

# S&P Global Spain Services PMI®

## Service sector falls into contraction territory as uncertainty weighs on demand

April 2026

New business and activity both decline

Reports of stagnant market demand as war in Middle East hits confidence

Price pressures remain elevated, but employment growth sustained

Activity levels in Spain's service sector declined in April for the first time since August 2023, according to the latest PMI data from S&P Global. The downturn was firmly linked to a decline in new business amid reports that market demand and confidence had been negatively impacted by the war in the Middle East.

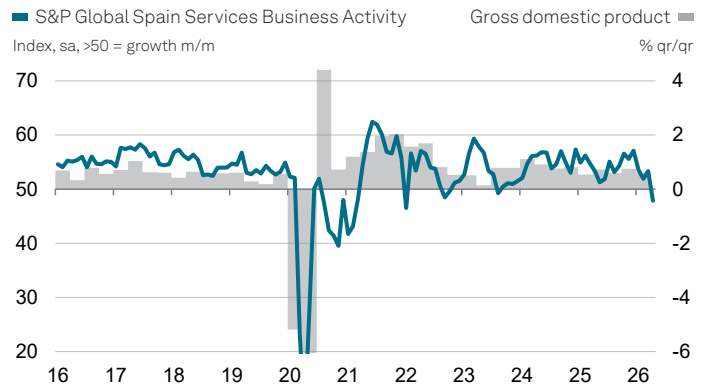
Costs also continued to rise sharply over the month, driven up by rising energy and fuel prices, alongside increased supplier charges and higher wage expenses. Firms looked to pass on these increased operating costs to clients wherever possible via a rise in their own selling prices.

The headline S&P Global Services PMI® Business Activity Index recorded 47.9 in April, down noticeably on March's 53.3 and the first time below the crucial 50.0 no-change mark since August 2023. It was also the lowest index reading since the start of 2022.

Service providers widely attributed the contraction of business activity to a similar sized drop in new work. Panellists often reported that sales volumes were down due to a stagnant business environment amid widespread uncertainty related to the war in the Middle East. Firms noted an unwillingness to commit to new business spend amongst clients, both from at home and abroad. Investment plans were in some instances said to be on hold. Export demand was again especially hard hit, with new export business declining to the greatest degree since July 2022.

The uncertainty caused by the war was again reflected in separate data on business confidence. Sentiment regarding future activity amongst Spanish service providers was at its lowest level since December 2022. International conflicts were widely reported to have dented confidence and made the future harder to predict.

The war in the Middle East also continued to have a large impact on operating expenses by raising the prices of energy and fuel (especially diesel). With suppliers also reported to be increasing their prices, and wage pressures elevated, operating expenses increased at a rate well above the survey average. That was despite the rate of inflation easing a little on March's near three-year high.



Data were collected 9-27 April 2026.

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

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### Comment

Paul Smith, Economics Director at S&P Global Market Intelligence:

“Unlike the somewhat surprisingly decent manufacturing sector performance – although admittedly here growth was driven by client stockpiling as part of efforts to secure goods on fears of product shortages and supply disruption – the downbeat April PMI figures for services were somewhat less unexpected in the context of the knock to confidence that the war in the Middle East has caused.”

“Firms widely reported that market demand had softened as widespread uncertainty led businesses and consumers alike to hesitate when it came to spending decisions. This was driven in the main by the uncertainty that the war in the Middle East has caused but also growing worries over the spectre of inflation as the impact of the energy price and supply shock ripples through the global economy.

“Reflecting the impact that the war has had on sentiment, service providers reported their lowest level of confidence since late 2022 and this bleaker assessment of the outlook may well be helping to keep firms’ pricing power just about in check. Although selling prices were again raised markedly, the rate of inflation eased a little since March and crucially remains well below levels seen back in 2022 and early 2024 suggesting that full-blown second round inflation effects have yet to fully materialise.”

Firms passed on their higher costs to clients wherever possible, as reflected by a further upturn in their own selling prices. Latest data showed that output price inflation was little changed on March's seven-month high and therefore again marked and comfortably above trend.

Finally, companies continued to add to their staffing levels by offering a mixture of permanent and temporary contracts. Growth was solid, albeit lower than in March and weaker than rates typically seen post-pandemic. Jobs were created in part due to capacity pressures and to deal with accumulated levels of new business in previous months. Backlogs of work also increased in April – albeit only marginally and in part driven by product shortages like IT equipment which made it challenging to fulfil contracts.

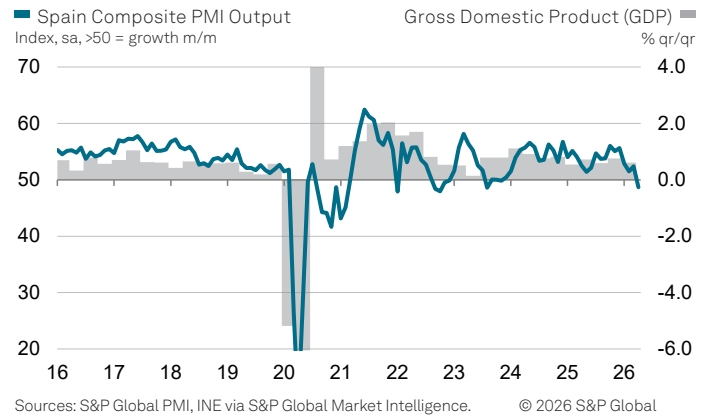
## S&P Global Spain Composite PMI®

The S&P Global Spain Composite PMI® recorded 48.7 in April, down from 52.4 and below the critical 50.0 no-change mark for the first time in nearly two-and-a-half years.

The decline in activity was, however, driven by the services economy as manufacturing output rose solidly.

Client stockpiling also led to a marginal rise in manufacturing new orders, but with services new business declining, an overall fall was seen at the composite level.

Employment volumes meanwhile increased solidly, whilst confidence in the outlook was little changed. Latest data showed historically steep increases in both input and output prices.



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## Methodology

The S&P Global Spain Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 350 service sector companies.

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in August 1999.

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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services 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 figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite 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.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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