News Release
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S&P Global Flash UK PMI®

Rebound in UK private sector business activity continues in February, but job losses persist

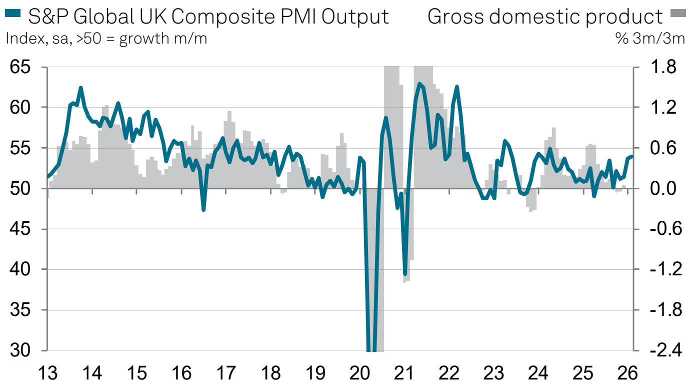
February 2026

Flash UK PMI Composite Output Index: 53.9 (Jan: 53.7). 22-month high.

Flash UK Services PMI Business Activity Index: 53.9 (Jan: 54.0). 2-month low.

Flash UK Manufacturing Output Index: 53.6 (Jan: 51.6). 17-month high.

Flash UK Manufacturing PMI: 52.0 (Jan: 51.8). 18-month high.



Data were collected 10-18 February 2026.
Sources: S&P Global PMI, ONS via S&P Global Market Intelligence. ©2026 S&P Global.

February data indicated that UK private sector output growth gained further momentum, supported by a robust and accelerated upturn in new work. Solid rates of business activity expansion were seen in both the manufacturing and service sectors. However, employment numbers decreased for the seventeenth successive month, led by another marked reduction in the service economy.

The headline seasonally adjusted S&P Global Flash UK PMI® Composite Output Index registered 53.9 in February, up slightly from 53.7 in January, to signal the fastest rise in private sector activity since April 2024. This was driven by a sharper expansion of manufacturing production than at the beginning of 2026. Service sector output growth eased fractionally since January, but continued to outpace that seen in manufacturing.

Higher levels of business activity were attributed to a sustained recovery in domestic and export demand during February. Total new work increased for the third month running and at the strongest pace since September 2024, largely due to an accelerated upturn in the service economy. Survey respondents often commented on improving sales pipelines and new customer enquiries so far this year, despite challenges from fragile economic conditions and elevated business uncertainty.

Manufacturers experienced a boost to their workloads from a stronger improvement in export order books during February. The latest rise in new work from abroad was the fastest for four-and-a-half years. Goods producers cited a broad-based upturn in export sales, helped by rising demand from the US, Europe and Asia. Meanwhile, new business from abroad increased only modestly in the service economy, with a number of firms noting subdued sales to EU markets.

Comment

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

"The early PMI data for February bring further signs of an encouraging start to the year for the UK economy. A solid rise in output across manufacturing and services has been reported in both January and February, with the rate of expansion gaining pace. The survey data so far this year are consistent with GDP rising by just over 0.3% in the first quarter if this performance is sustained into March.

"The upturn continues to be led by the service sector but there are signs that manufacturing is regaining momentum to join in the recovery, reporting a surge in export orders of a magnitude not seen since the pandemic.

"Despite enjoying higher demand for goods and services, companies remain focused on boosting productivity to cut costs, resulting in yet another month of steep job losses to prolong the continual jobs downturn that was initiated by the 2024 autumn Budget.

"Higher staffing costs, often attributed to Budget policy changes, meant service sector inflation remained elevated. However, increased competition, especially in the manufacturing sector, is helping keep a lid on inflationary pressures.

"Bank of England policymakers will be encouraged by the indications of stronger economic growth, but the relatively modest price pressures being signalled and ongoing worrying labour market weakness will likely result in a growing call for further rate cuts."

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Employment remained a weak spot for the private sector economy in February as overall staffing levels decreased at a solid pace that was only fractionally slower than at the start of the year. Service providers recorded a particularly sharp drop in payroll numbers, with a number of survey respondents citing redundancies in response to subdued demand and rising costs. There were many reports of hiring freezes due to squeezed margins, with some also noting investments in technology to achieve growth without additional recruitment.

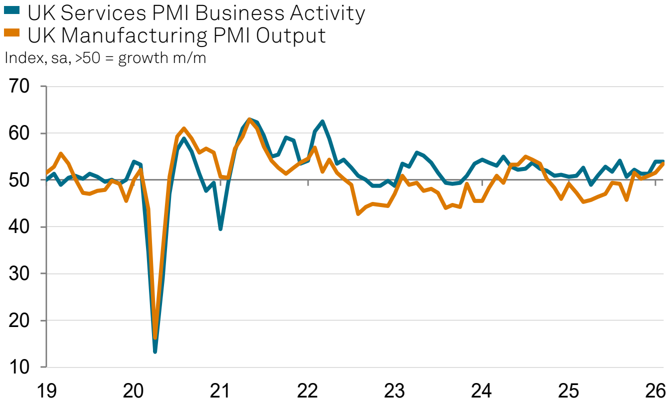
February data suggested a lack of pressure on business capacity, despite a solid increase in new work. This was highlighted by sustained reductions in backlogs of work in both the manufacturing and service sectors. Measured overall, unfinished business has decreased in each month since May 2023.

Meanwhile, average cost burdens increased sharply at private sector businesses in February. Although the rate of input price inflation eased to a three-month low, it remained above the long-run survey average. This was largely due to another steep increase in business expenses across the service economy, which survey respondents mostly attributed to elevated wage pressures. There were also reports of rising raw material costs and technology expenses. Manufacturers additionally commented on higher commodity prices, particularly copper and other metals.

In contrast to the weaker trend for overall input cost pressures, prices charged inflation picked up for the third month running in February. The latest rise in average output charges was the sharpest since April 2025, which mainly reflected a steep and accelerated increase in the service economy. Anecdotal evidence cited the impact of higher employment costs and prices charged by suppliers, although some firms noted that competitive pressures had continued to erode margins.

Private sector firms indicated a strong degree of confidence regarding the outlook for business activity in the year ahead, albeit slightly weaker than January's 16-month high. Positivity mainly reflected signs of a turnaround in customer demand and hopes of a broader upturn in market conditions over the course of 2026. Some survey respondents continued to cite concerns about UK economic prospects and challenging underlying business conditions.

Manufacturers bucked the softer overall trend for growth expectations in February, with production forecasts picking up to the highest for one-and-a-half years. A number of goods producers linked positive sentiment to anticipated export orders and international expansion plans.



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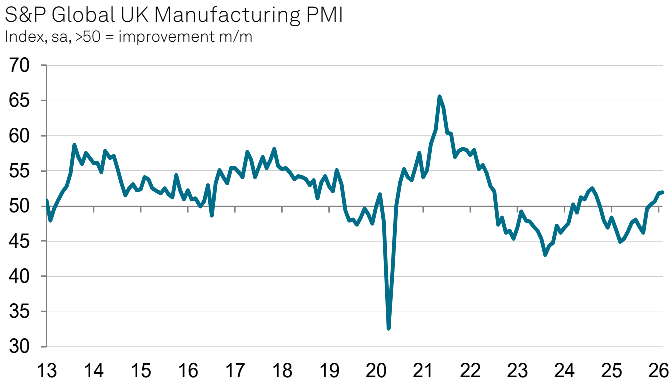

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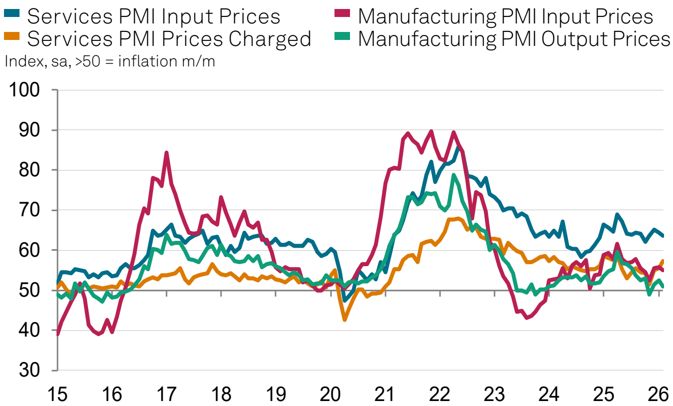

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Methodology

Final February data are published on 2 March for manufacturing and 4 March 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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