

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## Markit Flash France PMI®

### Strong growth momentum in French private sector signalled in April

#### Key findings:

- Flash France Composite Output Index<sup>(1)</sup> rises to 57.4 (56.8 in March), 71-month high
- Flash France Services Activity Index<sup>(2)</sup> increases to 57.7 (57.5 in March), 71-month high
- Flash France Manufacturing Output Index<sup>(3)</sup> rises to 56.0 (53.7 in March), 72-month high
- Flash France Manufacturing PMI<sup>(4)</sup> rises to 55.1 (53.3 in March), 72-month high

Data collected April 11-21

April's flash France PMI® data pointed to a tenth consecutive month of private sector growth in France. The **Markit Flash France Composite Output Index**, based on around 85% of normal monthly survey replies, registered 57.4, compared to March's reading of 56.8. The latest figure was indicative of the sharpest rate of growth in almost six years.

In the **service sector**, activity increased for the tenth time in as many months. Moreover, the rate of expansion accelerated to a 71-month high and was sharp overall. **Manufacturing output** also continued to rise markedly, and at the fastest pace in six years.

In line with the trend for output, April saw a tenth successive monthly rise in **new business**. Furthermore, the rate of expansion quickened from the previous month and was the most marked since May 2011. The volume of new orders increased at both manufacturers and services providers. Notably, the rate of growth accelerated to a 72-month high in manufacturing, with new export orders increasing at the fastest pace in just under six years.

Buoyed by strong client demand, French private sector firms raised their **staffing numbers** during April, thereby continuing a trend that has been evident since November last year. Moreover, the rate of job creation quickened to a 68-month peak.

Both manufacturers and service providers continued to take on additional staff, with the pace of growth sharper at the former.

The amount of **unfinished work** at companies operating in the French private sector rose in April, thereby extending the latest sequence of increasing backlogs to 14 months. Capacity pressures continued to be evident at both manufacturing and services companies. Paralleled by a sharper rise in client demand, the rate of backlog accumulation was steeper in the service sector.

**Input prices** faced by French private sector companies increased for the fourteenth successive month during April. The rate of inflation accelerated to a 70-month high and was sharp overall. Price pressures intensified at both goods producers and service providers, but continued to be felt most strongly by the former.

Average **selling prices** rose for the first time in five years as firms sought to pass on persistently rising cost burdens to their clients. The increase was driven by marked inflation in manufacturing as output prices were broadly unchanged in the service sector.

Finally, private sector companies maintained a positive **outlook** towards output growth over the coming 12-month period. The degree of positive sentiment rose to a series high and was marked overall. A number of firms expecting output to increase commented on hopes for a favourable post-election economic environment.

#### Comment

Commenting on the Flash PMI data, Alex Gill, Economist at IHS Markit said:

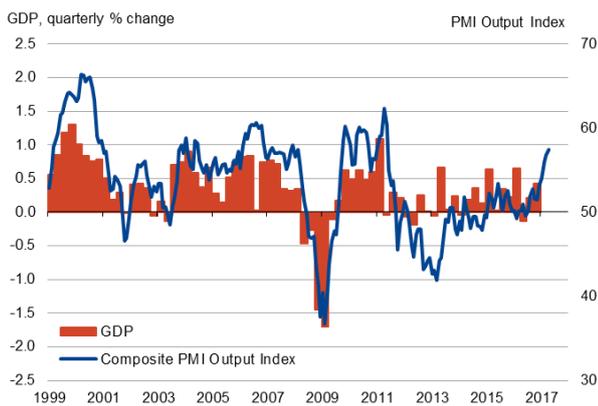
*"PMI data signalled further strong growth momentum in the French private sector at the start of the second quarter. While the dominant service sector remained the overall driver of growth, the rate of expansion in the manufacturing sector*

accelerated sharply from March, as demand for French goods continued to be buoyed by the relatively weak euro.

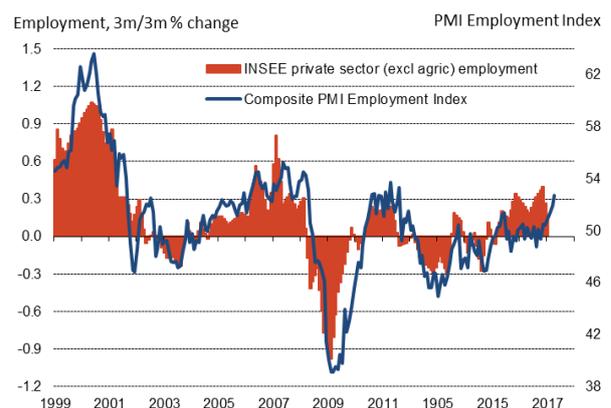
“The numbers provide further evidence that the French private sector remains resilient to political uncertainty around the upcoming presidential election. Indeed, business optimism hit a multi-year high in April, with a number of respondents anticipating favourable business conditions following its conclusion. This has, in turn, encouraged firms to take on additional staff members.”

-Ends-

### Economic output



### Employment



Sources: IHS Markit, INSEE via Datastream.

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**Note to Editors:**

Final April data are published on May 2<sup>nd</sup> for manufacturing and May 4<sup>th</sup> for services and composite indicators.

The France PMI (Purchasing Managers' Index) is produced by Markit 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>	-0.1	0.4
France Manufacturing PMI <sup>(3)</sup>	0.1	0.4
France Services Business Activity 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 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?"
4. 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.

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@ihsmarkit.com](mailto:economics@ihsmarkit.com).

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Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>) surveys are now available for over 30 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/product/pmi](http://www.markit.com/product/pmi)

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