NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB France Manufacturing PMI®

Manufacturing production rises at strongest rate in almost four years

Key findings:

HCOB PMI rises to 43-month high and signals improving sector conditions

Manufacturers expand purchasing volumes and input stocks

Year-ahead growth expectations strengthen

Data were collected 12-23 January 2026.

France's manufacturing sector began 2026 with its quickest increase in production in close to four years, latest PMI® survey data revealed, marking the first time since May last year that output levels have risen. Factory purchasing activity also ticked higher, while firms added to their pre-production inventories and hired additional staff. There was also an improvement in business confidence, with the survey's sentiment gauge moving above its historical average.

That said, signs of demand fragility remained apparent as new orders decreased (albeit at a pace that was only marginal). French manufacturers discounted their charges as a result, despite a pick-up in cost pressures.

The seasonally adjusted **HCOB France Manufacturing Purchasing Managers' Index™ (PMI)** rose from 50.7 in December to a 43-month high of 51.2 in January. The headline index subsequently pointed to an accelerated rate of improvement in operating conditions for French goods producers. According to data split by the three main industrial categories the intermediate and consumer goods segments drove overall growth.

After a seven-month spell of decline, manufacturing output rose across France in January. In fact, the latest increase in production was the most marked in nearly four years. Growth was attributed by firms to improving market conditions and restocking.

Higher output volumes were attained despite total new order volumes shrinking. That said, sub-sector data revealed diverse trends at the market group level as intermediate goods demand saw its strongest increase since May 2022, while new orders placed with consumer goods makers were broadly unchanged on the month. Meanwhile, investment goods dragged on the manufacturing industry as sales volumes fell sharply.

The level of new work received from external markets decreased solidly during the latest survey period — a contrast from December's uplift. Panellists linked the fall to competition, geopolitical tensions and less interest from clients in key foreign markets such as Germany.

French manufacturers increased their purchasing activity marginally in January, ending a prolonged period of retrenchment that stretched back to mid-2022. This uptick came in tandem with a fresh rise in stocks of pre-production items as firms built up inventories. Nonetheless, French manufacturers were met with delays on the receipt of purchases, with suppliers' delivery times lengthening further.

Factory employment across France continued to rise in January, marking back-to-back months of jobs growth. However, the extent to which staffing capacity expanded was only marginal and slowed from that seen in December. Backlog accumulation was meanwhile reinstated, following two months of fractional declines. Outstanding business volumes rose at the sharpest pace in 44 months, with intermediate goods makers reporting the strongest pressure on their operating capacities.

As for prices, the rate of input cost inflation ticked higher amid reports of greater supplier fees and rising metal prices, particularly copper. Output charges were discounted, however, reflecting successful negotiations by clients and efforts by firms to stimulate sales.

Lastly, French manufacturers were more optimistic towards the 12-month outlook for output in January. Expectations of stronger demand conditions underpinned upbeat assessments, anecdotal evidence showed.

Comment

Commenting on the PMI data, Jonas Feldhusen, Junior Economist at Hamburg Commercial Bank, said:

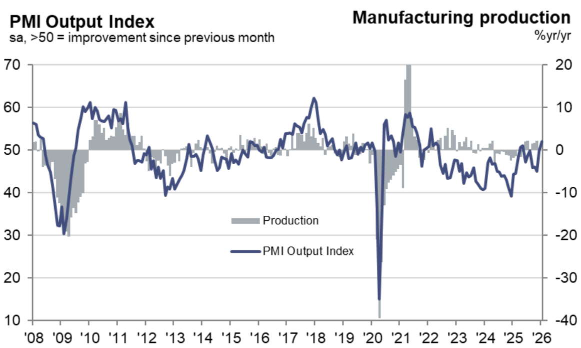
"France's manufacturing industry is starting the year on a firmer footing. The headline index continued to rise and now points to growth for the second consecutive month – the first time this has happened in almost four years. Whether this truly marks the end of the sector's prolonged period of weakness remains to be seen. In January, stronger production dynamics were the main driver supporting the headline index. Panellists attributed this partly to improving market conditions and partly to inventory building. However, without a significant improvement in new orders, it would be premature to declare a sustained recovery. Although the trade environment remains unsettled by existing tariffs, the reverberations from new U.S. announcements are far less disruptive than they were a year ago. At the same time, Europe's efforts to strengthen its strategic autonomy in defence policy are gaining traction. Together, these two key developments could provide a boost to the manufacturing sector in 2026.

"Additional signs of stabilisation are emerging in purchasing and input stocks. French manufacturers have increased both their purchasing volumes and their stocks of inputs simultaneously – again for the first time in almost four years. Against this backdrop, business expectations have stabilised over the past three months and now stand above their long-term average. Meanwhile, supplier delivery times extended, reflecting a mix of factors such as adverse weather, material shortages, and delays on international shipments.

"On the price front, input prices are rising only moderately, driven primarily by higher costs for metals and metal products. Pricing power, however, appears limited as manufacturers lowered their selling prices again, as has been the case in recent months, likely in an effort to maintain sales volumes amid intense competition. Prices for intermediate goods, in particular, have seen a marked decline."

-Ends-

Sources: HCOB, S&P Global PMI.



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

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Note to Editors

The HCOB France Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 1998.

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 survey 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.

The headline figure is the 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.

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 data were calculated from 98% of final responses. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.1 (0.3 in absolute terms).

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

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 neighboring 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.

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S&P Global (NYSE: SPGI)

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About CNA

CNA (Conseil national des achats – National Purchasing Council), is a non-profit making, non union trade association, gathering individuals, and people actually involved in the purchasing activity of companies or public services. Its aim is to increase the efficiency of the purchasing function in the economy by training and informing those concerned, defining and applying a professional ethic, providing studies, research, surveys, and all actions of general interest in any field directly or non directly related to purchasing and subsidiary functions.

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. www.spglobal.com/marketintelligence/en/mi/products/pmi.html

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