

G4 economies flash PMI

Flash PMIs highlight growing stagflation risks among the major developed economies

S&P Global's flash PMI data showed output growth continuing to run at only a very modest rate across the major developed economies in April, as the war in the Middle East dampened demand.

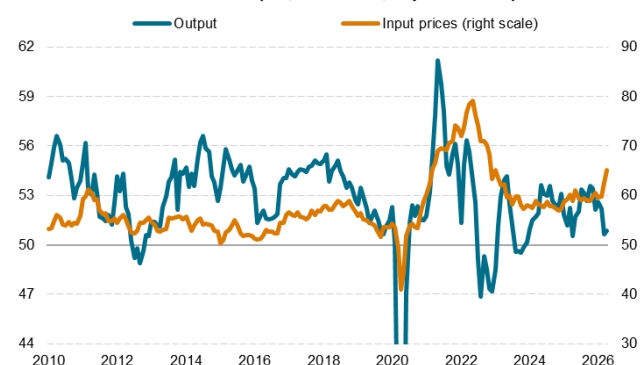
Hardest hit have been the service sectors, which collectively reported the first drop in demand since late 2023. While manufacturing output growth accelerated, the improvement was buoyed by firms building safety stocks for items facing supply availability issues or likely to rise in price.

Supply delays are already their most widespread since 2022 in all major developed economies, while prices are also reported to have been rising at sharply increased rates, likely in all cases to feed through to marked accelerations in consumer price inflation.

The combination of falling demand and surging price growth points to the growing risk of stagflation in the major developed economies, in turn presenting dilemmas for central banks.

While high inflation generally warrants higher interest rates to dampen demand, sluggish growth generally warrants lower interest rates to stimulate demand.

Flash PMI for G4 economies (US, eurozone, Japan and UK)



Data compiled April 23, 2026.
PMI covers manufacturing and services. 50 = no change on prior month. Pandemic lows excluded.
Source: S&P Global PMI.
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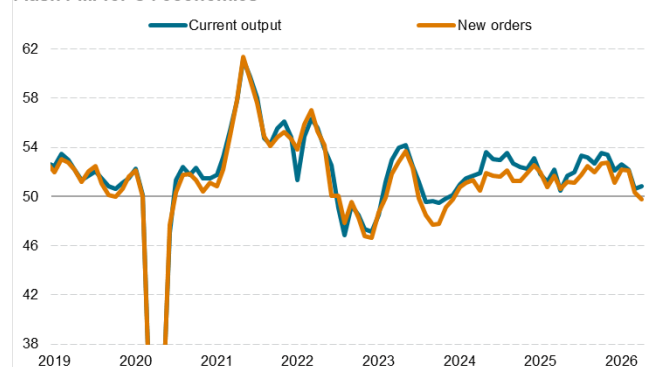
Developed economies report falling demand as war impact hits

Business activity growth across the four largest developed economies – the US, eurozone, Japan and UK, the 'G4' – continued to grow in April, but at only a very modest pace, constrained by the first drop in new business placed at companies for the first time since 2023.

Since the outbreak of war at the end of February, S&P Global's PMI's output index for the G4 economies has averaged just 50.8 (a reading of 50.7 in March was followed by a flash estimate of 50.9 in April), signalling only very modest growth and down from an average of 52.4 in the opening two months of the year. The past two months have therefore seen the weakest growth spell since the start of 2024.

The G4 PMI new orders index meanwhile fell below the 50.0 no change level in April for the first time since December 2023 to indicate a marginal drop in aggregate demand for goods and services.

Flash PMI for G4 economies



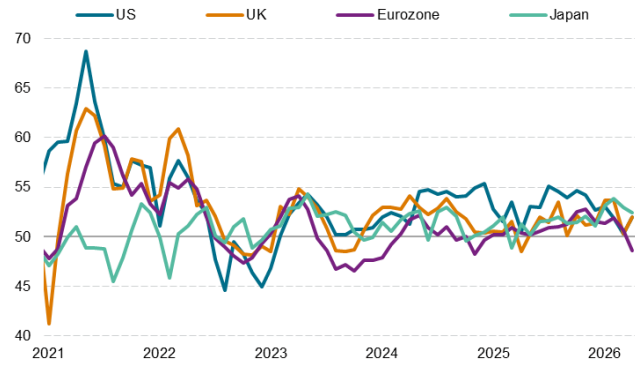
Data compiled April 23, 2026.
PMI covers manufacturing and services. 50 = no change on prior month. Pandemic lows excluded.
Source: S&P Global PMI.
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Worst hit by the war of the G4 economies has been the eurozone, where output fell in April for the first time since late 2024. Eurozone new orders fell for a second month running, dropping at the fastest rate since November 2024.

Both the US and UK meanwhile reported modest rebounds in output from near-stalled positions in March, though in both cases growth remained well below rates seen at the start of the year thanks to very subdued order book growth.

While Japan reported the strongest increase in output of the G4, its growth rate faded for a second successive month to the slowest since December.

Flash PMI output indicators of 'G4' economies



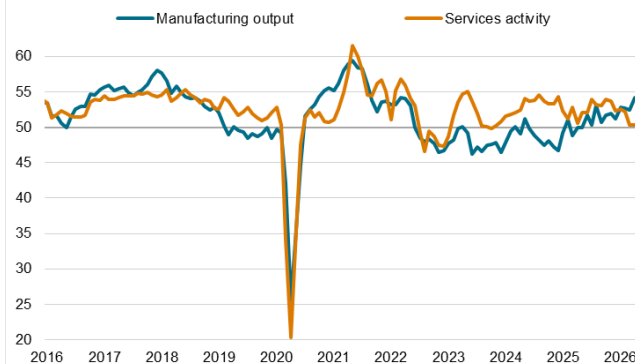
Data compiled April 23, 2026.
PMI covers manufacturing and services. 50 = no change on prior month.
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Service sector hardest hit

The principal area of weakness was the service sector, where growth across the G4 remained largely stalled in April, having slowed sharply in March. Inflows of new business into the G4 services economies fell for the first time since November 2023.

Service sector activity in the eurozone contracted at the fastest rate since the COVID-19 lockdowns in early-2021, while only modest gains were seen in both the US and Japan. A more substantial rise was seen in the UK, though even here the rate of services growth fell well short of that recorded earlier in the year.

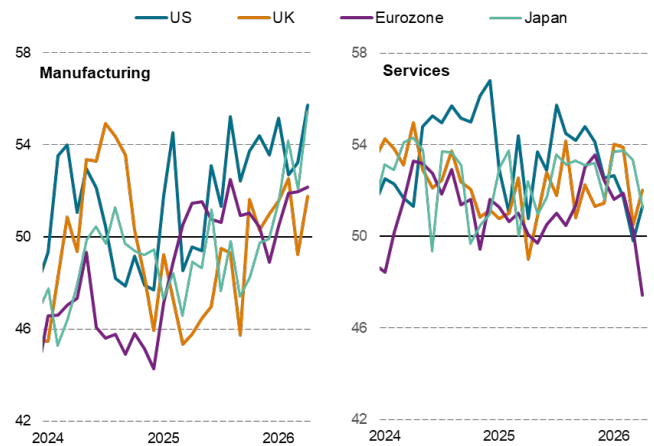
Flash PMI output of 'G4' developed economies



Data compiled April 23, 2026.
G4 PMI covers the US, Eurozone, UK and Japan. 50 = no change on prior month.
Sources: S&P Global PMI.
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In contrast, manufacturing output growth accelerated across each G4 economy, rising on aggregate at the fastest rate since August 2021, during the pandemic. However, as seen in the pandemic, factory output growth has been boosted since the outbreak of war by stock building among producers and their customers, reflecting an eagerness to either prepare for supply shortages or to build stock before prices rises further.

Flash PMI output of 'G4' developed economies



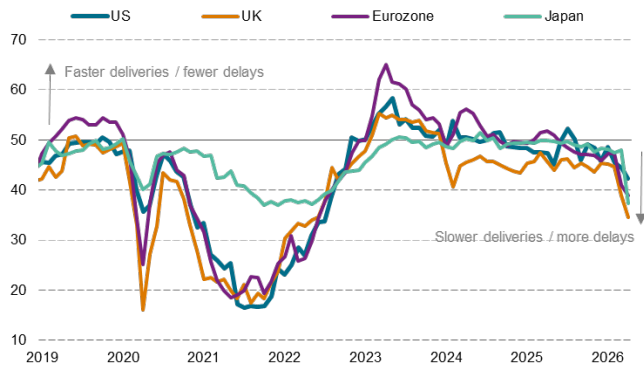
Data compiled April 23, 2026.
G4 PMI covers the US, Eurozone, UK and Japan. 50 = no change on prior month.
Sources: S&P Global PMI.
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Supply delays at highest since 2022

Concerns over supply shortages were highlighted by supplier delivery times lengthening across the G4 on average to the greatest extent since July 2022. The incidence of delays spiked higher in all four economies to extent not seen since 2022, though the highest incidence was reported in the UK followed by Japan. The latter was noteworthy in that the extent of delays broadly matched that seen in the early days of the pandemic, reflecting Japan's relatively greater reliance on shipments through the Strait of Hormuz.

Shortages were reported for fuel and fuel-based products as well as a wide variety of other inputs ranging from foodstuffs to chemicals and plastics to metals.

Flash PMI, manufacturing supplier delivery times

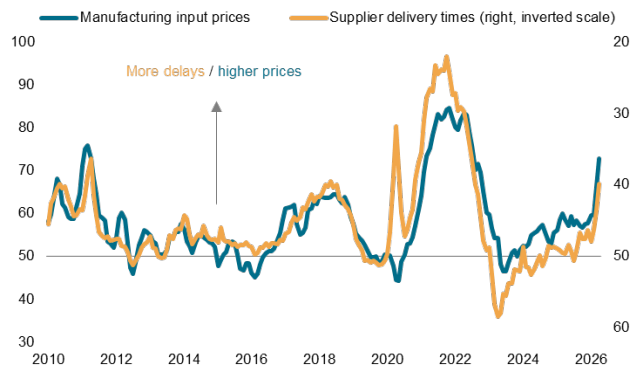


Data compiled April 23, 2026.
PMI based on 50 = no change on prior month.
Source: S&P Global PMI.
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Prices spike higher

Delivery delays are commonly linked to upward price pressures ([read more about the PMI Suppliers' Delivery Times Index here](#)), and input prices rose sharply as a result in the spike in supply shortages seen in April, rising in manufacturing across the G4 at the steepest pace since July 2022.

G4 economies flash manufacturing PMI: Supply chains and prices

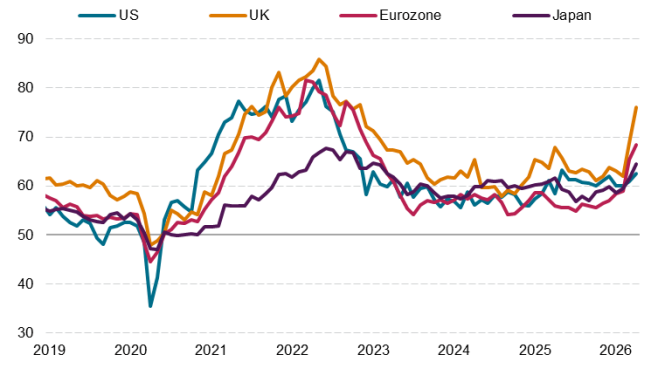


Data compiled April 23, 2026.
PMI of 50 = no change on prior month. G4 is a weighted average of US, Eurozone, UK and Japan.
Source: S&P Global PMI.
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However, prices rises were not confined to manufactured goods, with services input costs across the G4 also rising sharply and at the steepest pace since April 2023.

Upward input cost pressures were reported in all G4 economies, through with the UK reporting the steepest rise and the US the slowest.

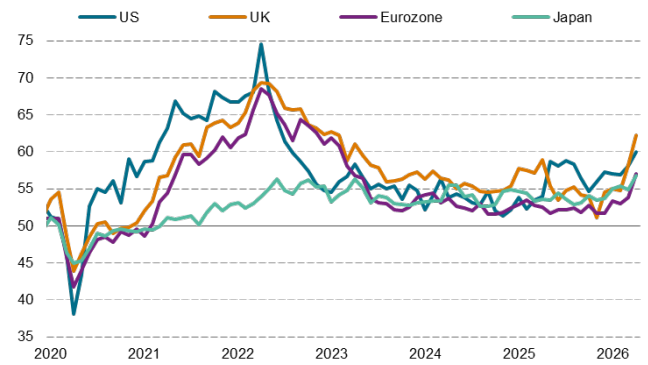
Flash PMI input price indicators of 'G4' economies



Data compiled April 23, 2026.
PMI covers manufacturing and services. 50 = no change on prior month.
Source: S&P Global PMI.
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Higher costs fed through to higher selling prices for both goods and services, with overall rates of inflations climbing sharply higher in all G4 economies. The UK reported the steepest rate of increase followed by the US, where the impact of the war exacerbated existing tariff-related price pressures.

Flash PMI output price indicators

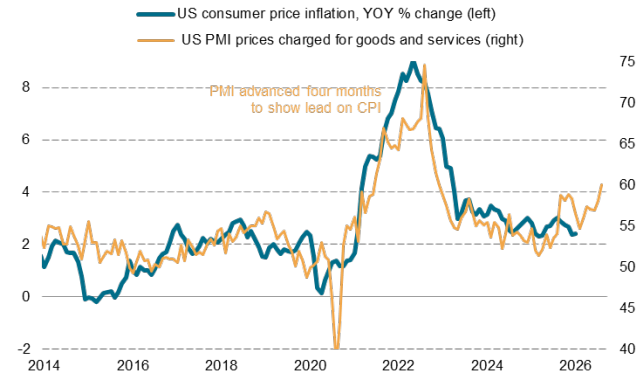


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PMI covers manufacturing and services. 50 = no change on prior month.
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Higher inflation

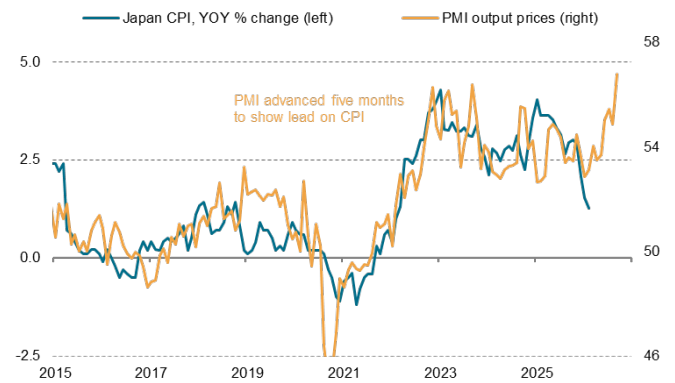
In all cases, the PMI data point to marked increases in consumer price inflation in the coming months as war-related price hikes feed through to households.

US inflation vs. S&P Global US flash PMI price index



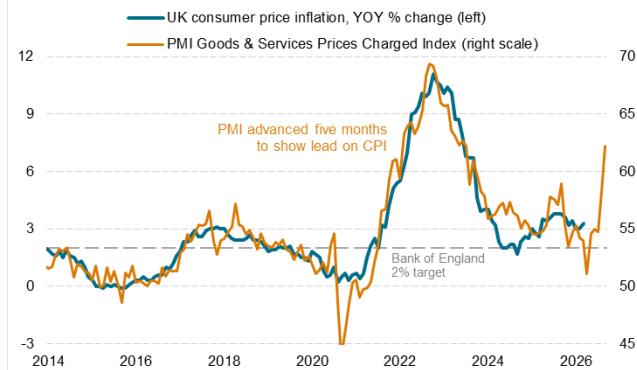
Data compiled April 23, 2026 using flash PMI data for April.
 PMI covers manufacturing only pre-2009 but manufacturing & services thereafter.
 Source: S&P Global PMI, BEA via S&P Global Market Intelligence.
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Japan inflation



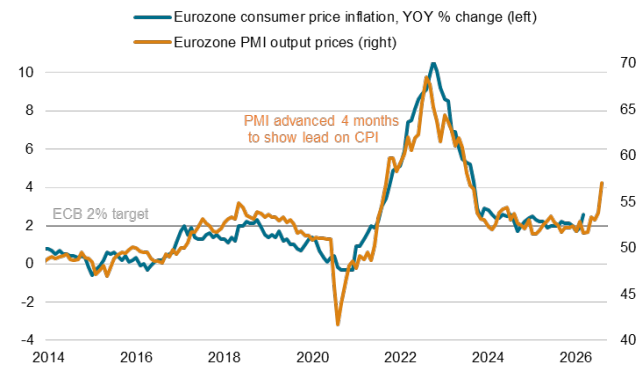
Data compiled April 23, 2026 with flash PMI data to April.
 PMI (Purchasing Managers' Index) value of 50 = no change on prior month, covers manufacturing and services.
 Source: S&P Global PMI, CEIC.
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UK consumer price inflation



Data compiled April 23, 2026.
 PMI based on 50 = no change on prior month, covers manufacturing and services.
 Source: S&P Global PMI, ONS via S&P Global Market Intelligence.
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Eurozone inflation



Data compiled April 23, 2026.
 PMI (Purchasing Managers' Index) value of 50 = no change on prior month, covers manufacturing and services.
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