

S&P Global France Services PMI[®]

Activity and new business volumes fall at sharpest rates since November 2020

May 2026

French service economy contracts at sharpest pace in five-and-a-half years

Quickest fall in payroll numbers for 15 months

Inflationary pressures intensify again

France's service economy slipped deeper into contraction midway through the second quarter, latest PMI[®] survey data showed, as both activity and new business levels decreased at their steepest rates in five-and-a-half years. The quickest reduction in employment since early-2025 also pointed to deteriorating business conditions and efforts to cut costs. Indeed, firms contended with a further sharp uplift in inflationary pressures during May.

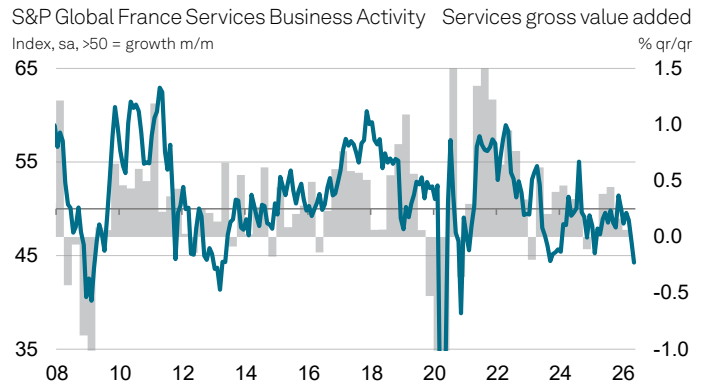
The headline S&P Global France Services PMI Business Activity Index is a gauge of output versus the month prior. A reading below 50.0 signals a decrease in business activity compared to the previous month, and the further below 50.0, the sharper the reduction signalled. Falling from 46.5 in April to 44.3 in May, the headline measure posted its lowest reading in five-and-a-half years, indicating the sharpest contraction in services output since late-2020.

According to survey respondents, rising cost pressures and weaker client demand weighed on activity. There were also mentions of delays to decision-making and a general hesitancy among customers to commit to new projects. May survey data signalled the steepest decline in sales volumes for five-and-a-half years.

The level of new work received from customers in non-domestic markets also contracted rapidly midway through the second quarter. In fact, May's drop in new export business was among the fastest seen since the respective data series started in 2014.

Weakness in demand allowed French service providers to clear backlogs of work once again. The rate of depletion was strong, albeit slightly softer than April's 14-month record. As for employment, May survey data indicated job losses. Reductions in workforce numbers compared unfavourably with April's modest uptick. The extent to which staffing capacity shrank was the most pronounced since February last year.

Turning to costs, the latest PMI data signalled yet another considerable increase in pressures. The rate of input price inflation accelerated for the third straight month in May, reaching its highest in just over three years. Greater fuel costs were commonly cited, and there were also mentions of higher



Data were collected 11-26 May 2026.

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

Comment

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

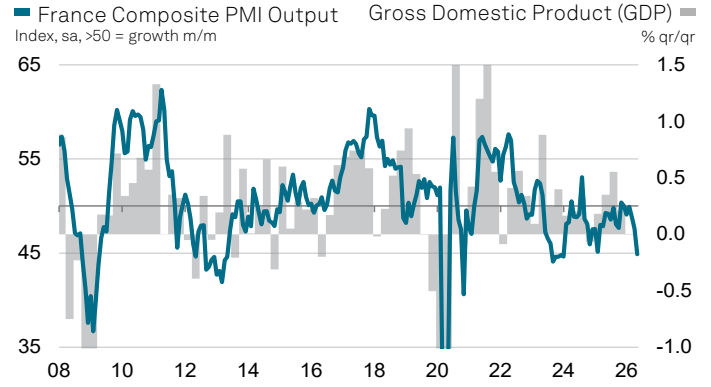
"France's service sector, which had already been showing vulnerability prior to the outbreak of war in the Middle East, suffered a heavy setback in May. Further falls in the PMI measures of activity and new business took them down to levels which ring recession alarm bells.

"Geopolitical uncertainty is restricting decision-making, while surging price pressures are eroding purchasing power. It's hard to see how France's economy can spring back to life against this backdrop, strongly raising the prospect of a contraction in GDP for the second quarter."

prices paid for raw materials and computer hardware.

French service providers raised their charges midway through the second quarter as rapid cost increases prompted at least some pass-through to customers. The extent to which output prices rose was the quickest since June 2023.

Inflation worries also featured in companies' responses regarding the business outlook. Expectations for activity over the next 12 months softened in May, extending the current period of weakening confidence that started in February. Uncertainty surrounding the war in the Middle East was also noted as a headwind. Overall, business sentiment fell to a one-year low and was barely positive.



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

S&P Global France Composite PMI®

Steepest fall in private sector activity since January 2024

The S&P Global France Composite PMI Output Index sank to a 28-month low of 44.9 in May, from 47.6 in April, indicating the quickest decline in private sector business activity since the beginning of 2024.

Total new business intakes sank sharply on the month and at a rate that was the most marked in a year-and-a-half. Meanwhile, private sector payroll numbers fell to the greatest degree in 15 months.

Meanwhile, rising price pressures in both manufacturing and services led overall rates of input cost and output charge inflation to hit their highest in 38 and 36 months respectively.

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Methodology

The S&P Global France Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 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 May 1998.

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.

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