

# S&P Global Flash Eurozone PMI<sup>®</sup>

## Eurozone downturn deepens in May amid intensifying cost pressures

### May 2026

Flash Eurozone PMI Composite Output Index: 47.5 (Apr: 48.8). 31-month low.

Flash Eurozone Services PMI Business Activity Index: 46.4 (Apr: 47.6). 63-month low.

Flash Eurozone Manufacturing Output Index: 51.0 (Apr: 52.3). 4-month low.

Flash Eurozone Manufacturing PMI: 51.4 (Apr: 52.2). 3-month low.

After signalling a renewed reduction in private sector business activity in the eurozone during April, provisional PMI<sup>®</sup> survey data for May pointed to a deepening downturn. Sharper falls in output, new orders and employment were recorded, while business confidence slipped lower. A key factor behind the declining activity levels was a further intensification of cost pressures. Input prices increased at the fastest pace in three-and-a-half years, while selling price inflation also quickened.

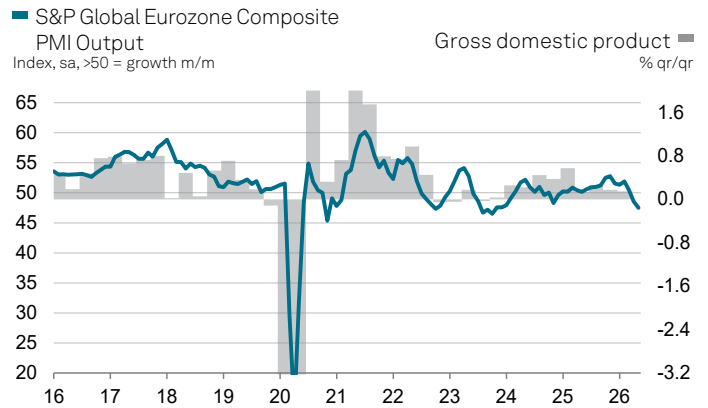
There was again some evidence of safety stock building in the manufacturing sector, helping to support growth of output and purchasing activity, but severe supply-chain delays meant that firms continued to see their stocks of inputs decrease.

### Output and demand

The seasonally adjusted S&P Global Flash Eurozone Composite PMI Output Index, based on approximately 85% of usual survey responses, posted 47.5 in May, down from 48.8 in April and below the 50.0 no-change mark for the second successive month. The latest reading signalled a solid monthly reduction in business activity, and one that was the sharpest since October 2023.

French firms signalled a particularly marked reduction in output during May, while business activity also decreased in Germany and in the rest of the eurozone as a whole.

The overall contraction in eurozone output was again centred on the service sector, where activity decreased at the fastest pace since February 2021. On the other hand, manufacturing production continued to increase slightly, extending the current sequence of growth to five months. The rate of expansion was the slowest since January, however, as new orders ticked down.



Data were collected 11-19 May 2026.

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

### Comment

Chris Williamson, Chief Business Economist at S&P Global Market Intelligence:

“May’s flash PMI survey data show the eurozone economy taking an increasingly severe toll from the war in the Middle East. Output has now contracted for two successive months, with the rate of decline accelerating in May to its highest for just over two-and-a-half years. The survey data indicate that the euro area economy looks set to contract by 0.2% in the second quarter.

“Job losses are also starting to become worryingly widespread as business confidence in any swift turnaround in the adverse economic climate fades further.

“The service sector is being hit especially hard by the surge in the cost of living created by the war, notably via the demand-sapping impact of higher energy prices. While there has been some support to manufacturing from precautionary stock building, this boost is starting to fade, with demand for both goods and services now in decline.

“The region’s supply shock from the war is also intensifying, as indicated by increasingly widespread supply chain delays. Supply shortages threaten not only to constrain growth in the coming months but also have the potential to add further upward pressure to inflation.

“The rise in the survey’s price gauges already hints at inflation running close to 4% in the coming months which, combined with the growing signs of the region slipping into an economic downturn, creates a deepening dilemma for policymakers.”

The reduction in manufacturing new orders meant that the sector joined services in contraction mode with regards to new work inflows. Services new business decreased solidly, meaning that the private sector as a whole registered the sharpest decline for a year-and-a-half.

Similarly, new export orders (which include intra-eurozone trade) fell at the fastest pace since January 2025. Reduced demand for services was the main driver of the decline in new business from abroad, but manufacturers posted a renewed contraction following a rise in April.

With new orders falling, companies reduced outstanding business to the largest extent since the end of 2024.

## Prices

The rate of input cost inflation quickened for the seventh consecutive month in May, hitting a three-and-a-half year high. Steeper rises were seen across both the manufacturing and services sectors, as well as in Germany, France and the rest of the eurozone as a whole.

Meanwhile, average prices charged for goods and services rose at the fastest pace in 38 months, but the pace of inflation quickened only fractionally from that seen in April. A steeper rise was recorded in France, but Germany and the rest of the euro area posted weaker rates of inflation than in the previous month.

## Inventories and supply chains

As well as seeing sharp input cost increases, manufacturers also registered continued severe supply-chain disruptions midway through the second quarter. Suppliers' delivery times lengthened markedly, and to the largest degree in just under four years.

Efforts to build safety stocks amid sharp price increases for inputs and severe supply-chain disruption led eurozone manufacturers to expand their purchasing activity for the third month running in May. Difficulties securing materials, however, meant that stocks of inputs continued to fall. Inventories of finished goods were also down.

## Employment

Eurozone companies continued to lower their staffing levels in May. Although modest, the fifth successive monthly fall in employment was the most pronounced since November 2020. In fact, excluding the COVID-19 pandemic the reduction in workforce numbers was the largest since August 2013.

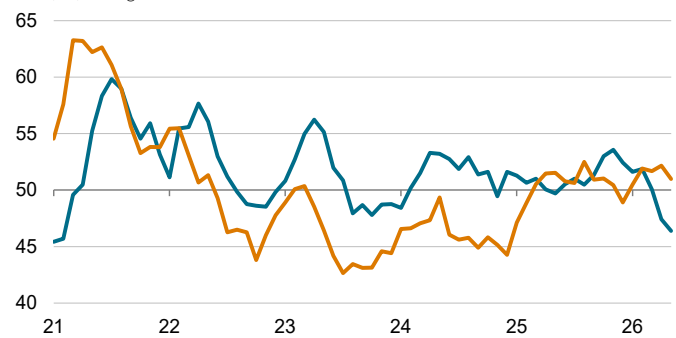
Manufacturing employment decreased solidly, while service providers signalled a first scaling back of workforce numbers since the start of 2021.

A renewed reduction in staffing levels in France meant that the euro area's second-largest economy joined Germany in seeing employment fall. Meanwhile, modest job creation continued across the rest of the eurozone as a whole.

## Outlook

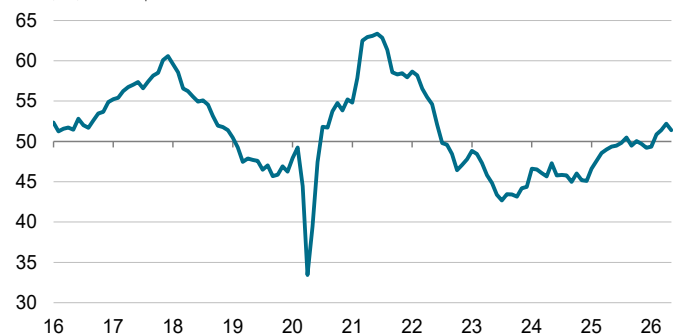
Business sentiment regarding output in a year's time ticked lower in May, dropping to a 32-month low. Service providers were at their least confident since September 2022, while manufacturing sentiment improved slightly.

■ Eurozone Services PMI Business Activity  
■ Eurozone Manufacturing PMI Output  
Index, sa, >50 = growth m/m



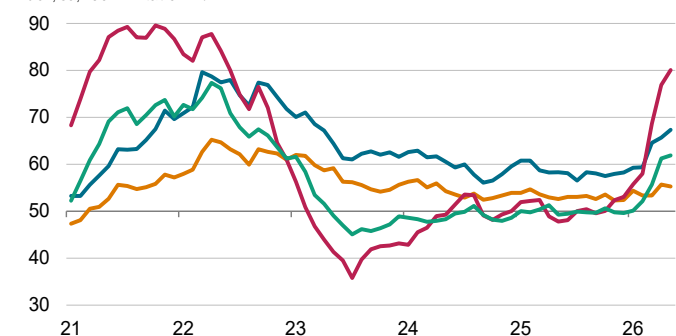
Source: S&P Global PMI. ©2026 S&P Global.

S&P Global Eurozone Manufacturing PMI  
Index, sa, >50 = improvement m/m



Source: S&P Global PMI. ©2026 S&P Global.

■ Services PMI Input Prices  
■ Services PMI Prices Charged  
■ Manufacturing PMI Input Prices  
■ Manufacturing PMI Output Prices  
Index, sa, >50 = inflation m/m



Source: S&P Global PMI. ©2026 S&P Global.

Renewed optimism in Germany contrasted with the first instance of pessimism in France for a year-and-a-half. Meanwhile, companies across the rest of the eurozone remained confident that output will increase over the coming year, albeit with sentiment dropping to the lowest in just over three-and-a-half years.

## Contact

Chris Williamson  
Chief Business Economist  
S&P Global Market Intelligence  
T: +44-779-5555-061  
[chris.williamson@spglobal.com](mailto:chris.williamson@spglobal.com)

Andrew Harker  
Economics Director  
S&P Global Market Intelligence  
T: +44-1491-461-016  
[andrew.harker@spglobal.com](mailto:andrew.harker@spglobal.com)

Hannah Brook  
EMEA Corporate Communications  
S&P Global Market Intelligence  
T: +44-7483-439-812  
[hannah.brook@spglobal.com](mailto:hannah.brook@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

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

## Methodology

Final May data are published on 1 June for manufacturing and 3 June for services and composite indicators.

The S&P Global Flash 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 5000 companies. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

**Manufacturing:** Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

**Services:** Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services variable, at the national 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 manufacturing and services indices are calculated by weighting together the national indices. National weights are calculated from annual manufacturing or services value added sourced from Eurostat.

Eurozone composite indices for are calculated by weighting together comparable Eurozone manufacturing and services indices using official eurozone manufacturing and services annual value added sourced from Eurostat.

The headline 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 manufacturing figure is the Manufacturing 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.

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.

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.0 (absolute difference 0.3)

Services Business Activity Index = -0.1 (absolute difference 0.3)

Manufacturing PMI = 0.0 (absolute difference 0.2)

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global.

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

## S&P Global

S&P Global (NYSE: SPGI) 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. [www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

## PMI by S&P Global

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](http://www.spglobal.com)

## 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.