

S&P Global Germany Construction PMI[®]

Construction activity falls at quickest rate in over a year as cost pressures continue to build

April 2026

Total Activity Index sinks to 13-month low of 42.1 in April

Input cost inflation rises sharply again to highest since May 2022

Constructors turn increasingly pessimistic about the outlook

The latest S&P Global PMI[®] survey data showed a growing impact of the Middle East war on the German construction sector, with total industry activity falling sharply amid a slump in demand, input cost inflation surging to its highest in almost four years, and delivery delays at their worst since mid-2022. Accordingly, constructors' expectations for activity in the coming year turned increasingly pessimistic.

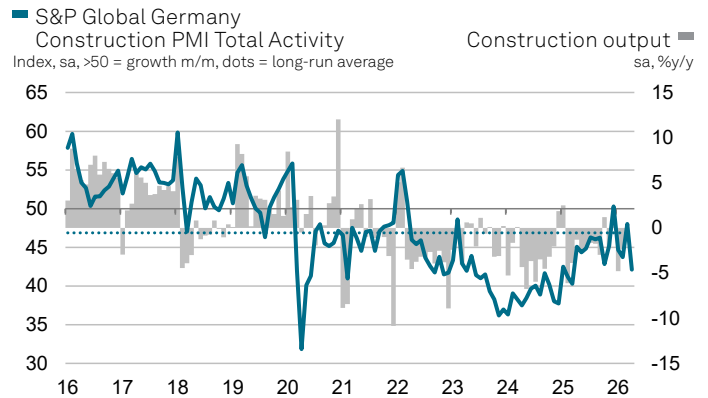
The S&P Global Germany Construction PMI Total Activity Index – a seasonally adjusted index based on a single question asking about month-on-month changes in total industry activity – slipped deeper into sub-50 contraction territory in April. At 42.1, its latest reading was down sharply from 48.0 the month before and the lowest recorded since March 2025.

The steep fall in total activity at the start of the second quarter was led by the housing sector. Work on residential projects fell sharply and at a much quicker rate than that seen in the previous month. It was a similar story for commercial activity, which posted its steepest decline in 17 months in April. Civil engineering activity was meanwhile virtually unchanged, after rising in each of the previous five months.

The latest data showed a sustained deterioration in demand conditions across the German construction sector. The rate of decline in new orders quickened for the fourth month in a row and was the fastest seen in over a year. Firms that reported a decrease in inflows of new work cited hesitancy among customers, sluggish economic conditions and price pressures.

German constructors reported a further surge in cost inflation at the start of the second quarter, citing the influence of the Middle East war amid the rising price of energy, fuel and various commodities. After recording its largest single-month rise in the series history in March, the rate of increase in input costs rose sharply again to its highest since May 2022.

The impact of the war was also evident in a marked lengthening of supplier delivery times, which panellists linked in part to shortages of materials in the market. Delays increased substantially since March and were the most widely reported since July 2022.



Data were collected 9-29 April 2026.

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

Comment

Phil Smith, Economics Associate Director at S&P Global Market Intelligence, said:

"The war in the Middle East has changed the trajectory of the construction sector, which had been showing signs of recovery before the outbreak of the conflict.

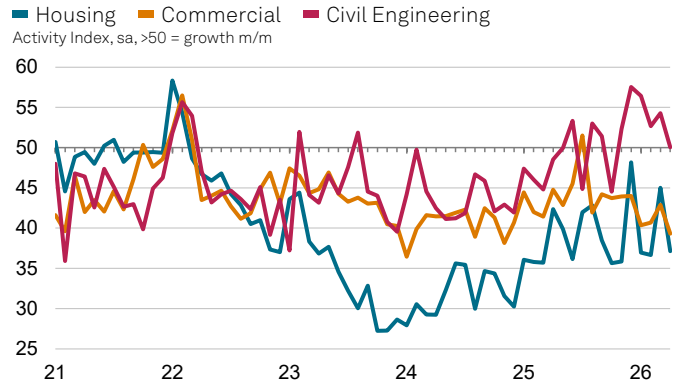
"Demand has come under renewed pressure from the increased levels of geopolitical and economic uncertainty, causing new orders to fall at their quickest rate in over year and dragging down activity with it. Building companies are back firmly in retrenchment mode, reporting deepening cuts to employment, following signs around the turn of the year that they were starting to grow their staffing capacity.

"Constructors have been at the sharp end of not only the hit to demand, but also the surge in cost pressures, reporting weaker trends in new orders than their manufacturing and services counterparts as well the sharpest rate of input price inflation. The sustained surge in inflationary pressures has increased concerns about potential interest rate rises and a further squeeze on demand, leading building firms to take an increasingly pessimistic view of activity levels in the coming year."

April meanwhile saw a sharp and accelerated decrease in purchasing activity among German construction companies, who remarked on the influence of falling customer demand. The reduction in buying levels was in fact the most marked since August last year.

Building firms also scaled back their workforce numbers during April, the third month in a row in which this has been the case. The pace of job shedding accelerated sharply since the previous survey period and was the fastest recorded since May last year.

Lastly, April's survey results indicated a further drop in construction's expectations for activity over the coming year. Sentiment, which had reached its most positive for six years in February before turning negative in March, sank sharply for the second month running and fell to its lowest level since December 2024. Panellists cited potential headwinds to demand from rising inflation, higher interest rates, weakness in the broader economy and elevated levels of uncertainty.



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

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Methodology

The S&P Global Germany Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected September 1999.

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 Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI' but is not comparable with the headline manufacturing PMI figure.

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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