

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 1000 CET (0900 UTC) 6 January 2026

HCOB Eurozone Composite PMI[®]

Expansion in December rounds off solid quarter of growth for eurozone economy

Key findings:

HCOB Eurozone Composite PMI Output Index at 51.5 (Nov: 52.8). 3-month low.

HCOB Eurozone Services PMI Business Activity Index at 52.4 (Nov: 53.6). 3-month low.

December's expansion rounds off strongest quarterly growth performance since Q2 2023

Data were collected 4-18 December 2025

The euro area economy registered a twelfth successive month-on-month rise in private sector business activity at the end of year, according to the latest HCOB PMI[®] survey data, and in doing so rounded off the strongest quarter of growth since the second quarter of 2023. That said, the expansion slowed to the weakest since last September, indicating a loss of momentum as 2025 drew to a close.

A slower rise in demand for euro area goods and services was a headwind in December, although backlogs of work were cleared at a faster rate and employment growth ticked up. Meanwhile, input cost inflation quickened to a nine-month high, reflecting a broad-based uplift in price pressures at the sector level, but the pace of increase in output charges was unchanged from November.

The seasonally adjusted **HCOB Eurozone Composite PMI[®] Output Index** – a weighted average of the HCOB Manufacturing PMI Output Index and the HCOB Services PMI Business Activity Index – fell from November's 30-month high of 52.8 to 51.5 in December. Despite the slowdown in growth (which was signalled by the headline index posting above, but closer to the 50.0 mark), it meant that the average for the final three months of 2025 (52.3) was the highest since the second quarter of 2023.

December's softer expansion at the aggregate level was broadly reflective of the national data as growth momentum was lost in most of the eurozone constituents with Composite PMI data available. The sole exception to this was Spain, where private sector business activity rose at a sharper pace than in November. France stagnated at the end of the year, failing to maintain growth after November's renewed expansion, while Italy only managed a marginal upturn that was its slowest in nearly a year. Germany – which was key driver of the eurozone's solid growth rates earlier in the fourth quarter – likewise saw a curtailment of its expansion at the end of 2025.

New business received by private sector firms in the eurozone rose in December, marking five consecutive months of demand growth. That said, the upturn slowed and was the weakest since last September. A faster decrease in new factory orders combined with a softer increase in sales by services companies. There were fewer wins in export* markets, with new business from non-domestic clients falling to the greatest extent since March 2025.

Weaker demand pressures allowed eurozone firms to make faster inroads into outstanding work. Backlogged orders fell at the quickest pace in three months during December. Businesses in both monitored sectors recorded clearances to work-in-hand. Private sector employment continued to increase, with the rate of job creation even ticking slightly higher from that seen in November. Growth in workforce numbers was only marginal, however, amid further cutbacks in the manufacturing sector.

Meanwhile, input cost inflation accelerated to a nine-month high as companies in both monitored sectors saw pressures intensify. The extent to which output charges rose was nonetheless unchanged from that seen in November and therefore the joint-weakest since October 2024 (tied also with May 2025).

Looking ahead, eurozone companies were slightly less optimistic towards the next 12 months than they were during November. Softer business confidence stemmed from the service sector as manufacturers' expectations for growth were their most upbeat for nearly four years.

**includes intra-eurozone trade.*

Countries ranked by Composite PMI Output Index: December

Spain	55.6	2-month high
Ireland	53.6	3-month low
Germany	51.3 (flash: 51.5)	4-month low
Italy	50.3	11-month low
France	50.0 (flash: 50.1)	2-month low

HCOB Eurozone Services PMI[®]

The **HCOB Eurozone Services PMI Business Activity Index** signalled a seventh successive monthly expansion in services output during December. Posting 52.4, the index indicated growth that was broadly in line with the survey average. That said, this was down from November's two-and-a-half-year high of 53.6 and pointed to a slowdown at the end of 2025.

Euro area services companies closed out the final quarter of the year with further sales growth, continuing the upward trend in new business that began last August. The rise was the softest in three months, however. Gains were limited to domestic markets, data suggested, as new export business fell at the sharpest pace since September 2025.

Service sector employment growth nevertheless improved and backlogs of work were cleared at a quicker rate. Cost pressures intensified, with operating expenses continuing to increase at a pace that exceeded the survey average. This was also true for output charges.

In terms of the outlook, eurozone service providers expect activity levels to increase over the forthcoming 12-month period. Optimism faded, however, dipping to a seven-month low.

Comment

Commenting on the PMI data, Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

"The eurozone services sector has grown for seven months in a row. The pace of expansion slowed in December, but overall, the picture looks good. Companies have even increased their staffing levels more strongly, and new business indicates that they remain on a growth path. Overall, the recovery in services gained momentum in the fourth quarter, which is a good basis for starting the new year with confidence.

"The European Central Bank continues to monitor service inflation very closely, ECB President Christine Lagarde said at the interest rate press conference in mid-December, and rightly so, because cost inflation in this sector rose again in December. This in turn means that wages, which are the largest cost item for most service providers, will continue to increase at an above-average rate. This development, which was also accompanied by slightly higher inflation in sales prices, is, in our view, the most important reason why the ECB has not implemented any further interest rate cuts and does not appear to be planning any.

"The composite PMI averaged a visibly higher level in the last three months of the year than in the third quarter. Against this backdrop, GDP growth is likely to have accelerated. The decisive impetus is coming from the service sector, while manufacturing has slowed down. In 2026, the service sector should remain on a moderate growth path. The manufacturing sector is likely to benefit from higher demand for defence equipment and construction machinery, which are needed, among other things, to implement infrastructure projects in Germany. As a result, economic growth of well over 1 percent should be possible again, but is certainly not overwhelming."

-Ends-

HCOB Eurozone Composite PMI Output Index

sa, >50 = growth since previous month



Sources: HCOB, S&P Global PMI

HCOB Composite PMI Output Index

sa, >50 = growth since previous month



Sources: HCOB, S&P Global PMI, Eurostat via S&P Global Market Intelligence.

Contact

Hamburg Commercial Bank AG

Dr. Cyrus de la Rubia

Chief Economist

T +49-(0)160-9018-0792

cyrus.delarubia@hcob-bank.com

Katrin Steinbacher

Head of Press Office

Senior Vice President

T: +49-40-3333-11130

katrin.steinbacher@hcob-bank.com

S&P Global Market Intelligence

Chris Williamson

Chief Business Economist

T: +44-207-260-2329

chris.williamson@spglobal.com

Hannah Brook

EMEA Communications Manager

T: +44-7483-439-812

hannah.brook@spglobal.com

press.mi@spglobal.com

Note to Editors

The HCOB Eurozone Composite PMI[®] is compiled by S&P Global from responses to questionnaires sent to survey panels of manufacturers in Germany, France, Italy, Spain, the Netherlands, Austria, Ireland and Greece, and of service providers in Germany, France, Italy, Spain and Ireland, totalling around 5,000 private sector companies. The panels are each stratified by detailed sector and company workforce size, based on contributions to each country's GDP.

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 manufacturing and services survey variable, at the country level. 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.

Eurozone level indices for manufacturing and services are calculated by weighting together the country indices using national manufacturing and services annual value added*. Composite eurozone level indices are calculated by weighting comparable manufacturing and services indices using eurozone manufacturing and services annual value added*.

The headline composite 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 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.

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.

Flash composite data were calculated from 84% of final responses. Since January 2006 the average difference between final and flash Composite PMI Output Index values is 0.0 (0.3 in absolute terms). Flash services data were calculated from 78% of final responses. Since January 2006 the average difference between final and flash Services PMI Business Activity Index values is 0.0 (0.3 in absolute terms).

For further information on the PMI survey methodology, please contact economics@spglobal.com. *Source: Eurostat.

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 neighbouring 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.

The bank's specialists are as experienced as they are pragmatic. They act in a reliable manner and at eye level with their customers. They provide in-depth advice in order to jointly find efficient solutions that are a perfect fit – for complex projects in particular. Tailor-made financing, a high level of structuring and syndication expertise and many years of experience are just as much a hallmark of the bank as are our profound market and sector expertise.

S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2026 S&P Global Ltd. All rights reserved. www.spglobal.com

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. <https://www.spglobal.com/marketintelligence/en/mi/products/pmi.html>.

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, [click here](#).

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.