work at private sector firms increased for the first time since February 2023, albeit only marginally. Higher levels of unfinished business were attributed to a combination of worsening supplier performance and higher-than-expected demand. However, staffing numbers continued to decline at a solid pace in December, particularly in the service sector. Lower employment was often attributed to intense cost pressures, while some companies



Data were collected 04-12 December 2025.

Sources: S&P Global PMI, ONS via S&P Global Market Intelligence. ©2025 S&P Global.

Comment

Chris Williamson, Chief Business Economist at S&P Global Market Intelligence:

"December's flash PMI surveys brought welcome news on faster economic growth at the end of the year, with businesses buoyed in part by the post-Budget lifting of uncertainty. The PMI is consistent with GDP growth accelerating to 0.2% in December, albeit with a more modest 0.1% gain signalled for the fourth quarter as a whole.

"It's a big relief that business confidence has not slumped in a repeat of last year's post-Budget gloom. Instead, companies have ended the year on a slightly more optimistic note amid signs of improving demand now that some of the uncertainty created by the Budget has cleared. New orders are in fact growing at the fastest rate for over a year.

"However, the overall pace of output and demand growth remains lacklustre, and the expansion is still very dependent on technology and financial services activity, with many other parts of the economy struggling to grow or in decline.

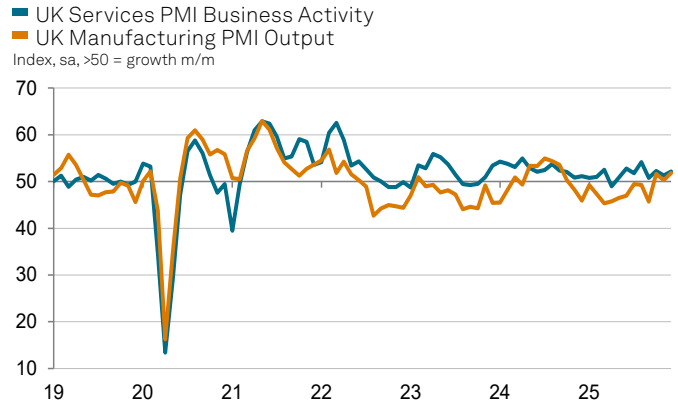
"Job losses are also again worryingly widespread, and it remains to be seen whether the uptick in orders during December will persuade more companies to start hiring again, especially as rising staff costs continue to be reported as one of the key concerns of businesses. These higher cost pressures were in turn cited as the key cause of a renewed upturn in selling price inflation across both goods and services.

"The sluggish growth and worrying jobs data from the flash PMI data therefore suggest that the odds remain in favour of a further cut to interest rates at the December MPC meeting, but that the path to further rate cuts in 2026 remains very data dependent, as policymakers await confirmation that price pressures are going to soften materially as the year proceeds."

also cited the impact of elevated business uncertainty.

Input price inflation accelerated for the second month running and reached its highest level since May. This was led by another sharp increase in average cost burdens across the service economy in December. Survey respondents noted a range of factors pushing up business expenses, including strong wage inflation, higher fuel bills and rising technology costs. Moreover, pressure on margins from stronger input cost inflation contributed to a rebound in prices charged inflation from the five-year low seen in November.

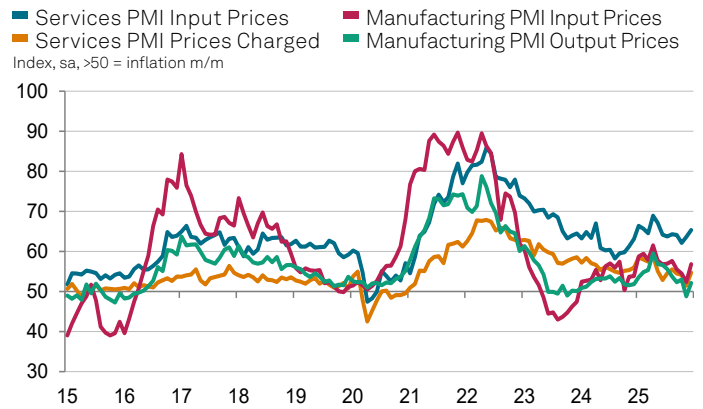
December data meanwhile indicated a modest recovery in business activity expectations for the year ahead. The degree of business optimism across the UK private sector economy was the second-highest since October 2024, but still slightly below the survey average. Service providers typically noted a tentative turnaround in client confidence, hopes of an improved outlook for the UK economy, and a potential boost from lower borrowing costs. However, many firms also noted challenging conditions due to elevated economic uncertainty, alongside cautious business and consumer spending. Manufacturers suggested that rising competitive pressures across domestic and export markets were the main factors weighing on business optimism, particularly due to greater operating costs.



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Methodology

Final December data are published on 2 January for manufacturing and 6 January for services and composite indicators.

The S&P Global Flash UK Composite PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 650 manufacturers and 650 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 = 0.2 (absolute difference 0.6)

Services Business Activity Index = 0.2 (absolute difference 0.7)

Manufacturing PMI = 0.1 (absolute difference 0.4)

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.

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