

# News Release

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

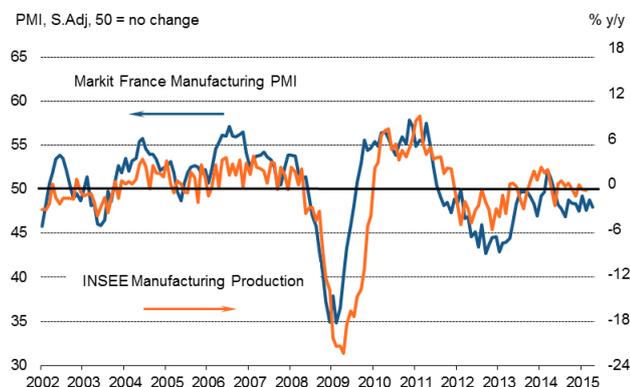
### French manufacturing sector remains stuck in contraction during April

#### Key points:

- Output and new orders fall at sharper rates
- Marked reduction in backlogs of work
- Purchasing activity declines at fastest pace since December 2013

#### Historical overview:

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



Sources: Markit, INSEE

#### Summary:

French manufacturers reported a further worsening of overall operating conditions during April. The headline **Markit France Manufacturing Purchasing Managers' Index® (PMI®)** – a seasonally adjusted index designed to measure the performance of the manufacturing economy – posted 48.0. Down from 48.8 in March, the latest reading pointed to an acceleration in the rate of deterioration.

**Output** at French manufacturers fell further during April. The current period of contraction now extends to 11 months. The rate of decline accelerated, reaching the fastest in 2015 so far. Consumer

goods producers led a broad-based reduction in production levels.

Underlying the sharper drop in output was a steeper decrease in **new orders** received by French manufacturers. The current period of falling new work now extends to 12 months, and the latest drop was more marked than in March. **New export orders** were down, with the rate of contraction quickening in the latest survey period.

French manufacturers responded to weak demand by cutting their **stocks of finished goods** further in April. The pace of stock shedding remained marked overall.

**Backlogs of work** in the French manufacturing sector continued to fall in April. Moreover, the rate of contraction accelerated to the sharpest since last August. Panel members noted that reduced inflows of new work had allowed resources to be concentrated on existing projects.

**Employment** at French manufacturers fell for a thirteenth successive month in April. The rate of job shedding quickened since March, although remained moderate overall.

**Purchasing activity** continued to decrease in April, marking a thirty-eighth successive monthly fall. Furthermore, the rate of contraction picked up to the fastest since December 2013. Correspondingly, **stocks of purchases** fell further.

**Suppliers' delivery times** continued to lengthen, reflecting low stock levels at vendors' units. The latest increase in lead times was the strongest in seven months.

**Input prices** rose for the first time in five months during April, albeit modestly. Panellists frequently reported that the weakness of the euro versus the dollar had raised the cost of imported items.

In contrast, **prices charged** for manufactures fell for a fourteenth successive month. Panel members commonly indicated that strong competitive pressures had weighed on charges.

*amid a steeper decline in new orders. This was despite a further fall in prices charged and the recent weakening of the euro, underlining the competitive challenge facing firms.”*

**Comment:**

-Ends-

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

*“The French manufacturing sector remains locked in reverse gear according to the latest PMI data. Production levels were cut at an accelerated rate*

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**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 April flash was based on 93% 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 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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