

## News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 0800 (UK Time) June 23<sup>rd</sup> 2015**

### Markit Flash France PMI®

#### Output rises at sharpest rate since August 2011

##### Key points:

- Flash France Composite Output Index<sup>(1)</sup> climbs to 53.4 (52.0 in May), 46-month high
- Flash France Services Activity Index<sup>(2)</sup> improves to 54.1 (52.8 in May), 46-month high
- Flash France Manufacturing Output Index<sup>(3)</sup> rises to 50.0 (48.6 in May), 13-month high
- Flash France Manufacturing PMI<sup>(4)</sup> increases to 50.5 (49.4 in May), 14-month high

*Data collected June 12<sup>th</sup>-22<sup>nd</sup>*

##### Summary:

The latest flash France PMI® data pointed to a rise in private sector output for the fifth month in succession during June. Posting 53.4, up from 52.0 in May, the seasonally adjusted **Markit Flash France Composite Output Index**, based on around 85% of normal monthly survey replies, signalled the strongest rate of expansion for 46 months.

Growth of activity was centred on the **service sector**, where the latest increase was the sharpest since August 2011. In contrast, **manufacturers** reported unchanged output, although this ended a 12-month period of decline.

**New business** at private sector firms in France increased for the seventh month running in June. Moreover, the rate of growth accelerated to a 46-month high. Again, it was the service sector which was the driver of expansion, with manufacturers signalling a marginal decrease in new business. Improving demand conditions and successful marketing initiatives were among the reasons cited by those panellists indicating higher new work intakes.

**Employment** in the French private sector increased for a fourth consecutive month in June. The rate of

jobs growth was little-changed from the moderate pace recorded in May. Contrasting trends were indicated at the sector level, with service providers reporting another rise in staffing levels but manufacturers noting a further decline. Some panel members commented that additional employees had been recruited in line with business expansion plans.

**Backlogs of work** at French private sector companies rose for a seventh consecutive month in June. Furthermore, the rate of expansion quickened to a 49-month high. Growth of outstanding business was broad-based across the services and manufacturing sectors, with the former posting the faster rate of increase. In the latter case, the rise was the first in 14 months.

Private sector companies in France signalled a fifth consecutive monthly rise in **input prices** during June. The rate of cost inflation was solid, albeit slightly slower than that reported in May. Service providers signalled a slightly slower rise in input prices, whereas manufacturers reported the sharpest increase since March 2012, often linked by panellists to adverse exchange rates and higher prices for oil-related items.

**Prices charged** by French private sector companies fell further in June. That said, the rate of decline eased to the slowest in nine months. Lower selling prices were indicated across both the services and manufacturing sectors, with the former posting the sharper reduction. Strong competitive pressures were frequently reported to have weighed on charges.

**Business expectations** in the French service sector improved to a 39-month high in June. Signs of improving economic conditions, promising pipelines of work and business expansion strategies were among the reasons cited by panellists.

*In conjunction with*



## Comment:

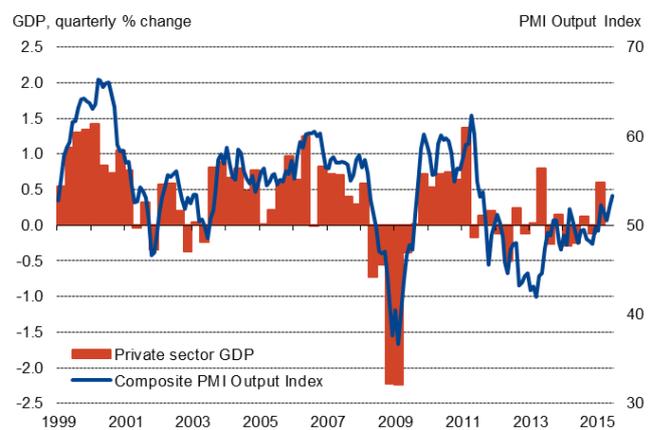
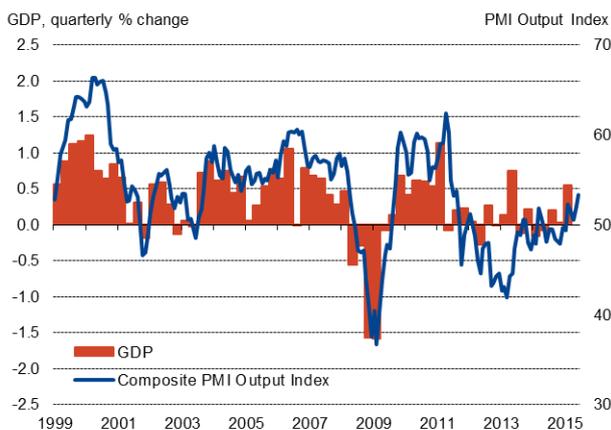
**Jack Kennedy, Senior Economist at Markit**, which compiles the Flash France PMI® survey, said:

*“The French economy gained further growth momentum in June, driven by a stronger service sector performance and a stabilisation in manufacturing. The figures bode well for second quarter GDP, following the 0.6% expansion*

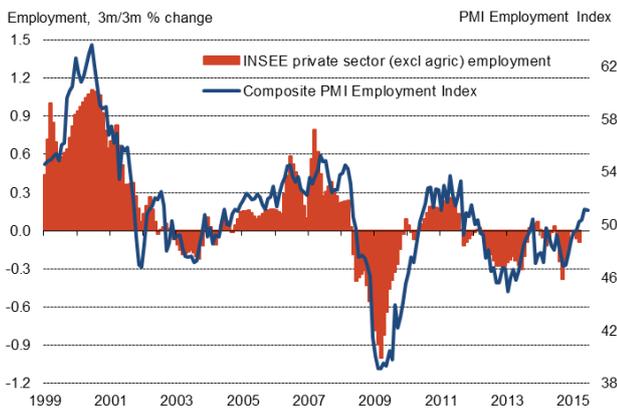
*recorded in the opening quarter of the year. With service sector business expectations standing at the highest level for over three years, it seems firms are becoming increasingly optimistic of a convincing upturn in activity.”*

-Ends-

## Economic output



## Employment



Sources: Markit, INSEE via EcoWin.

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**Note to Editors:**

Final June data are published on July 1<sup>st</sup> for manufacturing and July 3<sup>rd</sup> 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>	-0.1	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@markit.com](mailto:economics@markit.com).

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**About PMI**

*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/economics](http://www.markit.com/economics).

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