

News Release

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S&P Global France Business Outlook

French business confidence improves in early 2026

Key findings

Activity expectations pick up, but French business outlook remains weakest in Europe

Investment plans muted, although hiring intentions improve slightly

Wage pressures expected to ease

The latest S&P Global Business Outlook data revealed an improvement in French companies' expectations for output over the next 12 months, partly reversing the considerable drop in sentiment seen during the previous survey in October 2025. That said, France continued to occupy the bottom spot in the European rankings, reflecting ongoing uncertainty surrounding the domestic political climate.

The latest survey was conducted between the 10th and 24th February, and therefore the results were calculated prior to the outbreak of war in the Middle East.

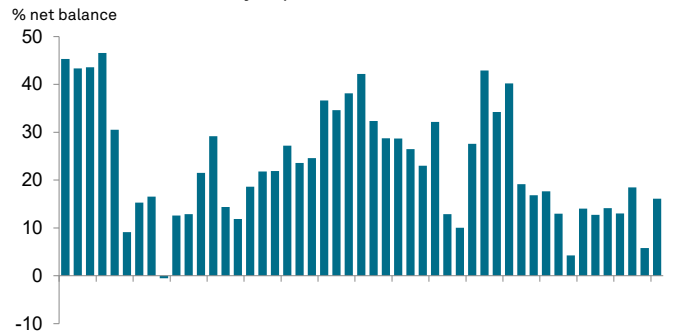
The net balance of firms that predicted a rise in business activity over the next 12 months rose substantially to +16%, from a two-year low of +6% in October 2025. Confidence picked up across both the manufacturing and service sectors during the latest survey period, with respondents more upbeat towards economic prospects, both in France and internationally. Some panellists were also hopeful of a more supportive political backdrop emerging in the year ahead.

Nonetheless, uncertainty towards French politics, with elections scheduled for 2026 and 2027, geopolitical instability, cost pressures and competition dampened sentiment, according to anecdotal evidence.

French companies report muted investment intentions for 2026

French businesses showed reticence towards investment activity in the year ahead during February. Regarding capital expenditure (capex), a net balance of just +1% of companies foresee an expansion. Since

France Business Activity expectations



Source: S&P Global PMI.

Data were collected 10-24 February 2026.

Comment

Commenting on the France Business Outlook survey data, Joe Hayes, Principal Economist at S&P Global Market Intelligence, said:

"While France was able to overcome its protracted political deadlock earlier this year surrounding its budget, making way for a rebound in confidence in the February Business Outlook survey, municipal and presidential elections loom large, keeping uncertainty levels elevated. Across Europe, French businesses remain the least optimistic, with the domestic political situation still reportedly providing an unfavourable backdrop for businesses.

"Firms expect wage pressures to cool in 2026 and in turn, we've seen hiring intentions pick up slightly. However, expectations are only slightly positive, likely reflecting reticence by firms to commit to investing heavily due to the uncertain picture. Indeed, capex and R&D forecasts were flat in February."

February 2024, French companies have been neutral (on average) towards their capex plans. As for research and development (R&D), firms planning to spend more offset those predicting a reduction, leading to a net balance of 0%. This did mark the first time in two years the R&D outlook has not been negative, however. By sector, data showed that goods producers plan to cut investment activity, whereas service providers were mildly optimistic of an increase.

Profit outlook upgraded to neutral, following prolonged period of downbeat earnings expectations

The net balance of companies predicting profit growth stood at 0%, indicating that the proportion of firms anticipating greater corporate earnings was equal to that expecting a decline. Nevertheless, this result marked an improvement when compared with the trend since June 2022, as it was the first survey period where overall profit expectations across France have not worsened.

In comparison to the earnings outlook for Europe, France continued to trail behind the average, with a net balance of 7% of companies expecting profit growth at the continental level.

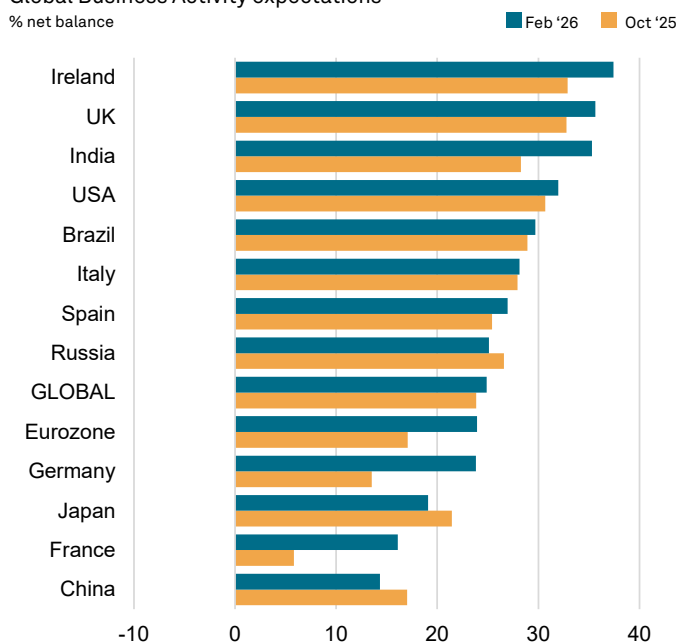
Hiring intentions pick up slightly as wage pressures expected to cool, but firms anticipate stronger inflation from other sources

February saw French firms' expectations for hiring pick up, albeit only slightly. A net balance of +3% of companies intend to hire more staff over the next 12 months, signalling a mild improvement in the jobs outlook as this was up from +1% in October last year. Service providers were more optimistic of raising employment than manufacturers, according to sector data.

Expectations of weaker wage growth provided a tailwind to the hiring outlook. The net balance of businesses predicting a rise in staff costs fell to a five-year low of +23% in February. Expenses not relating to labour are, however, predicted to increase more sharply than was foreseen last October. The net balance of firms anticipating higher non-staff costs increased to +26%, its highest since October 2024.

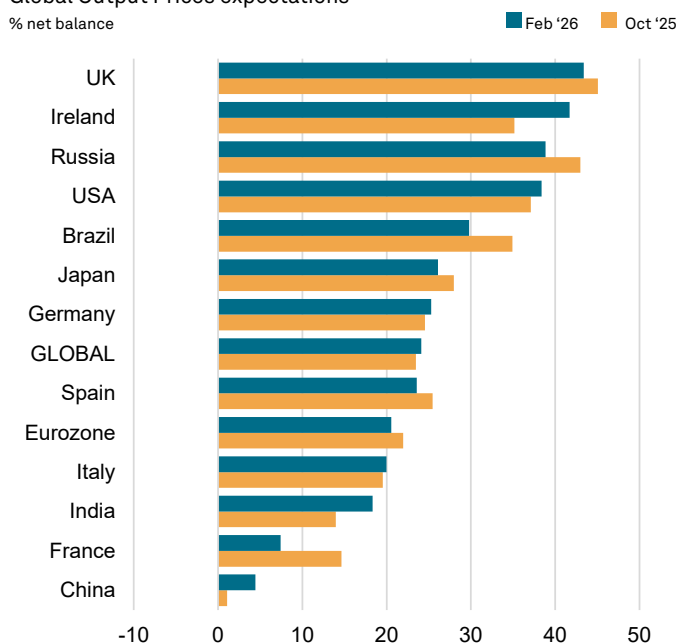
As for their own price setting, February Business Outlook survey data indicated that firms are planning to increase their charges. That said, with the net balance falling to its lowest level (+7%) in just over five years, the latest data suggested there was a certain degree of caution towards pricing plans by French companies.

Global Business Activity expectations



Source: S&P Global PMI.

Global Output Prices expectations



Source: S&P Global PMI.

Full data available on request from economics@spglobal.com.

Survey methodology

The Global Business Outlook Survey for worldwide manufacturing and services is produced by S&P Global and is based on a survey of around 12,000 manufacturers and service providers that are asked to give their thoughts on future business conditions. The reports are produced on a tri-annual basis, with data collected in February, June and October.

Interest in the use of economic surveys for predicting turning points in economic cycles is ever increasing and the Business Outlook survey uses an identical methodology across all nations covered. It gives a unique perspective on future business conditions from Global manufacturers and service providers.

The methodology of the Business Outlook survey is identical in all countries that S&P Global operates. This methodology seeks to ensure harmonization of data and is designed to allow direct comparisons of business expectations across different countries. This provides a significant advantage for economic surveillance around the globe and for monitoring the evolution of the manufacturing and services economies by governments and the wider business community.

Data collection is undertaken via the completion of questionnaires three times a year at four-month intervals. A combination of phone, website and email are used, with respondents allowed to select which mechanism they prefer to use.

The Business Outlook survey uses net balances to indicate the degree of future optimism or pessimism for each of the survey variables. These net balances vary between -100 and 100, with a value of 0 signalling a neutral outlook for the coming 12 months. Values above 0 indicate optimism amongst companies regarding the outlook for the coming 12 months while values below 0 indicate pessimism. The net balance figure is calculated by deducting the percentage number of survey respondents expecting a deterioration/decrease in a variable over the next twelve months from the percentage number of survey respondents expecting an improvement/increase.

Questionnaires are sent to a representative panel of around 12,000 manufacturing and services companies spread across the global economy*. Companies are carefully selected to ensure that the survey panel accurately reflects the true structure of each economy in terms of sectoral contribution to GDP, regional distribution and company size. This panel forms the basis for the survey. The current report is based on responses from around 7,800 firms.

** The countries with manufacturing and service sector surveys are Brazil, China, France, Germany, India, Italy, Japan, Russia, Spain, the Republic of Ireland, the UK and the USA. Manufacturing data are collected for the Netherlands, Austria, Greece, Poland and the Czech Republic.*

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