News Release
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S&P Global Flash UK PMI®

UK private sector output continues to stutter amid sharper decline in service sector activity

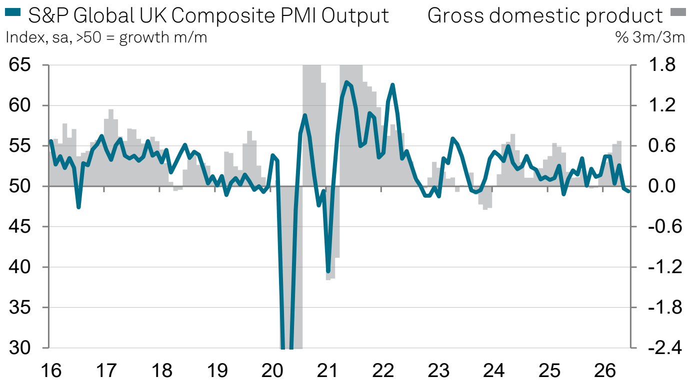
June 2026

Flash UK PMI Composite Output Index: 49.4 (May: 49.7). 14-month low.

Flash UK Services PMI Business Activity Index: 48.7 (May: 49.3). 41-month low.

Flash UK Manufacturing Output Index: 53.6 (May: 52.2). 21-month high.

Flash UK Manufacturing PMI: 53.1 (May: 53.9). 3-month low.



Data were collected 11-19 June 2026.
Sources: S&P Global PMI, ONS via S&P Global Market Intelligence. ©2026 S&P Global.

UK private sector activity contracted for the second month in a row in June, as sustained weakness in the services sector overshadowed a further, albeit temporary, boost to manufacturing output. Overall new business volumes declined at the fastest rate in 14 months, leading to a steeper drop in backlogs of work and a trimming of headcounts.

Input prices continued to rise sharply as businesses faced a litany of inflation drivers, including higher commodity prices, elevated transport costs and IT equipment surcharges. That said, the overall rate of inflation moderated further from April's 41-month high, leading to a slightly softer rise in selling prices.

The headline seasonally adjusted S&P Global Flash UK PMI® Composite Output Index dropped further below the neutral 50.0 value during June, falling from 49.7 in May to 49.4. The latest reading signalled a marginal reduction in private sector output for the second month running.

The downturn was driven by the services sector, where sharply rising costs and lower customer confidence dampened activity, which qualitative reports mostly attributed to the war in the Middle East and domestic political uncertainty. Although only modest, the overall rate of contraction in service sector output was the joint-sharpest since the beginning of 2021 (alongside January 2023).

As was the case in May, weakness in the services sector was partly offset by an increase in manufacturing production. Anecdotal reports showed that producers continued to benefit from a temporary uptick in demand linked to strategic stockpiling as clients anticipated increases in goods prices. The rate of output growth was the best recorded since September 2024.

Comment

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

"A disappointing June 'flash' PMI indicates that the economy contracted for a second successive month, albeit at only a 0.1% rate and merely flat-lining over the second quarter as a whole.

"Price pressures remain elevated as companies point to the energy shock and supply squeeze from the war in the Middle East as exacerbating existing cost pressures from government policies.

"These higher costs, combined with subdued business growth expectations for the year ahead, have caused employment to continue to fall at a worryingly high rate.

"While current weakness is focused on consumer-facing services, an offsetting expansion of the manufacturing sector could soon falter, as demand here is being temporarily buoyed by the building of safety stocks amid ongoing war-related supply worries.

"Some of the war-related price pressures have started to moderate, however, largely thanks to lower energy prices, and the subdued growth and labour market pictures suggest that demand and wage-bargaining power are sufficiently slack to prevent inflation becoming entrenched.

"For the growth and inflation outlooks, much depends on progress towards an end to the conflict in the Middle East, but closer to home we are seeing signs of the unstable political environment unsettling business confidence and delaying spending, which will also need to calm in order to lay better foundations for economic growth to revive."

PMI by S&P Global

However, a softening of manufacturing new order growth to a six-month low in June suggested that the boost to UK producers from customer frontloading had begun to fade. Combined with a solid decline in overall service sector demand, this led to the steepest drop in total private sector sales since April 2025.

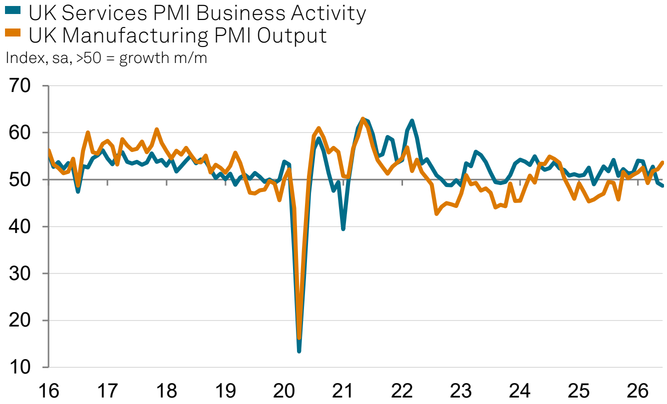
Backlogs of work decreased at the quickest rate for seven months in June, leading domestic firms to trim their staffing numbers for the twenty-first successive month. Sector disparities persisted, as headcounts fell sharply across services but rose in manufacturing. That said, several manufacturing firms signalled that they had hired staff as a short-term measure to fulfil heightened order books.

Input price inflation moderated for the second month running in June, though it remained elevated by historical standards. Rising input costs were linked to a number of factors, including higher prices for energy, chemicals, metals, IT hardware and shipping. Labour cost increases linked to government policy changes were also highlighted. Overall price pressures were stronger in the manufacturing sector, although in both segments, rates of inflation softened from the previous survey period.

Private sector output charges continued to rise at the end of the second quarter, although like costs, the pace of inflation eased since May. Higher surcharges mainly reflected the pass-through of higher costs to customers, particularly at manufacturers, whilst some service providers noted fee cuts due to strong competition.

Around 27% of UK manufacturers reported that delivery times lengthened in June, compared to 4% that saw them shorten. This signalled another marked deterioration in overall supply chain performance, although the pace of decline was the least marked for three months. Concerns over supply bottlenecks and rising costs contributed to another increase in purchasing activity, although input stocks were broadly unchanged in June, as additions were counterbalanced by production withdrawals.

Activity expectations for the coming 12 months improved across the private sector economy in June from May's recent nadir, although they remained weaker than the levels observed prior to the Middle East conflict. Confidence was often related to sales investments, exposure to high-growth sectors, greater capital inflows and hopes for both reduced supply disruption and the release of pent-up demand if the conflict fully resolves. Heightened inflation, ongoing geopolitical uncertainty and squeezed consumer spending continued to be seen as growth headwinds.



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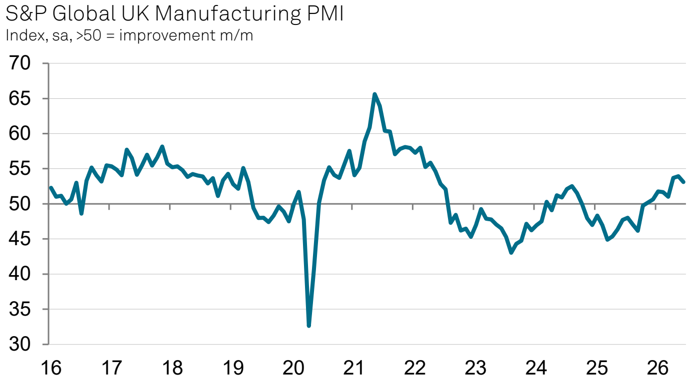

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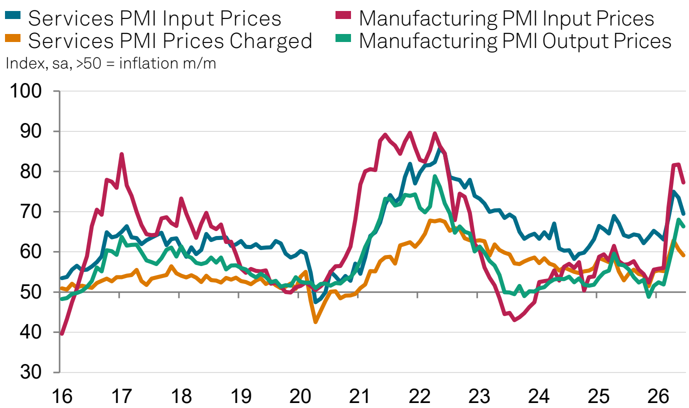

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Methodology

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

The S&P Global Flash UK Composite PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 650 manufacturers and 650 service providers. 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. 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

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 = 0.2 (absolute difference 0.6)

Services Business Activity Index = 0.2 (absolute difference 0.7)

Manufacturing PMI = 0.1 (absolute difference 0.4)

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.

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