

MONTHLY BUSINESS SURVEY

According to the business leaders surveyed (approximately 8,500 companies and establishments questioned between 27 September and 5 October), activity continued to rise in industry in September, while accelerating in market services and remaining broadly stable in construction. In industry, the increase was weaker than expected and concealed significant disparities across sectors: production remained strong in aeronautics, but was subdued again in wood, paper and printing and in rubber, plastics and glass. Industrial order books were also mixed, with aeronautics and electrical equipment reporting particularly strong orders, and other sectors indicating a deterioration.

In market services, activity was supported by business services but declined in transportation and in food and beverage services. In construction, activity rose only marginally, despite a rebound in structural works fuelled by a catch-up in work delayed by the summer heatwaves. Cash positions deteriorated slightly in industry and more noticeably in

services. For October, business leaders expect industrial production to accelerate. In market services, activity is expected to continue expanding, albeit at a slower pace, while construction activity is seen remaining almost stable.

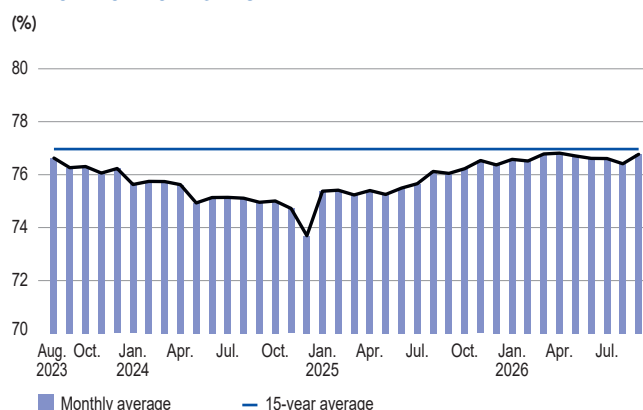
Uncertainty rose significantly in September, interrupting the downward trend observed since the peak in March. Concerns centred mainly on fuel prices, the broader economic environment and purchasing power. Supply difficulties remained stable overall, although they were particularly acute in some fast-growing industrial sectors. Industrial firms also reported further rises in input prices, which they were only partially able to pass through to selling prices, resulting in margin compression. Recruitment difficulties increased slightly and were reported by 18% of surveyed firms.

Based on the survey results, together with other available indicators, we estimate that GDP grew by 0.1% in the third quarter.

1. In September, activity picked up in industry and market services but remained little changed in construction

After strengthening in August, **industrial production** continued to rise in September, but growth remained below its long-term average rate and was significantly weaker than anticipated. However, this softer performance does not point to a widespread weakening in demand, as deliveries remained robust and production in some sectors was constrained by supply difficulties.

THE CAPACITY UTILISATION RATE

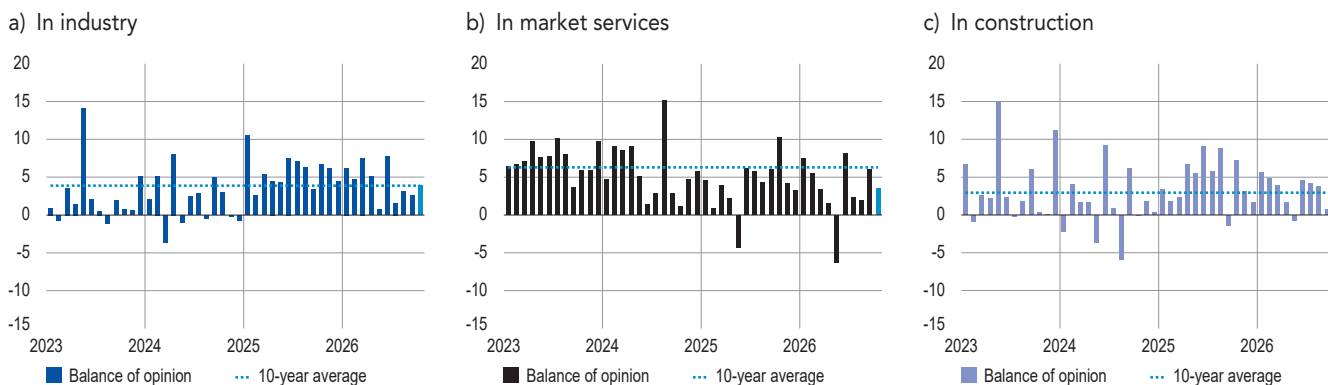


For further information, see the [methodology](#), the [calendar of statistical publications](#), the [contacts](#) and all the series published by the Banque de France are available at [WEBSTAT Banque de France](#)

[Monthly business survey Banque de France: industry, services and construction – video](#)

BALANCE OF OPINION ON THE OUTLOOK FOR ACTIVITY

(balance of opinion, adjusted for seasonal and working-day variations; forecast for October)



Note: The balance of opinion on the change in activity (which measures the difference between the proportion of businesses reporting an increase in activity and the proportion reporting a fall over the past month) stood at 3 percentage points for September in industry. For October (light blue bar), business leaders in industry expect activity to increase by 4 percentage points.

Developments varied across sectors. In electrical equipment, production eased from the high levels seen in mid-August, against a backdrop of supply difficulties. However, demand and order books remained particularly strong, supported notably by data centres. In rubber, plastics and glass, activity remained subdued amid persistent weakness in demand, particularly from the construction sector. In wood, paper and printing, activity stabilised after two consecutive months of declines, supported by cardboard packaging manufacturers preparing end-of-year orders. However, the wood industry continued to be affected by a shortage of orders.

By contrast, the aeronautics sector remained buoyant despite ongoing supply chain pressures. Activity also rose in the agri-food sector, as well as in metal and metal products and automobile manufacturing. In wearing apparel, textiles and footwear, production rebounded sharply, partly reflecting the catch-up in orders delayed over the summer. In computer, electronic and optical products, production growth was weaker than expected, despite strong demand linked to defence-related activities.

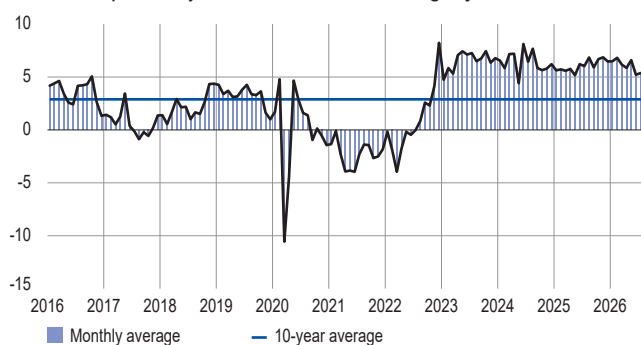
Inventories of finished goods increased slightly in September, particularly in the agri-food sector, where firms are building up stocks in anticipation of price increases. Inventories also rose in aeronautics, reflecting both the ramping up of output and continued supply chain pressures.

The capacity utilisation rate edged up to 76.8% in September from 76.4% in August. It was particularly high in computer, electronic and optical products, although down slightly on the previous month. In aeronautics, capacity utilisation rebounded sharply, reflecting strong activity. However, it remained low in wood, paper and printing and in rubber, plastics and glass.

In **market services**, activity accelerated in September, in line with expectations and its long-term trend. The accommodation sector benefited from strong tourist inflows and the return of business travel following the summer break. Publishing, particularly software publishing, remained robust, while activity continued to expand in legal and accounting services, which

INVENTORIES OF FINISHED GOODS IN INDUSTRY

(balance of opinion, adjusted for seasonal and working-day variations)



are still benefiting from the roll-out of electronic invoicing. Activity also strengthened in engineering. Temporary work rebounded sharply, driven by demand from the automobile, IT and agri-food sectors. However, transport services reported lower activity, reflecting high fuel prices and subdued demand. Food and beverage services activity also declined amid continued weakness in consumer spending.

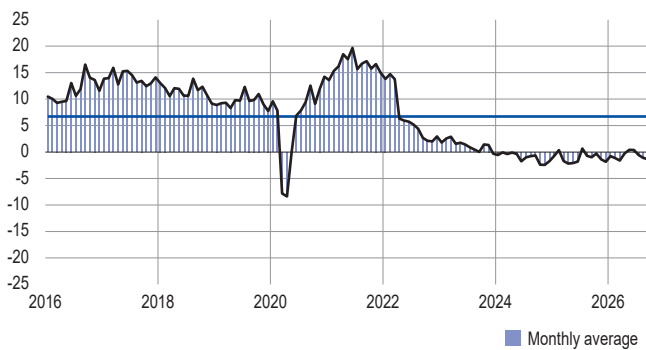
In **construction**, activity rose marginally in September, at below its long-term average rate. It rebounded in structural works, thanks in part to the catch-up in work delayed by the summer heatwaves. However, the improvement does not reflect a pick-up in underlying demand, and order books remain thin, particularly in the construction of single-family homes. In finishing works, activity slowed after being boosted over the summer by the installation of air-conditioning and heat-protection systems. Order books also deteriorated over the month.

In **industry**, cash positions worsened slightly in September and continued to vary markedly across sectors. They remained strained in chemicals, wood, paper and printing, rubber, plastics and glass, and metal and metal products, where weak demand and rising input costs are weighing on margins. By contrast, cash positions remained favourable in aeronautics and improved markedly in computer, electronic and optical products.

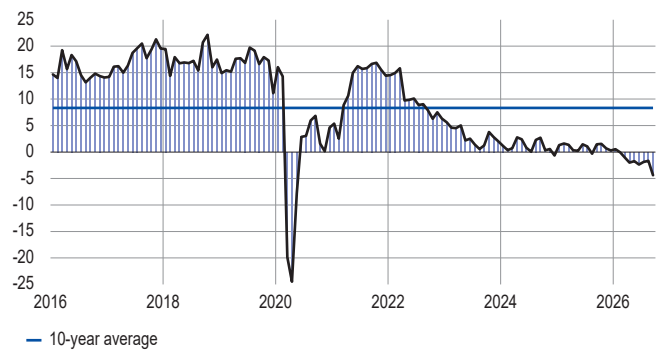
CASH POSITION

(balance of opinion, adjusted for seasonal and working-day variations)

a) In industry



b) In market services



In **market services**, cash positions deteriorated more noticeably than the previous month, despite the pick-up in activity. They were particularly tight in food and beverage services, where weak consumer spending is weighing on performances. They were also under pressure in management consultancy, and worsened in business services, notably in legal and accounting services and engineering, where payment times are particularly long. By contrast, cash levels were still deemed favourable in publishing and information services.

2. In October, activity is expected to accelerate in industry, slow in services and remain stable in construction

In October, business leaders expect **industrial production** to accelerate. Activity should strengthen in computer, electronic and optical products, where order books remain well-filled despite the decline in new orders in September. It should also remain buoyant in aeronautics. The electrical equipment sector is expected to rebound sharply after September's decline, driven by continuing strong demand. Business leaders also anticipate a recovery in wood, paper and printing and in other manufacturing industries. However, automobile output is expected to fall markedly, notably due to temporary stoppages at several sites caused by supply difficulties.

At the end of September, **order books** varied significantly across sectors. They were particularly well-filled in aeronautics and electrical equipment, and healthy in computer, electronic and optical products, supported by demand linked to aeronautics, defence, electrification and digital infrastructure. By contrast, order books were very thin in chemicals, wood, paper and printing, and rubber, plastics and glass, where weak demand is continuing to weigh on the outlook.

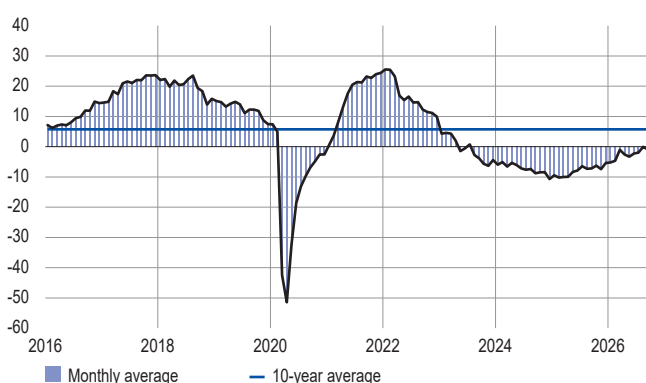
In **market services**, business leaders expect activity to continue expanding in October, but at a slower pace than in September. This moderation reflects a normalisation of activity after the sharp rebounds in accommodation and temporary work in September. Temporary work should nonetheless remain robust, supported by demand from several industrial sectors. Publishing activity is also expected to remain buoyant. In transportation and food and beverage services, activity is expected to recover after declining in September. It should rise more slowly in computer programming and consultancy, as well as in engineering.

In **construction**, business leaders expect activity to remain almost unchanged in October. It should decline in structural works following the rebound in September, which was driven by a catch-up in work delayed by the summer heatwaves.

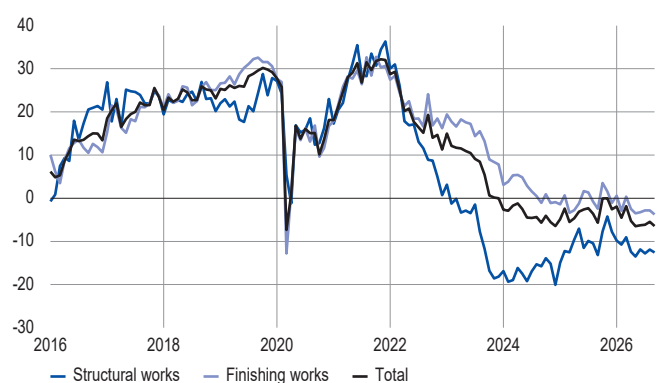
LEVEL OF ORDER BOOKS

(balance of opinion, adjusted for seasonal and working-day variations)

a) In industry

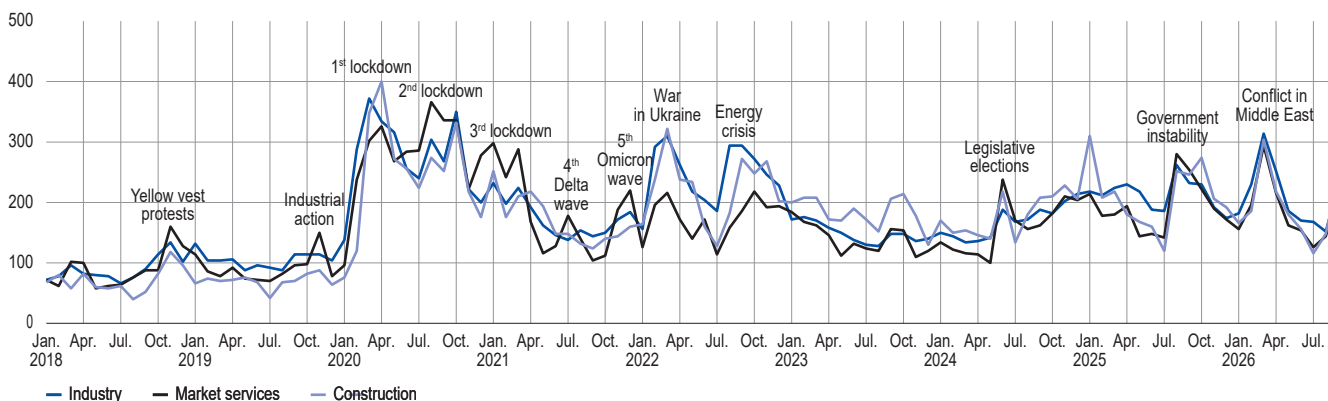


b) In construction



INDICATOR OF UNCERTAINTY IN THE COMMENTS SECTION OF THE MONTHLY BUSINESS SURVEY

(unadjusted data)



Note: The reference value is set at 100 and corresponds to the value around which the indicator fluctuates in normal periods.

Demand remains very weak in this segment and order books are thin, especially in the construction of single-family homes. In finishing works, activity is expected to remain broadly stable, reflecting the deterioration of order books.

The **uncertainty indicator**, which is based on a textual analysis of business leaders' comments, rose markedly in September, ending the downward trend observed since March's peak. The main source of concern appears to be higher fuel prices, as evidenced by the sharp rise in the number of times they were mentioned. In several sectors, there was also a rise in the number of references to the economic climate in general. Business leaders' comments also suggested growing wait-and-see behaviour, as illustrated by postponed projects, delayed orders and greater household caution over spending.

3. Supply pressures remain relatively stable, while price pressures are intensifying

Supply difficulties remained broadly stable in September, with 11% of firms experiencing them in industry and 5% in construction. However, pressures intensified in computer, electronic and optical products and in electrical equipment. They also remained elevated in aeronautics (cited by around 20% of firms), where demand is being buoyed by defence, electrification and data centres. The increase in production in aeronautics is placing further pressure on supply chains, which are already constrained by shortages of engines and certain components.

Industrial raw material prices turned sharply upwards again in September. Pressures were reported in all sectors, but were particularly marked in the chemicals, rubber, plastics and glass, and automobile sectors. Firms cited higher energy and fuel costs, as well as price increases for certain metals, packaging and other inputs. Price pressures also remained significant in electrical equipment, metal and metal products and machinery.

Industrial selling prices are rising more moderately. The pass-through of higher input prices remained limited in September in chemicals and in rubber, plastics and glass, where demand

CHANGE IN SELLING PRICES BY MAJOR SECTOR

(balance of opinion, adjusted for seasonal and working-day variations)



is weak, but was more evident in electrical equipment. This partial pass-through is placing pressure on profit margins. A total of 13% of industrial firms reported raising their prices in September, compared with a seasonal average of 10%. For October, 12% expect to raise their selling prices, slightly above the historical average.

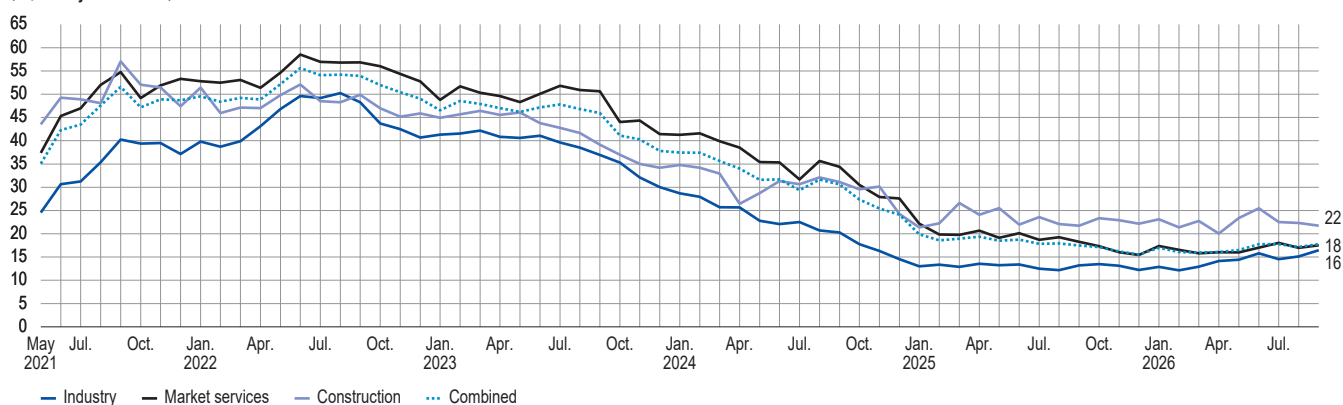
In **market services**, 11% of firms raised their prices in September, compared with a seasonal average of 8%. The rises were primarily concentrated in accommodation, transportation and temporary work. Transport firms said they had mainly passed through higher fuel costs, while temporary work agencies passed through higher wage costs.

Prices are also rising in **construction**, particularly in the finishing works segment. Firms mainly reported higher prices for materials, fuel and transportation, which are weighing on margins amid weak demand. In September, 11% of firms said they had raised their quote prices and 12% planned to do so in October, in line with seasonal averages.

Recruitment difficulties were reported by 18% of firms in September, a slightly higher proportion than in August. Difficulties increased in both market services (18%) and industry (16%), with the aeronautics sector in particular reporting persistent shortages. In construction, recruitment difficulties

SHARE OF BUSINESSES REPORTING RECRUITMENT DIFFICULTIES

(%, unadjusted data)



stabilised but remained significant, with 22% of firms citing challenges, despite subdued levels of activity.

4. Our estimates suggest GDP grew by 0.1% in the third quarter

Based on the results of the Banque de France Monthly Business Survey (MBS), along with other available data (INSEE production indices and surveys and high-frequency data), we estimate that GDP grew by around 0.1% in the third quarter.

The MBS and July services production index suggest activity was supported by market services over the quarter. INSEE's August industrial production indices suggest activity increased in the energy sector but fell sharply in manufacturing and construction.

QUARTERLY CHANGES IN GDP AND VALUE ADDED IN FRANCE

(%)

Activity sector	VA share	Q2 2026 (QoQ)	Q3 2026 (QoQ)
Agriculture	2	-3.1	-1.6
Manufacturing industry	10	0.3	-0.7
Energy, water, waste	2	0.0	0.5
Construction	5	-0.6	-1.2
Market services	59	0.1	0.3
Non-market services	22	0.3	0.1
Total VA	100	0.1	0.1
GDP		0.0	0.1

Sources: INSEE data for the second quarter of 2026, Banque de France forecast for the third quarter of 2026.
Note: QoQ = quarterly change.