

S&P Global Italy Manufacturing PMI[®]

Italian manufacturers face strongest cost pressures in three-and-a-half years

March 2026

Softer expansions in output and new orders

Sharp spike in cost inflation fails to deter growth in purchasing and stocks

Supply chains conditions decline at strongest rate since October 2022

The Italian manufacturing sector managed to sustain its growth path in March, despite reporting raised levels of uncertainty and steeply elevated cost pressures due to war in the Middle East.

Expansions in both output and new orders softened in March, however. To protect against further price increases and in an attempt to build buffer stocks amid supply chain disruption, buying levels were raised for the first time in over three years and stock increased as a result. On prices, both the rates of cost and charge inflation accelerated to over three-year highs.

Up slightly from 50.6 in February, the S&P Global Italy Manufacturing PMI[®] (Purchasing Managers' Index[®]), a composite single-figure indicator of manufacturing performance derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases, posted at 51.3 in March.

The reading, despite signalling just a moderate improvement in operating conditions, was the strongest in over three years. Three of the five components posed positive direction influences, the largest being delivery times. This reflected significant delays, due to war in the Middle East and, to a lesser degree, pressure linked to increased demand for inputs.

Despite raised levels of uncertainty due to war in the Middle East, Italian manufacturers raised production volumes for the second month in a row. The rate of increase was softer than in February and only slight in nature, however.

There was a similarly mild increase in order books signalled in March. Demand for manufactured items often reflected customer's attempts purchase ahead of speculated price inflation, though some firms reported lower demand as uncertainty weighed on buyers' decisions. Export sales increased for the first time in four months, but only fractionally.

Manufacturers' own buying levels rose in March, in contrast to the recent trend of decline that stretched back over three-and-a-half years. At the same time, there was a slight increase in pre-production inventories for the first time in eight months, as some firms looked to bolster stocks in preparation for

S&P Global Italy Manufacturing PMI
Index, sa, >50 = improvement m/m



Data were collected 12-24 March 2026.

Source: S&P Global PMI. ©2026 S&P Global.

Comment

Eleanor Dennison, Economist at S&P Global Market Intelligence, said:

"The impact of war in the Middle East is being felt by manufacturers in Italy, particularly in their supply chains as lead times on inputs lengthened to the most notable degree seen October 2022 amid reports of shortages and logistical challenges.

"Prices data showed a steep intensification of cost pressures, as firms widely reported paying more for raw materials, transportation and energy. The rate of cost inflation shot up to its highest level in three-and-a-half years, triggering a sharp increase in average charges.

"In anticipation of further supply chain disruption and price increases, manufacturers purchased additional inputs for the first time in well over three years, leading to the first increase in stocks in eight months.

"Although raised uncertainty was signalled by a rapid drop in confidence levels, production volumes and order books increased for a second month in a row, albeit at softer and only marginal rates. Positively, firms also continued to add new staff."

potential supply chain blockages.

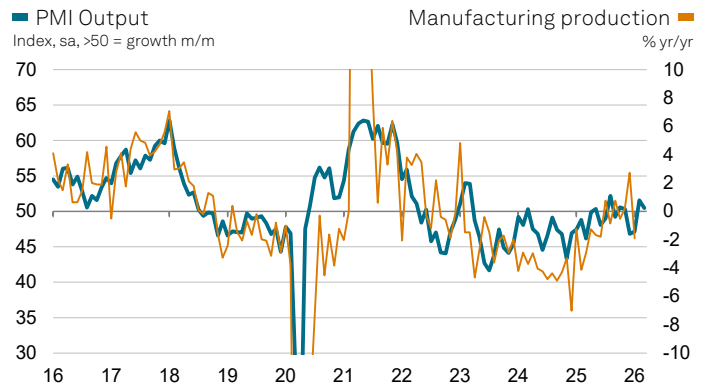
Indeed, suppliers' delivery times lengthened considerably in March, with the respective index dropping to its lowest since October 2022. A number of firms noted challenges in sourcing materials as well as logistical issues as a result of war in the Middle East.

The impact was also seen in prices data, as cost pressures facing manufacturers in Italy increased rapidly in March. Higher costs relating to energy, fuel, shipping, transportation and raw materials commonly featured in the qualitative part of the survey as drivers. The rate of cost inflation accelerated to a three-and-a-half year high.

In an attempt to at least partially offset greater outlays, prices charges for Italian manufactured goods increased at a sharper rate in March.

On the recruitment front, companies continued to add new staff at a steady rate in March, broadly in line with that seen over the other months of Q1. There were reports of replacing leavers and filling vacancies. At the same time, there was a mild reduction in the volume of backlogged orders at the end of the opening quarter. However, the rate of depletion was the weakest recorded over current trend of decline that stretches back almost four years.

Looking to the future, Italian manufacturers remained confident that output would rise from present levels over the next year, with optimists outweighing pessimists four-fold (44% to 11%). Firms widely expect growth, supported by plans to spend on machinery and hopes that business conditions



Sources: S&P Global PMI, ISTAT via S&P Global Market Intelligence. © 2026 S&P Global

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Methodology

The S&P Global Italy Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in June 1997.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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