

## News Release

**Purchasing Managers' Index®**  
**MARKET SENSITIVE INFORMATION**  
**EMBARGOED UNTIL: 08:50 (UK Time), 2 December 2013**

### Markit France Manufacturing PMI® – final data

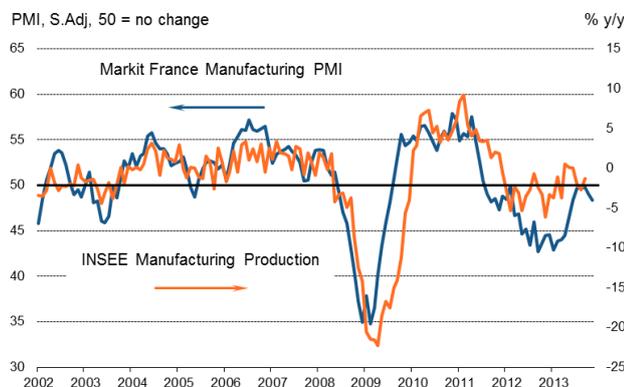
#### PMI sinks to five-month low as output and new orders fall at sharper rates

##### Key points:

- Fastest drop in incoming new work since May
- Rate of job shedding quickens
- Input prices rise at sharpest rate in 20 months

##### Historical overview:

Markit Manufacturing PMI v INSEE Manufacturing Production



Sources: Markit, INSEE

##### Summary:

Business conditions in the French manufacturing sector weakened during November. The headline **Purchasing Managers' Index® (PMI®)** – a seasonally adjusted index designed to measure the performance of the manufacturing economy – remained below the 50.0 no-change mark for a twenty-first consecutive month. At 48.4, down from 49.1 in October, the latest reading was the lowest since June.

**Production** levels in the French manufacturing sector decreased further in November, extending the current period of contraction to four months. Although modest, the rate of decline was the sharpest since June.

Lower output reflected a further drop in **new orders** received by French manufacturers. The latest fall in new work was the most marked in six months. Data suggested weak demand both domestically and abroad; new export orders were down for the first time in three months.

Reduced inflows of new orders allowed French manufacturers to make inroads into their **backlogs of work** in November. Outstanding business fell for the fourth month running, with the rate of decline accelerating to the fastest since May.

**Staffing levels** at French manufacturers were cut further in November, reflective of the decrease in workloads. The rate of job shedding quickened to the fastest since June.

Average **purchasing costs** faced by French manufacturers rose for a third consecutive month in November. The rate of input price inflation was the sharpest since March 2012, although remained weaker than the survey's historical average.

**Output prices** were broadly unchanged, with panellists reporting that strong competition had curtailed their ability to pass on higher input prices to clients.

**Suppliers' delivery times** lengthened further in November, with a number of panellists attributing this to low stock levels at vendors' units. The rate of deterioration in vendor performance was solid, despite easing to the weakest in three months.

Lower output and new orders resulted in French manufacturers scaling back their **purchasing activity** further in November. The volume of inputs bought by firms fell for a twenty-first successive month, and at the sharpest rate since May. Stocks of purchases declined accordingly.

**Stocks of finished goods** were also down in the latest survey period, with panellists commenting on

inventory streamlining policies and efforts to improve cashflow.

**Comment:**

**Jack Kennedy, Senior Economist at Markit** and author of the France Manufacturing PMI®, said:

*“The French manufacturing sector lost further ground in November, with key variables such as output, new orders and employment all showing sharper declines. The sector continues to struggle*

*amid a weak domestic demand environment and slumping confidence, while the latest data show a renewed fall in export sales as external demand fails to compensate. Manufacturers also face rising pressure on costs; input price inflation accelerated to a 20-month high in November but output prices were broadly unmoved in the face of strong competitive pressures.”*

-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)

Caroline Lumley, Corporate Communications  
Telephone +44-20-7260-2047  
Mobile +44-78-1581-2162  
Email [caroline.lumley@markit.com](mailto:caroline.lumley@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 November flash was based on 84% 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	0.4

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.

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).

**About Markit**

Markit is a leading, global financial information services company with over 3,000 employees. The company provides independent data, valuations and trade processing across all asset classes in order to enhance transparency, reduce risk and improve operational efficiency. Its client base includes the most significant institutional participants in the financial marketplace. For more information, see [www.markit.com](http://www.markit.com).

**About PMIs**

**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).

The intellectual property rights to the France Manufacturing PMI provided herein is owned by Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. 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 Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*® and *PMI*® are registered trade marks of Markit Economics Limited. Markit and the Markit logo are registered trade marks of Markit Group Limited.