

PMI®

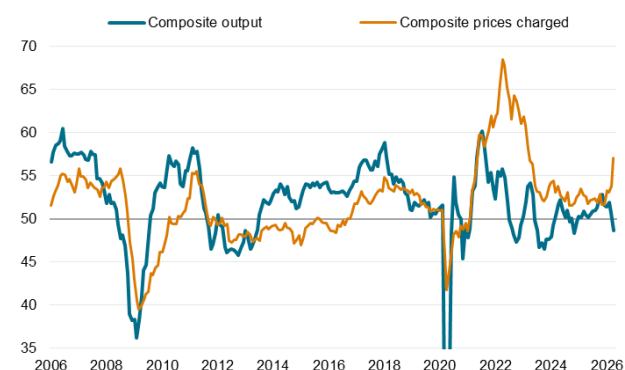
by S&P Global

Eurozone

April flash PMI signals eurozone economic decline and surging inflation as war impact intensifies

The flash Eurozone PMI indicates that the euro area is facing deepening economic woes from the war in the Middle East, presenting a headache for policymakers. The conflict has pushed the economy into decline in April, while driving inflation sharply higher. Increasingly widespread supply shortages meanwhile threaten to dampen growth further while adding more upward pressure to prices in the coming weeks.

Eurozone flash PMI output and selling prices

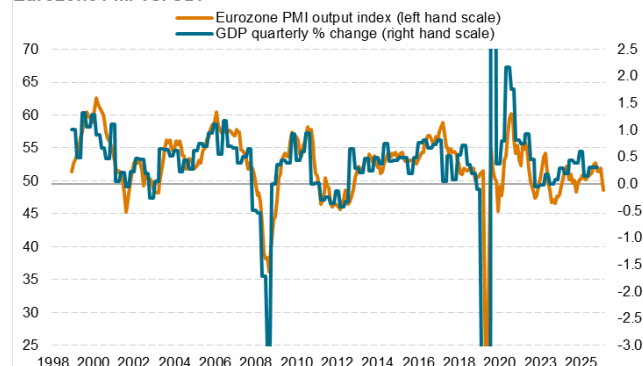


Data compiled April 23, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month, covers goods and services.
Source: S&P Global PMI, S&P Global Market Intelligence.
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Output falls in April

April's flash Eurozone PMI, compiled by S&P Global, has moved into contraction territory for the first time since late 2024. The PMI's headline output index dropped below the 50.0 no-change mark, posting 48.6 from a reading of 50.7 in March. The latest reading signals a 0.1% quarterly rate of GDP decline after a 0.2% gain had been signalled for the first quarter.

Eurozone PMI vs. GDP

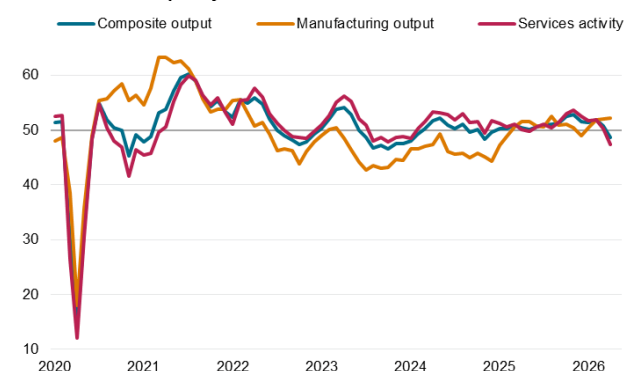


Data compiled April 21, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month, covers goods and services.
Sources: S&P Global PMI, Eurostat via S&P Global Market Intelligence.
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The survey shows the war is currently hitting the service sector hardest, where business activity is falling at a rate not seen since the pandemic lockdowns of early 2021. However, sustained growth of manufacturing output meanwhile seen in the April PMI comes with something of a sting in the tail, as demand for goods is being buoyed by stock building as companies scramble to secure purchases ahead of further price hikes or supply shortages.

Manufacturers have increased their buying of inputs to a degree not witnessed since early 2022 as supply chain delays have also risen to the most widespread since the pandemic.

Eurozone PMI output by sector

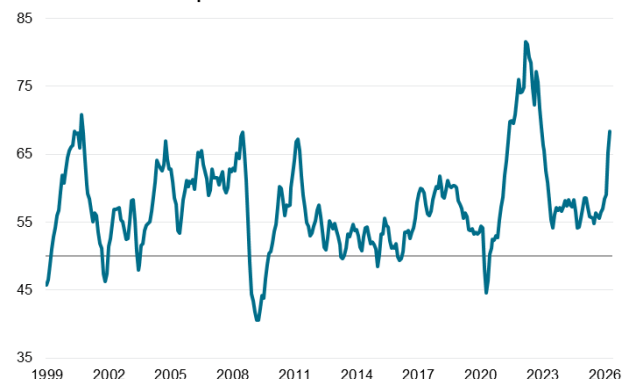


Data compiled April 23, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month.
Source: S&P Global PMI, S&P Global Market Intelligence.
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Price pressures surge higher

Input costs and selling prices have already jumped higher not just in response to higher energy costs but in a reflection of a broader upturn in commodity prices and mismatch of demand against constrained supply. If the COVID-19 pandemic is excluded, this is the biggest surge in cost pressures that we have recorded since 2000.

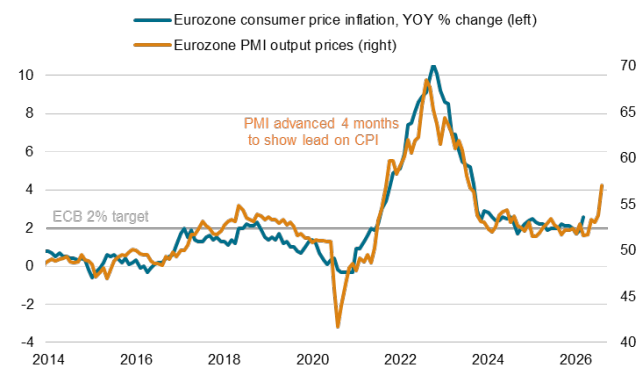
Eurozone flash PMI input costs



Data compiled April 23, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month, covers goods and services.
Source: S&P Global PMI, S&P Global Market Intelligence.
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Input costs increased in April at the fastest pace since the end of 2022, as rates of cost inflation quickened across both goods and services. In turn, output (or selling) price inflation hit a 37-month high. At this level, the PMI's prices charged index is indicative of consumer price inflation running near the 4% mark.

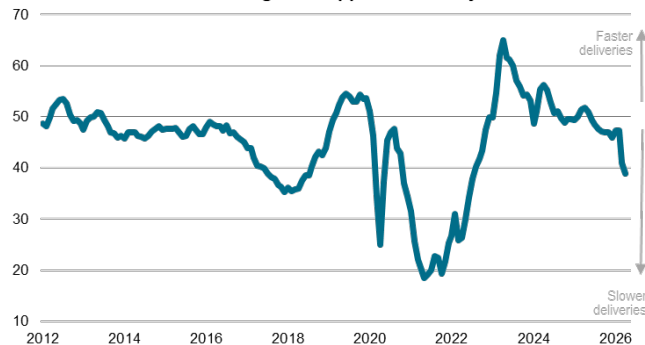
Eurozone inflation



Data compiled April 23, 2026.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month, covers manufacturing and services.
Source: S&P Global PMI, Eurostat.
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While high energy prices were widely cited in April, prices are rising for a wide variety of goods and services in part due to escalating supply shortages. Supplier delivery times – a key gauge of supply and demand imbalances and therefore of inflationary pressures in the pipeline – signalled the greatest lengthening of supplier lead-times since July 2022.

Eurozone flash Manufacturing PMI Suppliers' Delivery Times Index

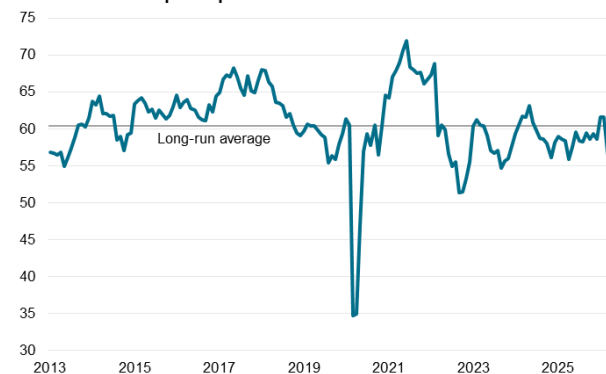


Data compiled April 23, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change in business conditions on prior month.
Source: S&P Global PMI, S&P Global Market Intelligence.
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Gloomier prospects

Not surprisingly, businesses are taking an increasingly gloomy view of the outlook, with sentiment now down to its lowest since late 2022.

Eurozone PMI output expectations



Data compiled April 23, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change in next 12 months, covers goods and services.
Source: S&P Global PMI, S&P Global Market Intelligence.
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Policy outlook

In this environment, the ECB once again has the unenviable task of deciding whether to raise interest rates in the face of the worrying inflation picture, or whether this price spike will prove temporary and its focus should instead be on the need to prevent the economy sliding into a deeper downturn. While postponing any decision could make either scenario worse, it would be understandable to see rate setters sit on their hands and await more clarity on the situation, both in terms of the conflict and the assessment of the eurozone's economic health

Access the press release [here](#).

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