

# News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
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## Markit France Manufacturing PMI® – final data

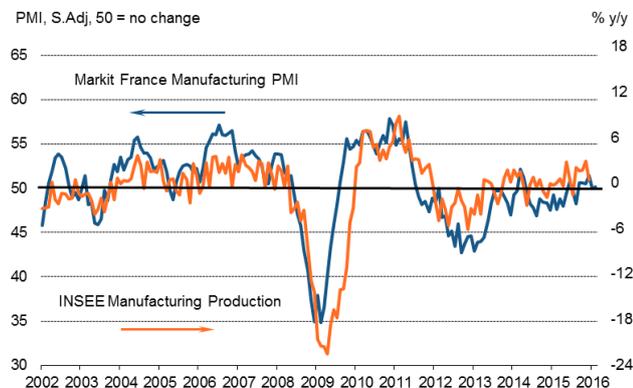
### Output falls for first time in six months during February

#### Key points:

- Production lowered amid further drop in new orders
- Stable employment
- Further declines in input and output prices

#### Historical overview:

##### Markit Manufacturing PMI v INSEE Manufacturing Production



Sources: Markit, INSEE

#### Summary:

French manufacturers reported a drop in output for the first time in six months during February. That said, the rate of decline was slight. The headline **Markit France Manufacturing Purchasing Managers' Index® (PMI®)** – a seasonally adjusted index designed to measure the performance of the manufacturing economy – posted 50.2, little-changed from January's reading of 50.0. The latest reading pointed to a fractional improvement in manufacturing operating conditions.

The decrease in **production** reflected a further fall in the level of **new orders** received by manufacturers in France. The rate of decline in new

work was similar to the moderate pace recorded in January. Anecdotal evidence pointed to generally subdued demand conditions and budget restrictions at clients. **New export orders** were also down, although the rate of contraction remained marginal.

February data pointed to a third consecutive monthly rise in **backlogs of work** in the French manufacturing sector. However, the rate at which outstanding business accumulated eased slightly since January and was modest.

**Stocks of finished goods** held by French manufacturers decreased for a second consecutive month in February. However, the rate of decline was slight overall.

**Employment** at French manufacturers remained unchanged in the latest survey period. This followed negligible growth in the previous two months.

**Purchasing activity** by French manufacturers fell for the fourth month running in February. However, the rate of contraction eased to a marginal pace. **Stocks of purchases** continued to decline, although the latest fall was slower than in January.

**Suppliers' delivery times** lengthened further in February, which panellists attributed to low stock levels at vendors' units. The rate of deterioration in supplier performance was the most marked since June 2015.

Average **prices paid** by French manufacturers for purchases decreased further in February. The latest drop in input costs was the sixth in successive months and the sharpest since October 2015. Lower prices paid for key commodities such as oil and steel were cited by panellists.

**Prices charged** by French manufacturers for finished goods decreased further in February. The latest reduction in charges was the twenty-fourth in

successive months. Panellists commented on strong competitive pressures and the pass-through of lower input costs.

**Comment:**

**Jack Kennedy, Senior Economist at Markit**, which compiles the France Manufacturing PMI<sup>®</sup> survey, said:

*“The latest PMI data signal a continuation of the broadly stagnant performance of France’s*

*manufacturing sector during February. Falling new orders were again the source of weakness, leading firms to cut production levels slightly. Meanwhile, the survey’s price indices point to continued downward pressure on already low inflation.”*

-Ends-

**For further information, please contact:**

**Markit**

Jack Kennedy, Senior Economist  
 Telephone +44-1491-461-087  
 Email [jack.kennedy@markit.com](mailto:jack.kennedy@markit.com)

Joanna Vickers, Corporate Communications  
 Telephone +44-207-260-2234  
 Email [joanna.vickers@markit.com](mailto:joanna.vickers@markit.com)

**Notes to Editors:**

The France Manufacturing PMI (Purchasing Managers' Index) is produced by Markit Economics and is based on original survey data collected from a representative panel of over 400 companies based in the French manufacturing sector.

The **final** France Manufacturing PMI follows on from the **flash** estimate which is released a week earlier and is typically based on at least 75% of total PMI survey responses each month. The February flash was based on 91% of the replies used in the final 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 Manufacturing PMI <sup>(1)</sup>	0.1	0.4

The **Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>)** 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.

*1. 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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