

S&P Global Flash Eurozone PMI[®]

Eurozone output growth slows in March as input cost inflation hits highest for over three years

March 2026

Flash Eurozone PMI Composite Output Index: 50.5 (Feb: 51.9). 10-month low.

Flash Eurozone Services PMI Business Activity Index: 50.1 (Feb: 51.9). 10-month low.

Flash Eurozone Manufacturing Output Index: 51.7 (Feb: 51.9). 2-month low.

Flash Eurozone Manufacturing PMI: 51.4 (Feb: 50.8). 45-month high.

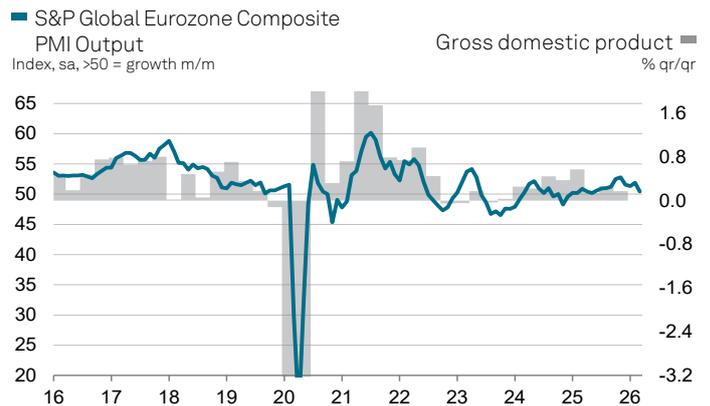
Provisional PMI[®] survey data for March pointed to a near-stalling of output growth in the eurozone private sector amid a reduction in new orders. Notably, the rate of input cost inflation accelerated sharply following the outbreak of war in the Middle East to the fastest in just over three years. Selling prices also rose at a sharper pace, but the acceleration was much less pronounced than seen for input costs. The war also caused disruption to supply chains, with manufacturers reporting the most marked lengthening of suppliers' delivery times in over three-and-a-half years. Meanwhile, companies scaled back employment marginally and were much less confident regarding the outlook for output over the coming year than had been the case in February.

Output and demand

The seasonally adjusted S&P Global Flash Eurozone Composite PMI Output Index, based on approximately 85% of usual survey responses and compiled by S&P Global, posted 50.5 in March, above the 50.0 no-change mark for the fifteenth consecutive month and signalling a further expansion in business activity across the euro area. That said, the latest reading was down from 51.9 in February, pointing to only a marginal expansion that was the weakest in ten months.

The slowdown in growth was in large part due to a near-stagnation of business activity in the service sector. Meanwhile, manufacturing production increased modestly, and at a pace that was only slightly slower than that seen in February.

Output continued to rise in Germany, helped by the fastest expansion in manufacturing production in over four years, but fell again in France. Meanwhile, the rest of the eurozone posted only a slight expansion in activity, one that was the weakest in 27 months.



Data were collected 12-20 March 2026.

Sources: S&P Global PMI, Eurostat via S&P Global Market Intelligence. © 2026 S&P Global

Comment

Chris Williamson, Chief Business Economist at S&P Global Market Intelligence:

“The flash Eurozone PMI is ringing stagflation alarm bells as the war in the Middle East drives prices sharply higher while stifling growth. Firms' costs are rising at the fastest rate for over three years amid the surge in energy prices and choking of supply chains resulting from the war. Supplier delays have jumped to their highest since mid-2022, largely linked to shipping issues.

“Output growth has meanwhile slowed to near-stagnation thanks to a slump in business confidence and deterioration of new orders. The drop in future output expectations was the largest recorded since Russia's invasion of Ukraine in 2022.

“The survey data are indicative of eurozone GDP growth slowing to a quarterly rate of just below 0.1% in March with the forward-looking indicators pointing to a heightened risk of a downturn the coming months. The survey's price gauge is meanwhile indicative of consumer price inflation accelerating close to 3%, with cost pressure likely to add still further to selling price inflation in the coming months.

“The outlook depends on the duration of the war and any potential lasting impact on energy and supply chains, but the flash PMI data underscore how the European Central Bank is no longer in a “good place” with respect to growth and inflation, and will have to tread a cautious path with respect to policy in the face of a clear and rising risk of stagflation in the coming months.”

The softer expansion of output was registered amid a renewed reduction in new orders, the first in eight months. The decline was centred on services as manufacturing new orders continued to rise.

New export orders (which include intra-eurozone trade) decreased modestly again, despite a near-stabilisation of manufacturing new export business. New orders from abroad have now fallen in each of the past 49 months.

Prices

A key feature of the March data was a marked acceleration in the rate of input cost inflation. Input prices increased at the fastest pace since February 2023. Steeper inflation was registered across both manufacturing and services, although the acceleration was more pronounced in manufacturing. Rates of increase quickened in Germany, France and in the rest of the euro area.

With input costs rising sharply, eurozone companies also increased their selling prices at a faster pace in March, although the acceleration in inflation was much less pronounced than that seen for costs. Nonetheless, charges rose at the steepest pace since February 2024.

Inventories and supply chains

As well as leading to higher input costs, the war in the Middle East also caused lengthening lead times for inputs in the eurozone manufacturing sector. Suppliers' delivery times lengthened substantially in March, and to the greatest extent since August 2022.

Difficulties in supply chains at the end of the first quarter coincided with a renewed expansion of manufacturing purchasing activity, ending a 44-month sequence of decline. That said, stocks of inputs and finished goods continued to fall, and to greater extents than seen in the previous month.

Employment

Meanwhile, employment decreased again in March, the third month running in which a marginal reduction in staffing levels has been recorded. The overall fall in workforce numbers was centred on the manufacturing sector, where job cuts have now been registered in each month since June 2023. The latest reduction was modest, but the most marked in three months. Meanwhile, services employment increased marginally, but to the smallest extent since last September.

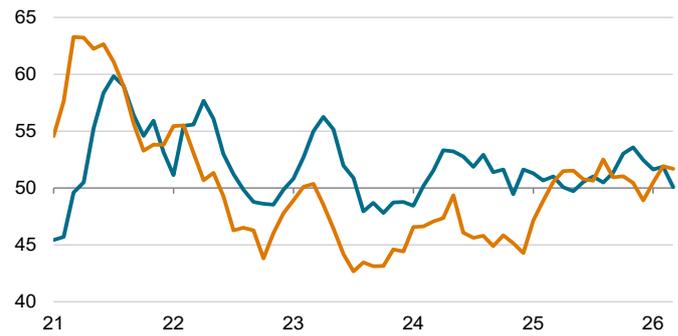
Staffing levels decreased in Germany and France, while the rest of the euro area posted the weakest rise in employment since November 2023.

Continuing the trend seen on a monthly basis throughout the past three years, companies were able to reduce their backlogs of work in March. The rate of depletion was only slight, however, and broadly in line with that seen in February.

Outlook

Business confidence fell sharply in the eurozone during March, and was the lowest in almost a year. The monthly drop in sentiment was the largest since the Russian invasion of Ukraine in early-2022. Companies continued to predict

■ Eurozone Services PMI Business Activity
■ Eurozone Manufacturing PMI Output
Index, sa, >50 = growth m/m



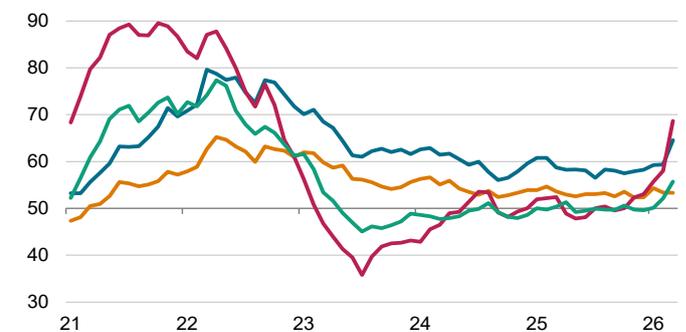
Source: S&P Global PMI. ©2026 S&P Global.

■ S&P Global Eurozone Manufacturing PMI
Index, sa, >50 = improvement m/m



Source: S&P Global PMI. ©2026 S&P Global.

■ Services PMI Input Prices
■ Services PMI Prices Charged
■ Manufacturing PMI Input Prices
■ Manufacturing PMI Output Prices
Index, sa, >50 = inflation m/m



Source: S&P Global PMI. ©2026 S&P Global.

a rise in output over the coming year, but the degree of optimism was below the series average.

Lower confidence was seen in manufacturing and services alike, as well as across the three geographies covered by the flash PMI release (Germany, France and the rest of the eurozone).

Contact

Chris Williamson
Chief Business Economist
S&P Global Market Intelligence
T: +44-779-5555-061
chris.williamson@spglobal.com

Andrew Harker
Economics Director
S&P Global Market Intelligence
T: +44-1491-461-016
andrew.harker@spglobal.com

Hannah Brook
EMEA Corporate Communications
S&P Global Market Intelligence
T: +44-7483-439-812
hannah.brook@spglobal.com
press.mi@spglobal.com

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Methodology

Final March data are published on 1 April for manufacturing and 7 April for services and composite indicators.

The S&P Global Flash Eurozone Composite PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of manufacturers in Germany, France, Italy, Spain, the Netherlands, Austria, Ireland and Greece, and of service providers in Germany, France, Italy, Spain and Ireland, totalling around 5000 companies. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

Manufacturing: Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

Services: Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services variable, at the national level. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Eurozone manufacturing and services indices are calculated by weighting together the national indices. National weights are calculated from annual manufacturing or services value added sourced from Eurostat.

Eurozone composite indices for are calculated by weighting together comparable Eurozone manufacturing and services indices using official eurozone manufacturing and services annual value added sourced from Eurostat.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing Purchasing Managers' Index™ (PMI®). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity

compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.0 (absolute difference 0.3)

Services Business Activity Index = -0.1 (absolute difference 0.3)

Manufacturing PMI = 0.0 (absolute difference 0.2)

S&P Global 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 S&P Global.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

S&P Global

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PMI by S&P Global

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