

# News Release

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

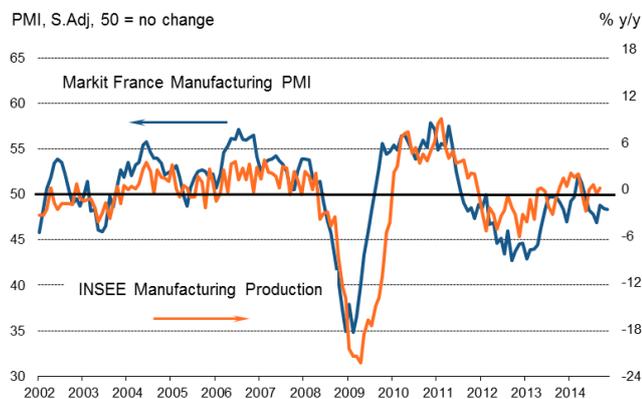
### French manufacturing sector contraction continues in November

#### Key points:

- Further falls in output, new orders and employment
- Output prices decrease again
- Weaker deterioration in suppliers' delivery times

#### Historical overview:

#### Markit Manufacturing PMI v INSEE Manufacturing Production



Sources: Markit, INSEE

#### Summary:

Operating conditions in the French manufacturing sector worsened further in November. The headline **Markit France Manufacturing Purchasing Managers' Index® (PMI®)** – a seasonally adjusted index designed to measure the performance of the manufacturing economy – slipped to 48.4, from 48.5 in October. The latest reading was the lowest in three months and indicative of a moderate rate of deterioration.

**Production** at French manufacturers fell for a sixth consecutive month in November. The rate of contraction was little-changed from the moderate

pace recorded in October. Lower output at intermediate and investment goods producers contrasted with broadly stable production at consumer goods firms.

Output decreased in line with another drop in the level of **new orders** received by French manufacturers during November. The latest reduction in new work was the seventh in successive months, with the rate of decline accelerating to the sharpest since August. Panellists linked the latest drop in new orders to fragile economic conditions and tight household finances. **New export orders** fell again, albeit modestly and at a weaker rate than one month previously.

French manufacturers continued to make inroads into their **backlogs of work** during November. That said, the rate at which outstanding business fell eased to the slowest since May and was modest overall.

Reflective of lower activity levels, French manufacturers made further cutbacks to **employment** during November. The latest fall in staffing levels was the eighth in consecutive months, albeit the weakest since May.

The amount of **raw materials and semi-finished goods purchased** by French manufacturers for use in production decreased again in November, stretching the current period of contraction to 33 months. The rate of decline was unchanged from October's moderate pace. Correspondingly, **stocks of purchases** decreased further, although the latest reduction was modest and the least marked in the current 42-month period of contraction. **Suppliers' delivery times** continued to lengthen, but the rate at which lead times deteriorated eased to the weakest in 15 months.

**Input prices** in the French manufacturing sector rose for a second consecutive month in November. Although remaining modest, the rate of increase quickened to a three-month high.

In contrast, **output prices** fell further. The latest drop in charges was solid, albeit slightly slower than in October. Panellists widely commented on strong competitive pressures.

**Comment:**

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

*“The French manufacturing sector showed no sign of shaking off its malaise in November, posting another month of modest contraction. The sector*

*continues to struggle in the face of weak demand conditions, with another round of output price cuts failing to prevent new orders falling at a sharper rate. Data suggested that the domestic market remained the main source of weakness, reflecting the wider sluggish performance of the French economy.”*

-Ends-

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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 November flash was based on 81% 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*® (*PMI*®) 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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