

**Purchasing Managers' Index<sup>®</sup>**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL 0950 (CET) / 0750 (UTC) April 3<sup>rd</sup> 2018**

## IHS Markit France Manufacturing PMI<sup>®</sup>

### Slowdown in manufacturing sector growth continues in March

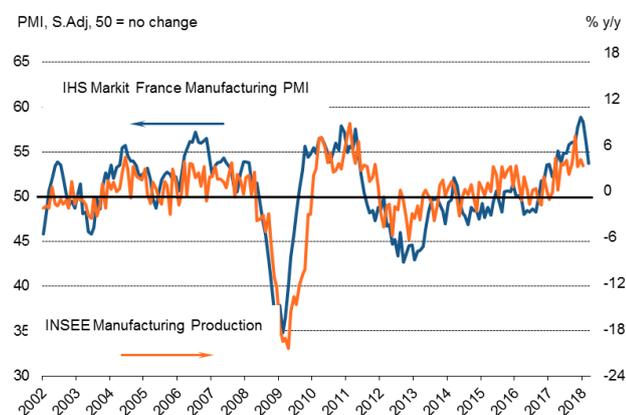
#### Key findings:

- Rates of expansion in output and new orders slow markedly
- Employment growth softens but remains solid
- Rate of cost inflation eases

Data collected March 12-22

#### Historical overview:

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



#### Summary:

Growth in the French manufacturing sector shifted down a gear at the end of the first quarter. Rates of expansion softened for new orders and new export business, which fed through to weaker rises in employment, purchasing activity and output. That said, the pace of increase remained robust in each instance. Meanwhile, business confidence was among the strongest since that series began in 2012.

On the price front, input price inflation remained marked, which filtered through to another rise in

average selling prices. Nevertheless, the rate of input cost inflation was much softer than in February.

The **IHS Markit France Manufacturing Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>)** posted 53.7 in March to signal an eighteenth consecutive improvement in the overall health of the French manufacturing sector. Nevertheless, the index reading was down from 55.9 recorded in February, and consistent with the weakest pace of growth for a year. The improvement remained broad-based across each of the three sub-sectors, led by intermediate goods.

Overall growth continued to be driven by a strong rise in **new business** from both domestic and foreign clients. That said, the rate of expansion in total new orders was the weakest recorded for 13 months.

Strong client demand encouraged firms to take on additional **workers** for the seventeenth successive month in March. The rate of job creation, however, eased from February. Likewise, **unfinished work** continued to accumulate, but to a weaker extent than in the prior month.

Firms continued to expand their **purchasing activity** during March, albeit to the weakest extent since February last year. The slowdown contributed to a fall in **pre-production inventories**, the first time this has been the case since July 2017.

Strong client demand combined with enhanced operating capacity led to a nineteenth consecutive rise in **output**. The rate of growth, however, moderated to a one-year low, contributing to a decline in post-production inventories for the first time since last August.

Meanwhile, strong **input cost** inflation persisted amid frequent reports of higher raw material prices. Average **selling prices** subsequently rose. That

said, the rate of cost inflation eased markedly over the month.

Finally, **business confidence** dipped from last month's record high but remained robust amid expectations of strong client demand.

### Comment:

**Alex Gill, Economist at IHS Markit**, which compiles the France Manufacturing PMI<sup>®</sup> survey, said:

*“The French manufacturing sector continued to shed growth momentum at the end of the first quarter, with the headline PMI falling for the third consecutive month and signalling the weakest rate of expansion since March last year.*

*“Underlying the slowdown was a weaker expansion in new orders, which fed through to softer increases in employment, purchasing activity and output. Weaker client demand can be at least partially attributed to poor weather conditions and a strong euro.*

*“Taken together, the data suggest a moderation from the rates of growth that we saw in much of 2017. At 53.7 in March, however, the headline PMI remains firmly in expansionary territory and consistent with a positive contribution of the sector to GDP for the first quarter.”*

-Ends-

## For further information, please contact:

### IHS Markit

Alex Gill, Economist  
Telephone +44-1491-461-015  
Email [alex.gill@ihsmarkit.com](mailto:alex.gill@ihsmarkit.com)

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

### Note to Editors:

The France Manufacturing PMI (Purchasing Managers' Index) is produced by IHS Markit 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 March 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>	0.0	0.3

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.*

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

### About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

*IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.*

### About PMI

Purchasing Managers' Index<sup>®</sup> (PMI<sup>®</sup>) surveys are now available for over 40 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 <https://ihsmarkit.com/products/pmi.html>

The intellectual property rights to the France Manufacturing PMI<sup>®</sup> provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index<sup>®</sup> and PMI<sup>®</sup> are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. IHS Markit is a registered trademark of IHS Markit Ltd.

If you prefer not to receive news releases from IHS Markit, please email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com). To read our privacy policy, [click here](#).