PMI®

by S&P Global

Eurozone

Eurozone flash PMI signals cooler inflation amid sustained expansion of output

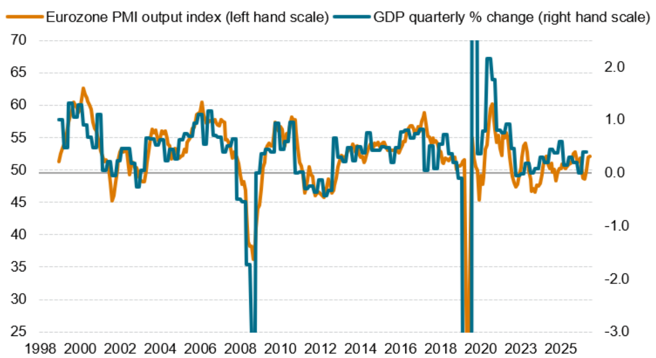
The eurozone economy gained further momentum in August, with the flash Composite PMI rising to its highest level since last November and pointing to solid third-quarter GDP growth. Manufacturing led the upturn, especially in Germany, while services growth was supported by rising demand outside the two largest economies. Hiring returned for the first time this year and price pressures eased, though inflation remains high enough to sustain a hawkish bias among policymakers.

Eurozone set for solid third-quarter GDP growth

The headline S&P Global Flash Eurozone Composite PMI Output Index edged up to 52.1 in August from 52.0 in July, its highest since last November.

The sustained solid rise in business activity in August sets the eurozone up for a robust increase in third-quarter GDP of around 0.3%.

Eurozone PMI vs. GDP

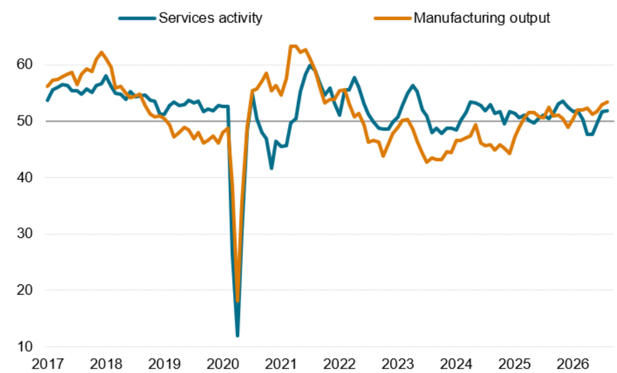


Data compiled August 21, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month, covers goods and services.
Sources: S&P Global PMI, Eurostat via S&P Global Market Intelligence.
© 2026 S&P Global.

Manufacturing upturn supported by sustained services expansion

The manufacturing sector is again the star performer, enjoying its strongest growth for four-and-a-half years, with the services economy providing a supporting role, notching up another month of decent growth after the malaise seen in the second quarter.

Eurozone PMI output by sector



Data compiled August 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.

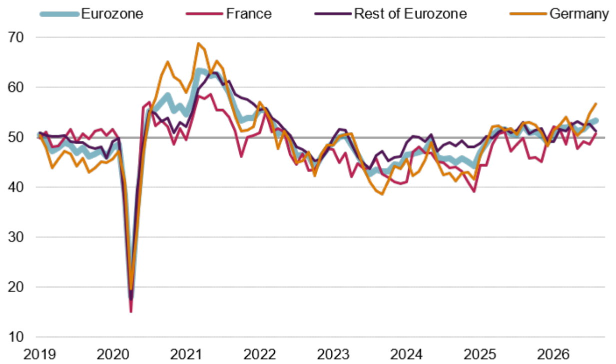
German factory boom accompanied by rising services demand in the periphery

The improved manufacturing growth picture was in large part centred on Germany, where production rose at the fastest pace since January 2022. However, a fifth straight month of falling services activity meant overall business growth in Germany was only modest in August. France, meanwhile, posted a further decline. Output here has fallen continually this year. However, the rest of the euro area as a whole fared better, reporting the fastest expansion since April 2022.

We are again seeing reports of precautionary stock building helping support the goods-producing sector amid the ongoing supply chain disruptions emanating out of the Middle East, with supply chain delays again remaining worryingly widespread in August. However, there are also encouraging signs of rising demand for AI-related tech goods and rising equipment demand, thanks to higher defence spending, notably helping Germany in particular achieve increasingly impressive production gains.

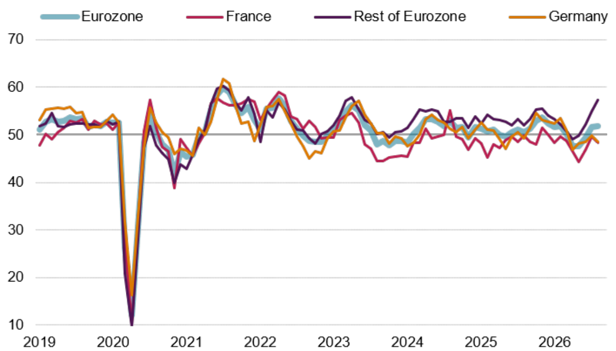
In the service sector, rising tourism spending is helping boost economic growth, but notably outside of France and Germany.

PMI manufacturing output index



Data compiled August 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.

PMI services output index

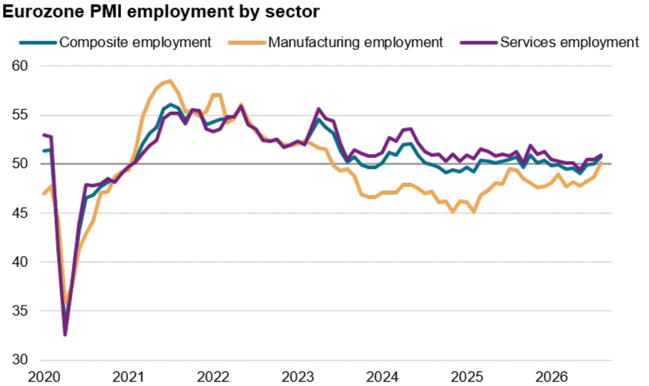


Data compiled August 21, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month, covers goods and services.
Source: S&P Global PMI, S&P Global Market Intelligence.

Hiring improves

The flash PMI also showed companies in the eurozone adding to workforce numbers in August for the first time so far this year. Service providers upped their rate of job creation during the month, while manufacturing employment increased fractionally, ending a sequence of job shedding that has extended for over three years.

Eurozone PMI employment by sector

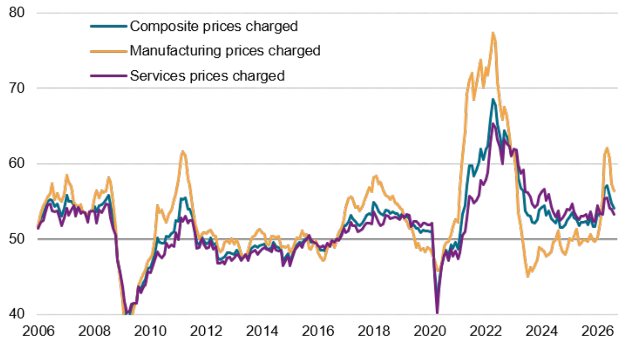


Data compiled August 21, 2026.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month.
Source: S&P Global PMI, S&P Global Market Intelligence.

Eurozone inflationary pressures ease further

Although high prices reportedly continue to dampen demand, price pressures have shown signs of further easing. Policymakers will be especially encouraged to see services selling price inflation back down to the joint-lowest so far this year (alongside March), with goods price inflation also continuing to moderate.

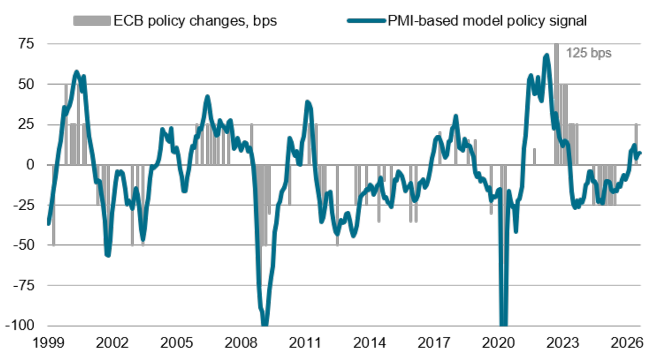
Eurozone PMI prices charged by sector



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

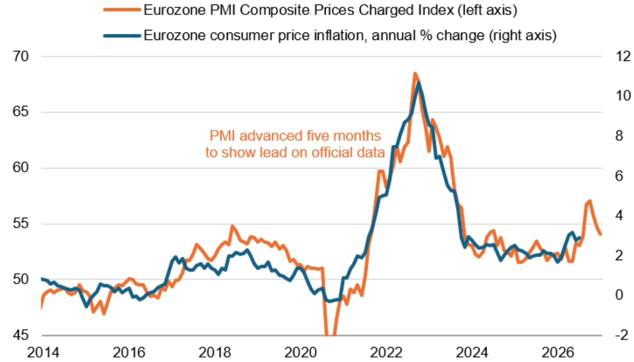
However, with the flash PMI signalling solid third-quarter GDP growth, a return to hiring by companies for the first time this year, and inflation remaining elevated by historical standards, a hawkish bias is likely to be maintained and further imminent rate hikes cannot be ruled out.

PMI-based ECB policy indicator



As of August 21, 2026.
PMI model based on survey output, input price and employment variables. Pandemic exterme omitted.
Policy rate is Refi prior to 2014, Deposit Rate thereafter.
Source: S&P Global PMI, S&P Global Market Intelligence, ECB.

Eurozone PMI vs. inflation



Data compiled August 21 2026.
PMI 50 = no change on prior month. All data seasonally adjusted. Axes may be clipped to remove extremes.
Source: S&P Global PMI, Eurostat
© 2026 S&P Global.

Access the press release here.

More PMI resources and Eurozone economic analysis

- **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	EMEA	Asia-Pacific
+1-877-863-1306	+44-20-7176-1234	+852-2533-3565

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