

News Release

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S&P Global France Business Outlook

Business confidence slumps to two-year low

Key findings

France moves back to the bottom of the Business Outlook rankings

Corporate earnings forecasts turn more pessimistic

Inflation expectations creep up

The latest S&P Global Business Outlook survey indicated a notable decline in French companies' expectations for the next 12 months. Domestic political instability was widely cited as a risk to the economic outlook by survey respondents, compounding firms' concerns about heightened geopolitical uncertainty and tightening financial conditions.

The net balance of companies anticipating higher business activity in the next 12 months fell sharply to +6% in October, from +18% in the previous survey carried out in June. This indicated the lowest level of optimism across France's private sector in two years, with the eurozone's second-largest economy also falling back to the bottom of the Global Business Outlook rankings.

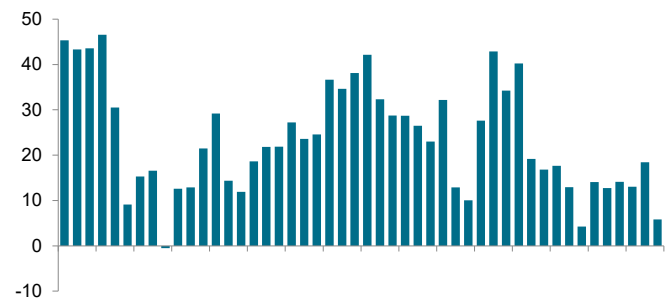
By sector, manufacturers were pessimistic overall, marking the first time in a year that firms predicted production to fall. Services companies were positive, albeit only slightly.

French firms display reticence towards hiring and investment

With many panel members reporting increased indecisiveness and a hesitancy to commit to expenditures, primarily as a consequence of raised uncertainty levels, the Business Outlook survey showed broadly neutral plans towards both hiring and capital expenditure.

The net balance of firms predicting an increase in employment fell to just +1%, from +4% previously, signalling weaker hiring plans. That said, subdued expectations towards recruitment activity were also recorded at the broader European level – a net balance

France Business Activity expectations
% net balance



Source: S&P Global PMI.

Data were collected 9-28 October 2025.

Comment

Commenting on the France Business Outlook survey data, Joe Hayes, Principal Economist at S&P Global Market Intelligence, said:

"Amid the political turbulence of the last few months, it's unsurprising to see a drop in business confidence across France. Uncertainty is weighing heavily on expectations for business activity, while also leading firms to show hesitancy towards hiring and investment."

"Even when put into context alongside its European peers, France continues to stand out as a country with a particularly gloomy year-ahead outlook, sitting at the bottom of both the continental and global business confidence rankings."

"These data highlight the need for a resolution to the political deadlock, with many companies noting that their opportunities for growth are conditional on clarity and stability within the French government returning."

of +3% of European firms anticipate the creation of more jobs in the year ahead.

As for capex plans, French companies were fractionally downbeat, as shown by a slightly negative net balance of -1%. Manufacturers were the driving force behind this, with the net balance for the sector at a strongly pessimistic level of -17%, marking the gloomiest outlook for capex since June 2020.

French businesses also showed a reduced appetite for investment into research and development. The respective net balance dropped deeper into negative territory at -4% (-1% in June). R&D spending forecasts were lowered across both the manufacturing and service sectors, underlying data showed.

Profit forecasts at their lowest since June 2024

Corporate earnings expectations were revised lower by French private sector businesses during October. With a net balance of -10%, the latest data showed a pessimistic consensus for firms' profitability forecasts. In fact, expectations were their most downbeat since June 2024.

The deteriorated earnings outlook was broad-based by sector, although manufacturers (net balance of -16%) remained more pessimistic than their service-providing counterparts (net balance of -9%).

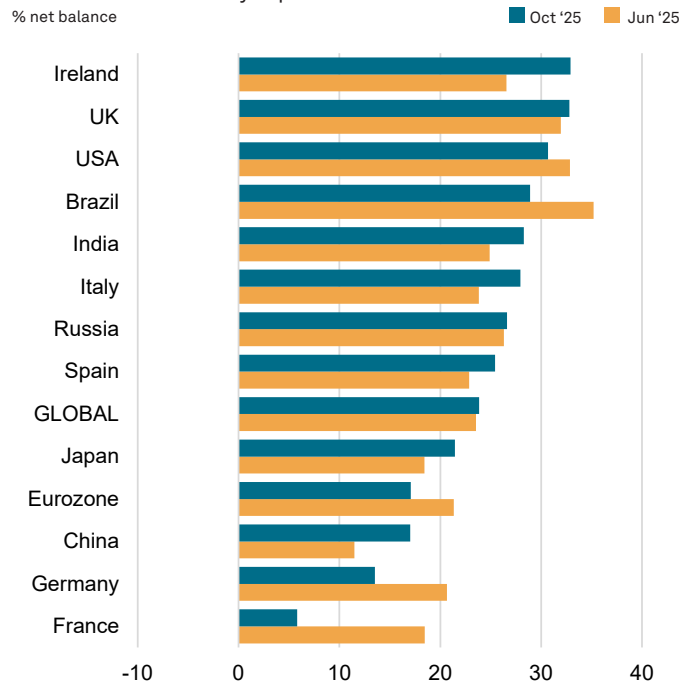
Inflation expectations creep up but remain anchored around long-run averages

French private sector firms expect to see a rise in their total expenses over the next 12 months. For costs relating to staffing, a net balance of +31% of businesses anticipate an increase – the highest in a year. The net balance in the service sector (+33%) was almost double that for manufacturing (+17%), signalling more intense expectations of salary pressures in the former.

As for non-staff costs such as raw material prices and utility bills, survey respondents also reported slightly stronger inflation expectations than in June, with the respective net balance ticking up to +24%, from +21%. That said, for both labour and non-labour related expenses, the net balances at the composite level were close to their long-run trends.

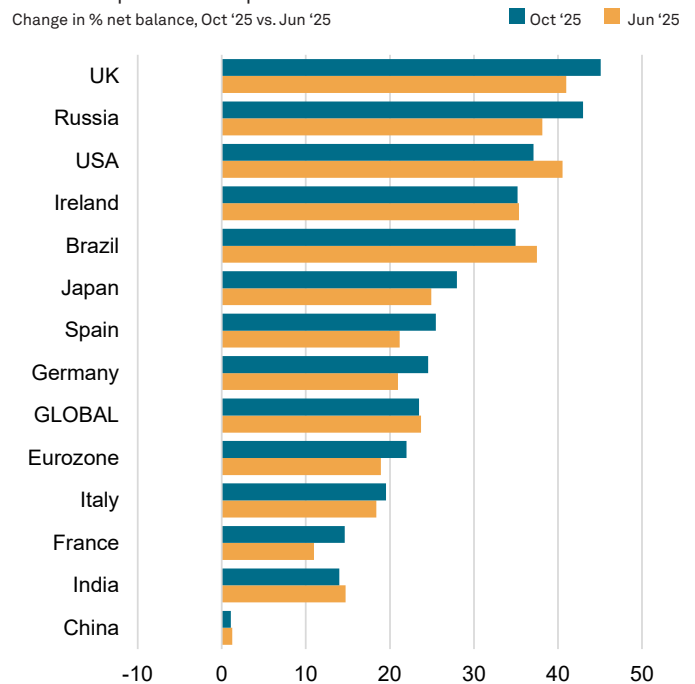
Subsequently, French private sector firms plan to be more aggressive with their own price setting over the coming 12 months. The net balance of companies expecting to raise their output prices rose to +15%, its highest in a year. This was driven entirely by services companies, however, as manufacturers' price-setting plans cooled.

Global Business Activity expectations
% net balance



Source: S&P Global PMI.

Global Output Prices expectations
Change in % net balance, Oct '25 vs. Jun '25



Source: S&P Global PMI.

Full data available on request from economics@spglobal.com.

Survey methodology

The Global Business Outlook Survey for worldwide manufacturing and services is produced by S&P Global and is based on a survey of around 12,000 manufacturers and service providers that are asked to give their thoughts on future business conditions. The reports are produced on a tri-annual basis, with data collected in February, June and October.

Interest in the use of economic surveys for predicting turning points in economic cycles is ever increasing and the Business Outlook survey uses an identical methodology across all nations covered. It gives a unique perspective on future business conditions from Global manufacturers and service providers.

The methodology of the Business Outlook survey is identical in all countries that S&P Global operates. This methodology seeks to ensure harmonization of data and is designed to allow direct comparisons of business expectations across different countries. This provides a significant advantage for economic surveillance around the globe and for monitoring the evolution of the manufacturing and services economies by governments and the wider business community.

Data collection is undertaken via the completion of questionnaires three times a year at four-month intervals. A combination of phone, website and email are used, with respondents allowed to select which mechanism they prefer to use.

The Business Outlook survey uses net balances to indicate the degree of future optimism or pessimism for each of the survey variables. These net balances vary between -100 and 100, with a value of 0 signalling a neutral outlook for the coming 12 months. Values above 0 indicate optimism amongst companies regarding the outlook for the coming 12 months while values below 0 indicate pessimism. The net balance figure is calculated by deducting the percentage number of survey respondents expecting a deterioration/decrease in a variable over the next twelve months from the percentage number of survey respondents expecting an improvement/increase.

Questionnaires are sent to a representative panel of around 12,000 manufacturing and services companies spread across the global economy*. Companies are carefully selected to ensure that the survey panel accurately reflects the true structure of each economy in terms of sectoral contribution to GDP, regional distribution and company size. This panel forms the basis for the survey. The current report is based on responses from around 7,700 firms.

** The countries with manufacturing and service sector surveys are Brazil, China, France, Germany, India, Italy, Japan, Russia, Spain, the Republic of Ireland, the UK and the USA. Manufacturing data are collected for the Netherlands, Austria, Greece, Poland and the Czech Republic.*

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