

S&P Global Flash France PMI[®]

French business activity sees sharpest decline in five-and-a-half years during May

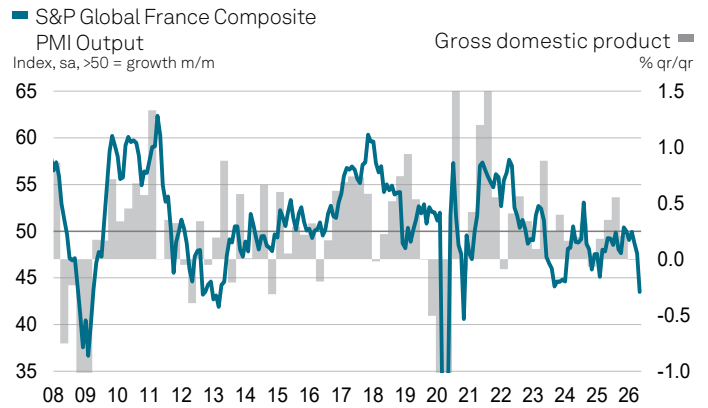
May 2026

Flash France PMI Composite Output Index: 43.5 (Apr: 47.6). 66-month low.

Flash France Services PMI Business Activity Index: 42.9 (Apr: 46.5). 66-month low.

Flash France Manufacturing Output Index: 46.4 (Apr: 52.8). 6-month low.

Flash France Manufacturing PMI: 48.9 (Apr: 52.8). 6-month low.



Data were collected 11-19 May 2026.

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

France's private sector economy suffered its sharpest contraction in five-and-a-half years during May, according to S&P Global 'flash' PMI data, as an accelerated decline in services activity was accompanied by a fresh drop in manufacturing production. The steepest contraction since late 2020 was a consequence of the war in the Middle East, according to firms, who frequently cited fuel and energy cost pressures, as well as general economic angst, as reasons for lower output.

Meanwhile, prices indices continued their ascent in May, signalling a further rise in inflationary pressures across France. Input costs and output charges rose at their quickest rates in at least three years.

The headline S&P Global Flash France Composite PMI Output Index decreased sharply in May to 43.5, from 47.6 in April, its lowest level since November 2020. Furthermore, by falling further below the 50.0 no-change threshold, the index signalled an accelerated contraction in private sector business activity, and one that was the steepest in five-and-a-half years.

A reversal of April's manufacturing production boost (the respective output index shed more than 6 points on the month to fall firmly into contraction territory) coincided with an accelerated decline in services activity. In both sectors, companies cited higher fuel and energy costs as reasons for lower output. Material shortages were also mentioned by manufacturing firms.

Preliminary PMI survey results for France pointed to a considerable deterioration in the demand environment as total new orders declined at the sharpest rate since November 2020. Sales volumes in the service sector were hit especially hard, underlying data revealed. Regarding new

Comment

Joe Hayes, Principal Economist at S&P Global Market Intelligence:

"May's 'flash' PMI survey for France provides a dire set of numbers. The inflationary impact of the oil-price shock continues to proliferate, with price indices in both manufacturing and services moving higher once again. The surge in oil prices has hit households and businesses both directly at the fuel pumps, and indirectly as higher transportation and production costs are passed through to final goods and services. The concern is that a broader uplift in the economy's overall price level raises the risk of further demand destruction. Alarming, we saw private sector new orders plummet in May, giving us a clear indication that this shock has materially lifted recession risks for the eurozone's second-largest economy."

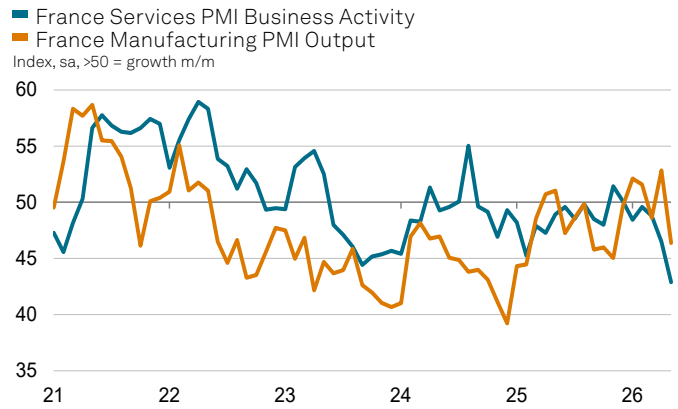
business from international sources, 'flash' figures indicated the most marked decrease in a year-and-a-half.

After averaging a modest uptick in the first four months of 2026, May survey data signalled the sharpest decline in private sector payroll numbers across France since February last year. Nevertheless, backlog clearances accelerated midway through the second quarter. The rate of depletion was the quickest in 15 months and marked overall.

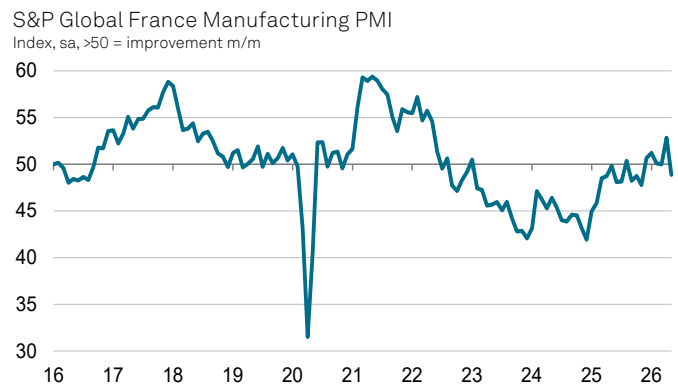
Meanwhile, the inflation environment in France intensified during May. Cost pressures were their strongest since March 2023 and picked up yet again. Since February, the respective composite index has increased more than 13 points. Manufacturers recorded the steeper rise in input prices, with metal- and oil-based products featuring heavily in supplementary survey responses. Service providers frequently cited fuel and energy as inflationary sources.

Regarding prices charged, there were further uplifts by French companies in May. Albeit more modest in its magnitude when compared to input costs (the respective composite index is almost five points higher than it was in February), the rate of inflation was still the sharpest in three years.

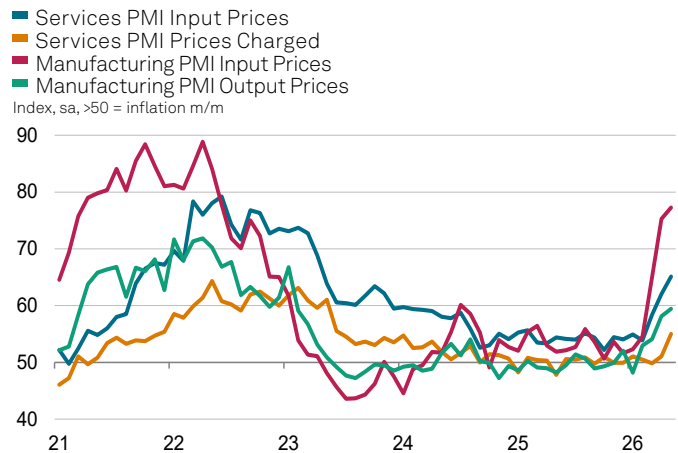
Finally, the May survey results signalled a noteworthy decline in French businesses' expectations for activity over the next 12 months, linked in the main to rising prices and geopolitical uncertainty. On balance, firms were pessimistic towards the outlook – the first time this has been the case since November 2024 – and the degree of negativity was its greatest since the initial outbreak of the COVID-19 pandemic in April 2020.



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



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Methodology

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

The S&P Global Flash France Composite PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 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.

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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 0.4)

Services Business Activity Index = -0.1 (absolute difference 0.5)

Manufacturing PMI = 0.1 (absolute difference 0.3)

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.

S&P Global

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