News Release

MARKET SENSITIVE INFORMATION
Embargoed until 1000 CET (0900 UTC) 5 December 2022

S&P Global Eurozone Composite PMI®

Eurozone economy contracts for a fifth successive month in November

Key findings:

Final Eurozone Composite Output Index at 47.8 (Oct: 47.3). 2-month high.

Final Eurozone Services Business Activity Index at 48.5 (Oct: 48.6). 21-month low.

Data were collected 10-25 November

Output levels across the euro area shrank once again in November, extending the downturn into a fifth month. Although the rate of contraction eased for the first time over this sequence due to a slower fall in manufacturing production, this masked an accelerated decline in the eurozone's dominant services sector. Excluding months hit by COVID-19 restrictions, November's contraction was the second-sharpest since May 2013.

The latest survey data also pointed to a softer deterioration in demand for goods and services, although backlogs of work fell at a stronger pace in a sign of alleviating capacity constraints. Employment continued to rise, although the rate of job creation was the weakest in almost two years.

Notably, a pronounced softening of cost pressures in the manufacturing sector helped bring the overall rate of input price inflation down to its lowest since September 2021. Output charges were subsequently lifted to a weaker extent.

Business confidence improved slightly, marking a further step-up from September's 28-month low. Nevertheless, optimism remained weak.

The seasonally adjusted **S&P Global Eurozone Composite PMI Output Index** posted in sub-50.0 contraction territory for the fifth month in a row during the latest survey period. Although November's reading of 47.8 was up from 47.3 in October, and therefore indicated a softer rate of decrease, it marked the longest downturn in the euro area economy since the recession between 2011 and 2013 that was triggered by the eurozone debt crisis.

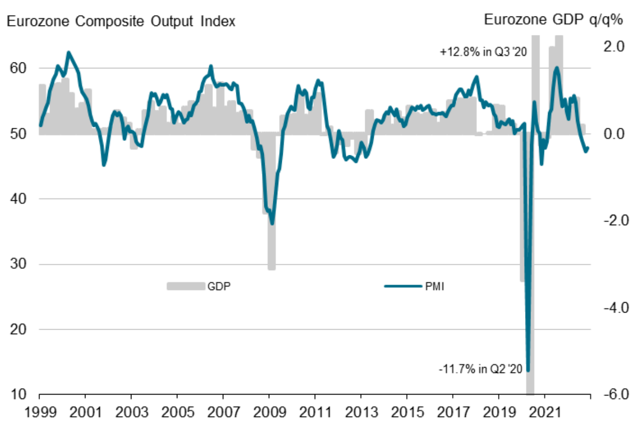
Output levels across both the manufacturing and services sectors contracted in November. While the downturn in the goods-producing sector eased since October, services activity fell at its sharpest pace since February 2021. Subdued demand conditions were a considerable drag on economic activity across the euro area once again, while the energy crisis also dampened output at some companies.

Countries ranked by Composite PMI Output Index: November

Spain	49.6	3-month high
Italy	48.9	3-month high
Ireland	48.8	21-month low
France	48.7 (flash: 48.8)	21-month low
Germany	46.3 (flash 46.4)	3-month high

Composite Output PMI against GDP comparisons for Germany, France, Italy and Spain are included on page 3 of this press release

S&P Global Eurozone Composite PMI Output Index



Source: S&P Global, Eurostat.

For the first time since May 2020, combined manufacturing and services output fell in each of the euro area nations where Composite PMI data are available. Germany remained the worst performer in November, although the downturn here eased as activity fell at the weakest pace since August. Softer contractions were also seen in Italy and Spain, although France and Ireland recorded their first declines in output since February 2021.

November survey data signalled a fifth successive fall in new business intakes at euro area companies. While the pace of reduction softened from October's 23-month record, it was still strong overall. Factory order book volumes sank sharply and compared with a more modest reduction in the demand for services. Nevertheless, the level of new business placed with service sector companies fell at a rate that was unchanged from October's 20-month record. A rapid fall was also seen in foreign client demand*.

Capacity pressures subsided further in November, as evidenced by a fifth monthly fall in the volume of work outstanding. Moreover, the rate of backlog depletion was the fastest in two years.

PMI by S&P Global

The ability to clear pending orders at a sharper pace was aided by continued hiring. Staffing levels rose further in November, extending the current sequence of job creation which began in February 2021. However, the rate of employment growth slowed to a 21-month low.

There was a slight pick-up in business confidence during November, marking a further improvement following September's 28-month low. That said, the level of optimism remained well below its long-run average. Recession fears, persistent inflation and the energy crisis all weighed on business sentiment, according to survey respondents.

The survey's price gauges indicated receding inflationary pressures across the euro area. Input costs rose sharply, but to the softest extent since September 2021. The rate of input price inflation across the manufacturing sector eased notably in November. Output charges meanwhile rose at the weakest pace in three months.

**includes intra-eurozone trade*

S&P Global Eurozone Services PMI®

The S&P Global Eurozone Services PMI Business Activity Index signalled a fourth straight month of falling output levels across the service sector in November. At 48.5, this was down fractionally from 48.6 in October and signalled the fastest decline in business activity since February 2021.

Weak demand conditions were a major factor behind the drop in output in November. Incoming new business receipts fell for a fifth month running, with the pace of decline unchanged from October's 20-month record.

For the second time in the past three months, the level of work pending completion fell across the eurozone service sector, highlighting reduced pressure on capacity. Employment continued to rise, although the rate of job creation was the weakest in just over a year-and-a-half.

Meanwhile, input costs and output charges both increased sharply, although rates of inflation were at their weakest in three months in both instances.

There was another marginal uptick in the level of optimism at service sector companies, although the business outlook remained subdued.

Commenting on the final Eurozone Composite PMI data, **Chris Williamson**, Chief Business Economist at S&P Global Market Intelligence said:

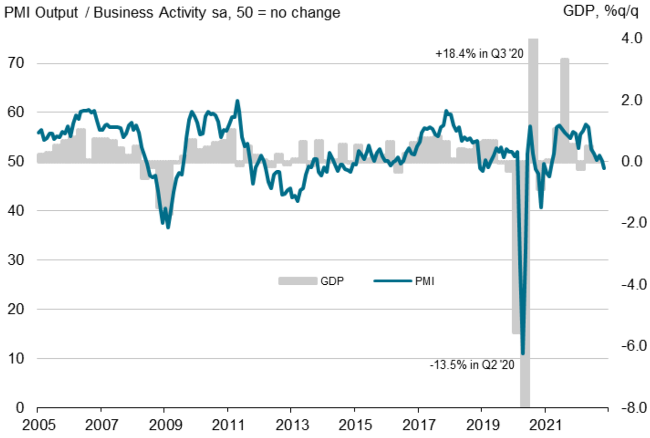
"A fifth consecutive monthly falling output signalled by the PMI adds to the likelihood that the eurozone is sliding into recession. However, at present the downturn remains only modest, with an easing in the overall rate of contraction in November means so far the region looks set to see GDP contract by a mere 0.2%.

"Manufacturers are seeing some benefits of improved supply chains and the service sector, while still in decline amid the cost-of-living squeeze, has so far not suffered to the degree that many were expecting.

"With the surveys also bringing signs of inflation having peaked, the headwind on demand from rising prices should also start to ease in coming months, barring severe weather over the winter, hinting that any recession may be both brief and relatively mild. That said, energy prices could spike higher amid adverse weather in the coming months, which would not only hit spending power but could threaten production capacity at energy-intensive industries, under which scenario the risks to economic growth would shift clearly to the downside."

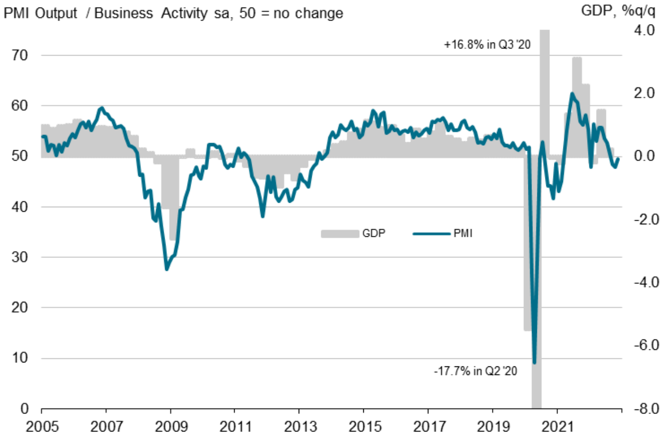
-Ends-

France



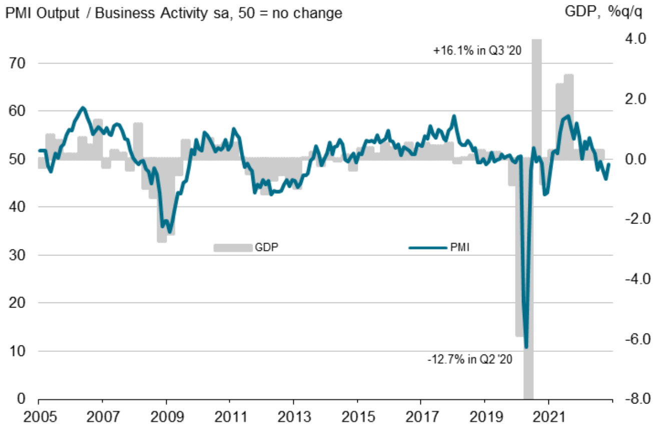
Source: S&P Global, INSEE GDP = gross domestic product

Spain



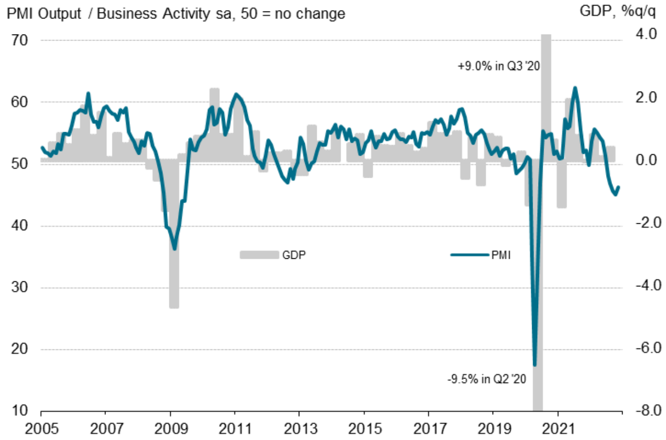
Source: S&P Global, INE. GDP = gross domestic product

Italy



Source: S&P Global, ISTAT GDP = gross domestic product

Germany



Source: S&P Global, FSO. GDP = gross domestic product

News Release

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Note to Editors

The Eurozone Composite PMI® (Purchasing Managers' Index®) is produced by S&P Global and is based on original survey data collected from a representative panel of around 5,000 manufacturing and services firms. National manufacturing data are included for Germany, France, Italy, Spain, the Netherlands, Austria, the Republic of Ireland and Greece. National services data are included for Germany, France, Italy, Spain and the Republic of Ireland.

The Eurozone Services PMI (Purchasing Managers' Index) is produced by S&P Global and is based on original survey data collected from a representative panel of around 2,000 private service sector firms. National data are included for Germany, France, Italy, Spain and the Republic of Ireland. These countries together account for an estimated 78% of eurozone private sector services output.

The final Eurozone Composite PMI and Services PMI follows on from the flash estimate which is released a week earlier and is typically based on approximately 75%–85% of total PMI survey responses each month. The November composite flash was based on 87% of the replies used in the final data. The November services flash was based on 82% of the replies used in the final data.

The average differences between the flash and final PMI index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

Index	Average difference	Average difference in absolute terms
Eurozone Composite Output PMI	0.0	0.3
Eurozone Services Business Activity PMI	0.0	0.3

The *Purchasing Managers' Index*® (*PMI*®) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. *PMI*® surveys are the first indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

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. Please contact economics@ihsmarkit.com.

S&P Global (NYSE: SPGI)

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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

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. To learn more go to https://ihsmarkit.com/products/pmi.html .

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