

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB Italy Manufacturing PMI®

## Sharpest decline in Italian manufacturing operating conditions since June

### Key findings:

Renewed contractions in output and new orders

Input prices rise at fastest pace in six months

Job creation recorded for the first time in a year

Data were collected 11-23 September 2025.

The Italian manufacturing sector tipped back into contraction territory at the end of the third quarter amid fresh declines in production and new sales. Although firms reined in their spending on inputs and materials, employment returned to growth as companies reported stronger expectations for the outlook for output and planned expansions in business operations.

At the same time, cost pressures regained momentum as firms registered a renewed increase in input prices.

The **HCOB Italy Manufacturing Purchasing Managers' Index™ (PMI®)**, 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 49.0 in September, down from 50.4 previously. Excluding August data, Italian goods producers have seen a decline in the health of the sector on a monthly basis for the last year-and-a-half. The latest downturn was the steepest in three months.

Contributing to the contraction in operating conditions was a renewed drop in new orders. September data indicated a solid decrease in new sales, and one that was the fastest since June. The reduction in new business was attributed by firms to hesitancy among customers amid economic uncertainty.

International demand conditions also waned, as new export orders fell at the quickest rate since March. Less favourable demand conditions in key markets in Europe, the US and Asia weighed on new sales from abroad, according to panellists.

Subsequently, firms adjusted their output levels down in September, with production contracting at a modest pace. The fall contrasted notably with the strongest rise in output for almost two-and-a-half years in August.

Following a brief decline in August, input costs increased in September. Driving the rise in operating expenses were hikes in raw material prices, especially for items such as copper. The pace of inflation was the sharpest since March, although well below the series average.

Increases in output charges, meanwhile, were stymied by competition and efforts to drive new sales, according to survey respondents. Selling prices were broadly unchanged on the month.

Planned investment in expanding business operations reportedly underpinned a fresh rise in employment in September. The increase in staffing numbers followed an 11-month period of job shedding. At the same time, backlogs of work were depleted again, and at a solid pace.

In line with lower new order inflows, goods producers reduced their purchasing activity at a notably faster rate in September. Moreover, the pace of contraction was the sharpest in six months and much steeper than the series trend.

Despite lower demand for inputs, vendor performance continued to decline. The deterioration was the least marked in three months, however.

Muted customer demand also led to a second successive monthly fall in stocks of both finished goods and purchases. Anecdotal evidence commonly attributed lower inventory levels to the use of current holdings to support new order fulfilment.

Business expectations at Italian manufacturers were more upbeat in September. Planned investment in new products and entry to new markets reportedly supported optimism in the outlook for output.

## Comment

Commenting on the PMI data, Nils Müller, Junior Economist at Hamburg Commercial Bank, said:

*“The joy proved short-lived: Italy’s manufacturing sector slipped back into contraction territory in September, after it expanded marginally the month before. The headline HCOB PMI fell to 49.0 from 50.4, with the downturn affecting most of the components of the index. This latest reading marks the steepest deterioration in operating conditions in three months and highlights the fragility of the sector’s recovery.”*

*“August’s marginal expansion had been driven mainly by a surge in output. However, this momentum faded swiftly, as production declined modestly, partly reversing what was the strongest rise in over two years in August. The New Orders Index recorded its lowest reading since June, weighed down by economic uncertainty and weakening household demand. Export sales meanwhile contracted sharply, with firms reporting reduced demand from key markets in Europe, the US, and Asia.”*

*“Despite the weakening demand environment, employment rose for the first time in a year, supported by planned business expansions and improved sentiment regarding future output. Purchasing activity and inventories continued to decline, reflecting cautious spending and efforts to manage stock levels efficiently. Cost pressures re-emerged, with input prices rising at the fastest rate since March, driven by higher raw material costs. However, firms were largely unable to pass these increased costs on to customers, as selling prices remained broadly unchanged amid competition for new work and subdued demand.”*

*“While the current data point to renewed weakness, Italian manufacturers remain optimistic about the year ahead. Investment plans, new product development and entry into new markets are supporting a more upbeat outlook. Whether this optimism translates into sustained growth will depend on a stabilisation in demand and a more favourable global environment.”*

-Ends-

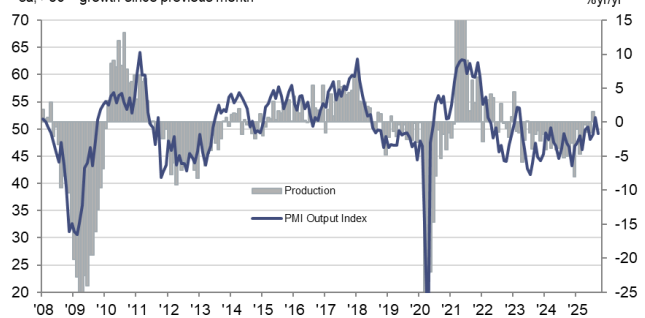
**HCOB Italy Manufacturing PMI**  
sa, >50 = growth since previous month



Source: HCOB, S&P Global PMI.

**PMI Output Index**

sa, >50 = growth since previous month



Source: HCOB, S&P Global PMI, ISTAT via S&P Global Market Intelligence.

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## Note to Editors

The HCOB 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](mailto:economics@spglobal.com).

## Hamburg Commercial Bank AG

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## About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. [www.spglobal.com/marketintelligence/en/mi/products/pmi.html](http://www.spglobal.com/marketintelligence/en/mi/products/pmi.html)

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