

S&P Global Eurozone Construction PMI[®]

Downturn in construction activity softens despite price and supply disruptions

May 2026

Decline in new orders eases but remains marked

Input price inflation stays well above series average

Worst deterioration in vendor performance since December 2022

Eurozone construction activity remained firmly in contraction territory during May, according to the latest PMI[®] survey data, though the magnitude of the downturn slowed on the month.

Total activity declined at a marked pace amid another steep contraction in new order inflows. This contributed to a further scaling back of employment and purchasing along with sustained pessimism in the year-ahead outlook. That said, the respective rates of deterioration all eased from those seen in April.

On the price and supply front, cost burdens continued to rise substantially, though the rate of input cost inflation eased from April's three-and-a-half-year high. Concurrently, average lead times lengthened to the greatest extent since December 2022.

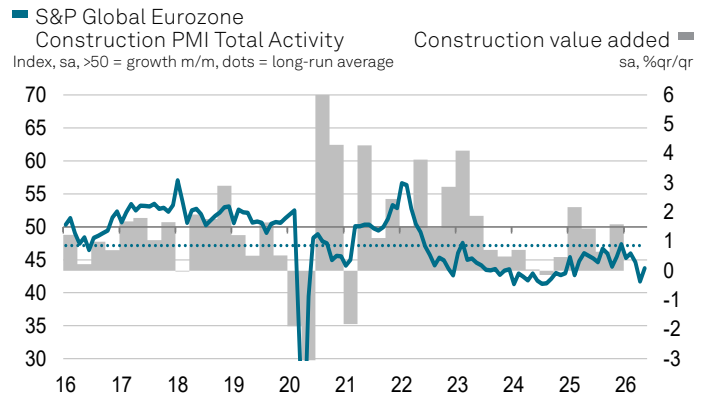
The S&P Global Eurozone Construction PMI Total Activity Index — a seasonally adjusted index tracking monthly changes in total industry activity — rose from 41.7 in April 43.7 in May, indicating a softer, yet still sharp contraction in activity across the euro area construction sector.

All three countries monitored registered declining activity, with the steepest contraction in France and the weakest in Italy. German construction activity fell robustly. Positively, the monitored economies all recorded softer reductions over the month.

The decline in activity was broad-based by sector, although all three posted slower declines than in April. Housing recorded the fastest decline, and civil engineering the slowest.

Eurozone construction firms continued to face subdued demand midway through the second quarter. The overall rate of decline in new orders was sharp, despite easing since April. French companies saw the fastest drop in new order intakes in the latest survey period, while the downturn in Germany slowed over the month. Italian companies also recorded a decline in new orders, and one that was the softest over the three month period of contraction.

With demand conditions in the bloc subdued, construction firms continued to scale back purchasing activity during May. Notably, the rate of depletion was less pronounced than that seen in April. France and Germany saw sustained reductions



Data were collected 11-29 May 2026.

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

Comment

Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

"Operating conditions in the eurozone construction sector remained in poor shape during May. The three main sectors monitored by the survey continued to see sharp, albeit softer declines in total activity, led by the residential sub-sector. That said, some positivity can be taken from a regional viewpoint, as Italian firms signalled that activity moved close to stabilising following two months of robust deteriorations. Contractions in France and Germany were still marked, however.

"Price and supply disruptions were again a pivotal factor weighing on the eurozone construction sector. Input price inflation eased only marginally from April's near four-year high, and vendor performance deteriorated to the greatest extent since December 2022. Anecdotal evidence suggested that difficulty sourcing and receiving inputs due to shipping delays, amid higher fuel and transportation costs, were key reasons behind disruption to the sector. These were often linked to the residual disruption caused by the war in the Middle East."

that were little-changed from a month prior, but Italian firms registered a slight uptick for the first time since February.

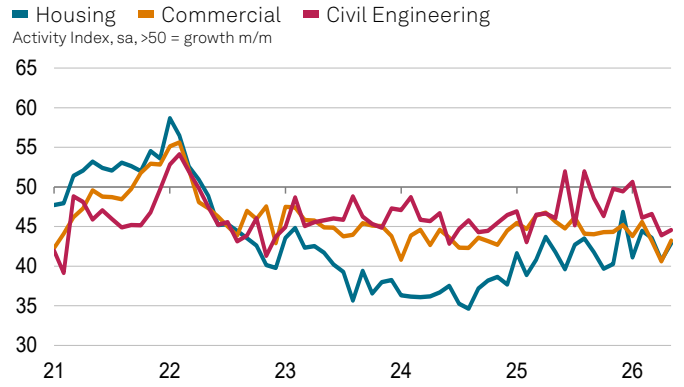
At the same time, construction firms in the eurozone reported a further deterioration in supplier performance midway through the second quarter, and one that was the most severe since December 2022. Germany recorded the worst deterioration for nearly four years. Lead times also lengthened in France and Italy, but less so than in April.

Companies maintained a pessimistic outlook for business activity over the coming year in May, extending the current sequence to three months. The overall degree of pessimism softened from the previous survey period, however, amid easing negativity in France and Germany. Concurrently, Italian firms saw renewed optimism that was the most positive since February.

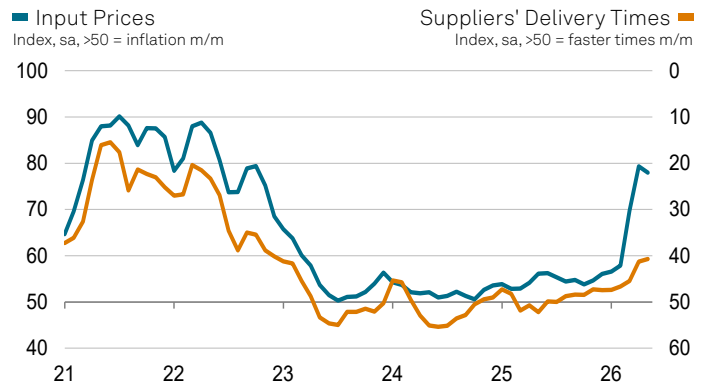
Amid a less pessimistic outlook, employment numbers fell at a slightly slower pace. Softer job shedding was seen in Germany, and Italian companies registered a twenty-first consecutive monthly increase. There was another sharp decline in construction jobs in France, however.

Subcontractor usage fell at a steeper rate, contributing to a sustained rise in their availability. At the same time, subcontractors raised their rates charged markedly amid rising cost burdens.

Overall input price inflation faced by companies across the eurozone construction sector was substantial again in the latest survey period. All three monitored economies in the bloc saw robust, albeit softer rates of cost inflation over the month, led by Germany.



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Methodology

The S&P Global Eurozone Construction PMI® is compiled by S&P Global from responses to questionnaires sent to panels of construction companies in Germany, France, Italy and Ireland. The panels are stratified by company workforce size, based on contributions to GDP. Survey data for the eurozone are available from January 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 construction 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 construction are calculated by weighting together the country indices using national construction annual value added (source = Eurostat).

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.

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

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