

PMI[®]by **S&P Global**

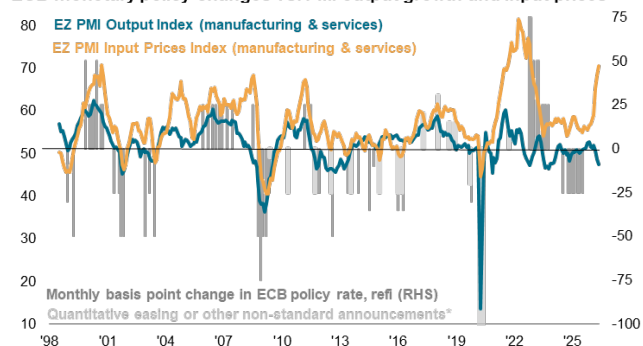
Eurozone

Eurozone flash PMI signals deepening downturn as war drives prices higher

May's flash PMI survey data show the eurozone economy taking an increasingly severe toll from the war in the Middle East. Output has now contracted for two successive months, job losses have become more widespread, and the region's supply shock from the war is intensifying. Supply shortages threaten not only to constrain growth in the coming months but also have the potential to add further upward pressure to inflation, which the survey price gauges already hint at rising sharply in the coming months.

Combined with the growing signs of the region slipping into an economic downturn, the coming inflation spike creates a deepening dilemma for policymakers.

ECB monetary policy changes vs. PMI output growth and input prices

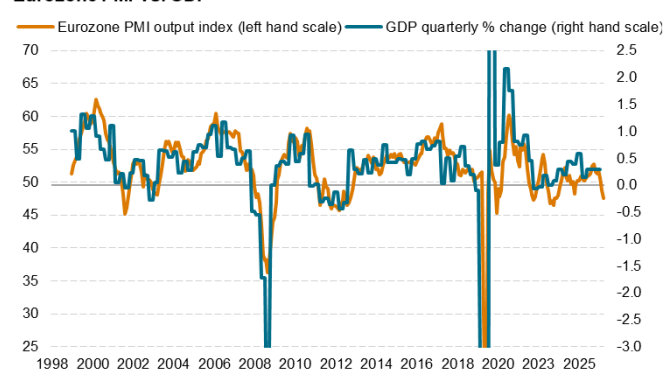


Data compiled May 21, 2026 including flash PMI May data.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month. QE bars illustrative size only.
Sources: S&P Global PMI, S&P Global Market Intelligence, ECB.
© 2026 S&P Global.

Output falls at fastest rate since October 2023

The Eurozone PMI, compiled by S&P Global, has moved deeper into contraction territory in May, according to the early 'flash' estimate. The PMI posted 47.5, down from 48.8 in April and below the 50.0 no-change mark for a second successive month. The latest reading signalled the sharpest downturn for just over two-and-a-half years, and indicates that the euro area economy looks set to contract by 0.2% in the second quarter.

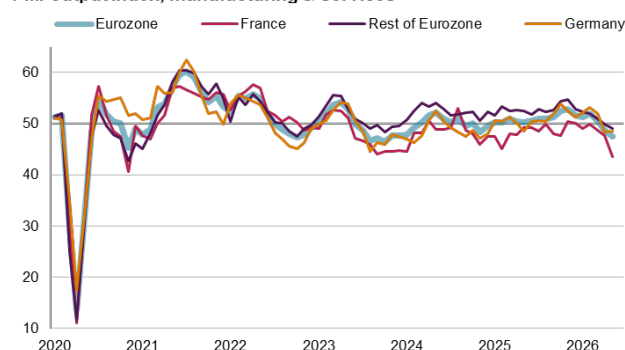
Eurozone PMI vs. GDP



Data compiled May 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.
© 2026 S&P Global.

French firms signalled a particularly marked reduction in output during May, reporting the largest drop in output since November 2020, but business activity also decreased in Germany and across the rest of the eurozone as a whole.

PMI output index, manufacturing & services



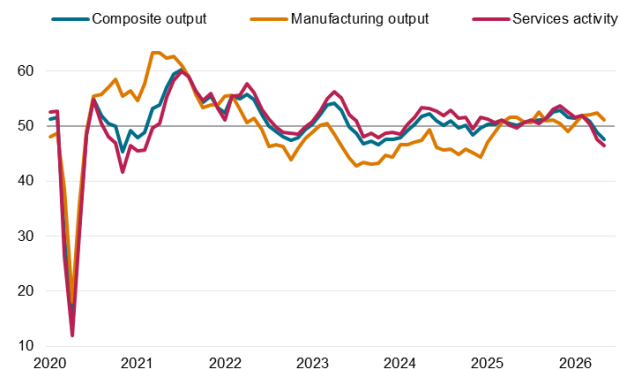
Data compiled May 21 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month, covers goods and services.
Source: S&P Global PMI, S&P Global Market Intelligence.
© 2026 S&P Global.

Service sector contracting at steepest rate since 2021

The service sector is being hit especially hard by the surge in the cost of living created by the war, notably via the demand-sapping impact of higher energy prices. However, consumer-oriented sectors such as travel and tourism are also being affected by the war, and financial services firms have noted the damaging impact of higher interest rate expectations. May consequently saw service sector activity

decrease at the fastest pace since the COVID-19 disruptions in February 2021.

Eurozone PMI output by sector



Data compiled May 21, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month.
Source: S&P Global PMI, S&P Global Market Intelligence.
© 2026 S&P Global.

Manufacturing aided by stockpiling

On the other hand, manufacturing production continued to increase slightly in May, extending the current sequence of growth to five months. The rate of expansion was the slowest since January, however, as new orders ticked down despite ongoing widespread reports of inventory building ahead of further potential price hikes and supply shortages, as had been commonly reported in April.

The data suggest that, while there has been some support to manufacturing from precautionary stock building, this boost is starting to fade, with demand for both goods and services now in decline.

Eurozone PMI new orders by sector



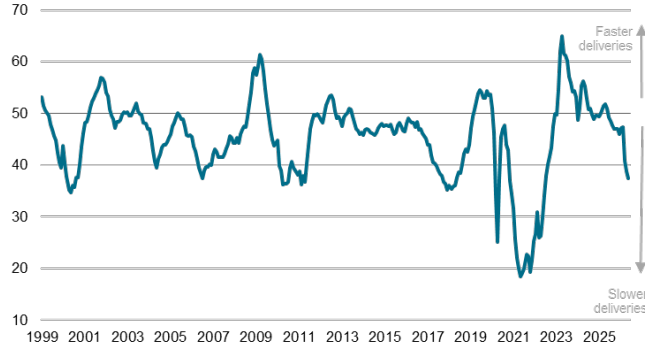
Data compiled May 21, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month.
Source: S&P Global PMI, S&P Global Market Intelligence.
© 2026 S&P Global.

Intensifying supply shock

The region's supply shock from the war is meanwhile intensifying, as indicated by increasingly widespread supply chain delays. Suppliers' delivery times lengthened markedly in May, and to the largest degree in just under four years. Alongside the direct impact of shipping delays due to the closure of the Strait of Hormuz, the scramble to

secure supplies more generally has exacerbated shipping-related issues.

Eurozone flash Manufacturing PMI Suppliers' Delivery Times Index



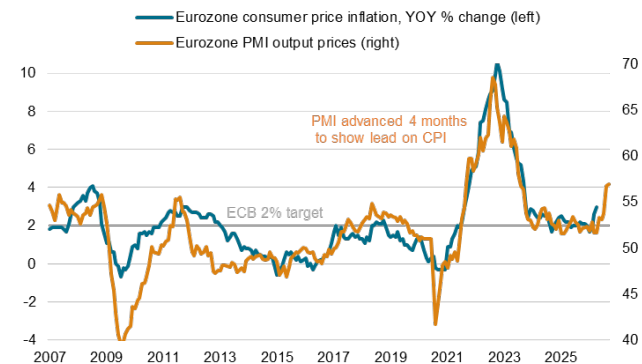
Data compiled May 21, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change in business conditions on prior month.
Source: S&P Global PMI, S&P Global Market Intelligence.
© 2026 S&P Global.

Price surge

Supply shortages threaten not only to constrain growth in the coming months but also have the potential to add further upward pressure to inflation.

The rise in the survey's price selling price gauge to a 38-month high already hints at inflation running close to 4% in the coming months which, combined with the growing signs of the region slipping into an economic downturn, creates a deepening dilemma for policymakers.

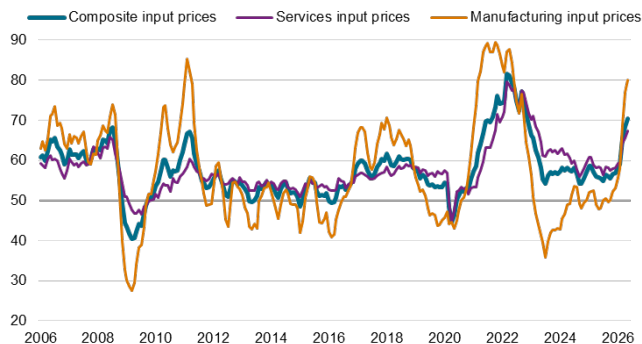
Eurozone inflation



Data compiled May 21, 2026.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month, covers manufacturing and services.
Source: S&P Global PMI, Eurostat.
© 2026 S&P Global.

The rate of input cost inflation meanwhile quickened for the seventh consecutive month in May, hitting a four-year high. Steeper rises were seen across both the manufacturing and services sectors, which is likely to put further upward pressure on selling prices in the near-term.

Eurozone PMI input prices



Data compiled May 21, 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.

© 2026 S&P Global.

Darker outlook

Business gloom about the year ahead outlook intensified in this environment of falling sales and surging costs.

Sentiment is down to its lowest since September 2023, and well below the survey's long run average. That said, confidence did not slip markedly further compared to April, providing some good news to cling to.

Eurozone PMI output expectations



Data compiled May 21, 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.

© 2026 S&P Global.

Access the press release [here](#).

Links to more resources

- [Sign up to receive updated commentary in your inbox here.](#)
- [Calendar of upcoming PMI releases](#)
- [Running commentary on the PMI survey findings](#)
- [PMI Frequently Asked Questions](#)
- [Background to the PMIs \(video\)](#)
- [Understanding the headline PMI and its various subindices](#)
- [PMI data use-case illustrations](#), from nowcasting to investment strategy
- [PMI podcasts](#)
- [How to subscribe](#) to PMI data

CONTACT US

Chris Williamson

Chief Business Economist
S&P Global Market Intelligence
London

T: +44 779 5555 061

chris.williamson@spglobal.com

The Americas

+1-877-863-1306

EMEA

+44-20-7176-1234

Asia-Pacific

+852-2533-3565

spglobal.com/marketintelligence/en/mi/products/pmi.html