

## News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 0800 (UK Time) 20 June 2013**

### Markit Flash France PMI®

#### Downturn in French private sector eases further in June

##### Key points:

- Flash France Composite Output Index<sup>(1)</sup> rises to 46.8 (44.6 in May), 10-month high
- Flash France Services Activity Index<sup>(2)</sup> climbs to 46.5 (44.3 in May), 10-month high
- Flash France Manufacturing PMI<sup>(3)</sup> rises to 48.3 (46.4 in May), 16-month high
- Flash France Manufacturing Output Index<sup>(4)</sup> up to 48.1 (45.2 in May), 16-month high

Data collected 12-19 June

##### Summary:

Business activity in the French private sector fell at a slower pace in June. The **Markit Flash France Composite Output Index**, based on around 85% of normal monthly survey replies, rose for the third month running to 46.8, from 44.6 in May. The latest reading was the highest for ten months.

Weaker falls in output were signalled by both **manufacturers** and **service providers** in June. In the case of the former, the latest decline was the slowest in 16 months, while the latter registered the least marked drop in ten months.

The rate of contraction in **new business** at French private sector companies moderated further during June, reaching the weakest since August 2012. Anecdotal evidence suggested that, although business conditions generally remained tough, there were tentative signs of improvement in certain markets. Manufacturers and service providers both signalled slower declines in new work.

**Outstanding business** similarly decreased at a slower pace in June. The latest fall in backlogs was modest and the least marked in 16 months, with companies in both sectors registering weaker falls.

Job shedding in the French private sector was

maintained in June, extending the current period of contraction to 16 months. **Employment** declined at a solid pace similar to May's, as a slightly sharper fall at service providers offset a slower decrease at manufacturers.

**Input prices** rose marginally in the latest survey period, following a slight fall the previous month. Whereas manufacturers signalled another drop in costs (largely reflecting lower prices for many raw materials), service providers indicated a modest increase.

**Output prices** in the French private sector fell for a fourteenth successive month in June, and at the fastest rate since January. Lower selling prices were indicated in both the manufacturing and service sectors, with the latter recording the sharper decline. Competitive pressures were frequently cited as a factor weighing on charges.

**Activity expectations** in the French service sector remain positive, with confidence rising to a five-month high, albeit remaining well below the survey's long-run average. Some panellists linked optimism to promising pipelines of work.

##### Comment:

**Jack Kennedy, Senior Economist at Markit** and author of the Flash France PMI®, said:

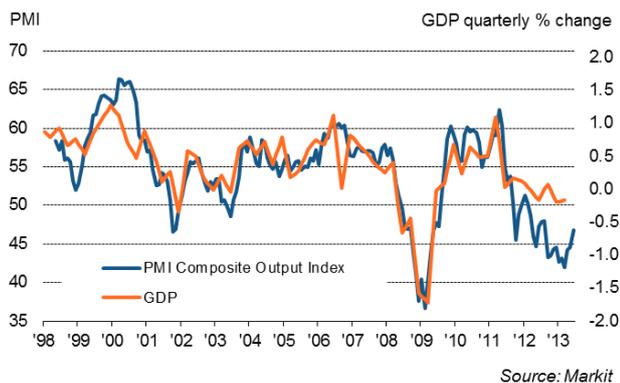
*"Conditions remain weak in France, but the latest Flash PMI data offer further evidence that the decline in output has eased over the second quarter. The slower fall in activity was broad-based across the manufacturing and service sectors, reflecting less marked reductions in new business. Employment continues to be cut at a marked pace, although a slower fall in backlogs of work provides hope that the pace of job shedding may ease in the coming months."*

-Ends-

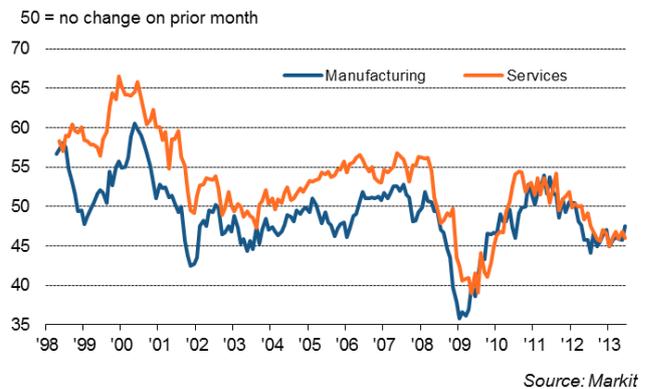
In conjunction with



## Economic output



## Employment



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### Note to Editors:

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

The France PMI (Purchasing Managers' Index) is produced by Markit Economics and is based on original survey data collected from a representative panel of 750 companies based in the French manufacturing and service sectors. The **flash** estimate is based on around 85% of total PMI survey responses each month and is designed to provide an accurate advance indication of the final PMI data.

The average differences between the flash and final PMI index values (final minus flash) since comparisons were first available in January 2006 are as follows (differences in absolute terms provide the better indication of true variation while average differences provide a better indication of any bias):

| Index  | Average difference | Average difference in absolute terms |
|--|--------------------|--------------------------------------|
| France Composite Output Index <sup>(1)</sup>               | -0.2               | 0.5                                  |
| France Manufacturing PMI <sup>(3)</sup>                    | 0.0                | 0.4                                  |
| France Services Business Activity PMI Index <sup>(2)</sup> | -0.2               | 0.6                                  |

The Purchasing Managers' Index (PMI) survey methodology has developed an outstanding reputation for providing the most up-to-date possible indication of what is really happening in the private sector economy by tracking variables such as sales, employment, inventories and prices. The indices are widely used by businesses, governments and economic analysts in financial institutions to help better understand business conditions and guide corporate and investment strategy. In particular, central banks in many countries (including the European Central Bank) use the data to help make interest rate decisions. PMI surveys are the *first* indicators of economic conditions published each month and are therefore available well ahead of comparable data produced by government bodies.

### Notes

1. The Composite Output PMI is a weighted average of the Manufacturing Output Index and the Services Business Activity Index.
2. The Services Business Activity Index is the direct equivalent of the Manufacturing Output Index, based on the survey question "Is the level of business activity at your company higher, the same or lower than one month ago?"
3. The Manufacturing PMI is a composite index based on a weighted combination of the following five survey variables (weights shown in brackets): new orders (0.3); output (0.25); employment (0.2); suppliers' delivery times (0.15); stocks of materials purchased (0.1). The delivery times index is inverted.
4. The Manufacturing Output Index is based on the survey question "Is the level of production/output at your company higher, the same or lower than one month ago?"

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Markit 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 Markit. Please contact [economics@markit.com](mailto:economics@markit.com).

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*Purchasing Managers' Index*® (PMI®) surveys are now available for 32 countries and also for key regions including the Eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to [www.markit.com/economics](http://www.markit.com/economics).

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