

NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Germany Manufacturing PMI[®]

New orders fall at fastest rate for ten months in November

Key findings:

HCOB Germany Manufacturing PMI at 48.2 (Oct: 49.6). 9-month low.

HCOB Germany Manufacturing PMI Output Index at 50.9 (Oct: 52.4). 4-month low.

Supplier delivery times lengthen for third straight month

Data were collected 12-21 November 2025.

Business conditions deteriorated across Germany's manufacturing sector in November, with a notable drop in new orders causing production growth to slow further, according to the latest HCOB PMI[®] survey. Goods producers remained firmly in retrenchment mode, cutting employment, purchasing activity and stocks.

On the supply side, the latest data showed that delivery times on inputs lengthened for a third straight month. Meanwhile, input costs, which have been in decline since early 2023, came close to stabilising in the penultimate month on the year.

Firms were more optimistic about the year-ahead outlook, although growth expectations remained subdued by historical standards.

November saw the headline **HCOB Germany Manufacturing PMI[®]** – a gauge of overall business conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases – slip deeper into sub-50 contraction territory, falling from October's 49.6 to a nine-month low of 48.2.

The drop in the headline PMI was largely driven by a renewed decline in new orders, which, after posting a sixth rise in eight months in October, recorded the steepest decline since January. Surveyed firms remarked on lingering uncertainty among customers and weaker demand from abroad. Exports sales fell for the fourth month in a row and at the quickest rate seen so far this year, amid reports of weaker demand across Asia, Europe and North America.

Although higher production volumes were recorded for a ninth successive month in November, the rate of growth eased further from September's recent high to only a modest pace that was the weakest since July. Output levels were supported to some degree by work on backlogged orders, which fell to the greatest extent since June.

Efforts by goods producers to reduce staffing capacity via the non-replacement of leavers, non-renewal of contracts and redundancies led to a further drop in factory employment in November. Although the rate of job losses eased slightly since October, it remained solid by historical standards.

Firms' purchasing activity meanwhile fell at a quicker rate, with firms linking this to lower intakes of new work as well as efforts to optimise stocks and increase cashflow. November saw pre- and post-production inventories fall at the quickest rates for three and eight months, respectively.

Despite subdued demand for inputs across the German manufacturing sector, goods producers reported a third straight monthly increase in average lead times on purchases. Reports from surveyed firms cited the influence of low stock levels at suppliers and chip shortages. That said, the deterioration in vendor performance was only modest and less marked than in October.

Input costs meanwhile fell only marginally, registering their slowest rate of decline since August last year. Whilst there were several reports of higher prices paid for a range of metals, panellists mentioned that competition among suppliers was a

counterbalancing factor.

In line with softer customer demand, November saw a renewed decline in prices charged by manufacturers. This followed the first increase in output prices for six months in October.

Lastly, the latest data showed firms' expectations for output in the year ahead tick up from October's ten-month low. Sentiment was still weaker than the average over the series history, however, and firmly below the highs seen mid-year.

Comment

Commenting on the PMI data, Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

“Germany’s manufacturing sector appears to be unable to cross the threshold to expansion. Since July 2022, the headline PMI has been stuck below the 50 mark, and after it looked in recent months as if it might enter growth territory, the index has now slumped again. Although companies have now been increasing production for nine months in a row, other indicators such as order intakes, employment, and inventories clearly show how bad the situation in industry still is.

“Foreign orders have been weak since August, but in November they showed a sharp decline. One explanation could be that the largest buyers of German products to date, US companies, stocked up on imports in the first half of the year in particular and now have correspondingly less demand for goods from Germany. It is certainly also unhelpful that the global manufacturing sector has been more or less stagnating since 2023.

“A look at the sectors shows that production has fallen in the important intermediate goods sector and growth has slowed in the capital goods sector. In the consumer goods sector, there has been only a slight increase in output. It would not be surprising if the series of rising manufacturing output, which has already lasted most of the year, were to come to an end in the coming months. However, this does not necessarily herald a downward trend. This is because expansionary fiscal policy is likely to take effect in the first half of 2026 at the latest, stimulating demand for machinery for the construction industry and for defence equipment, among other things.

“Manufacturing companies continue to reduce their workforces. This has been going on for almost two-and-a-half years. Given the increase in production observed this year, the result is likely to be higher labour productivity, which in itself should also contribute to the international competitiveness of companies. However, the decline in orders from abroad does not reflect this, because competitors from other countries may not be sitting idle either.”

-Ends-

HCOB Germany Manufacturing PMI
sa, >50 = improvement since previous month



PMI Output Index
sa, >50 = growth since previous month



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Note to Editors

The HCOB Germany Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 420 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 1996.

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.

Flash data were calculated from 88% of final responses. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.0 (0.3 in absolute terms).

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

Hamburg Commercial Bank AG

Hamburg Commercial Bank (HCOB) is a private commercial bank and specialist financier headquartered in Hamburg, Germany. The bank offers its clients a high level of structuring expertise in the financing of commercial real estate projects with a focus on Germany as well as neighboring European countries. It also has a strong market position in international shipping. The bank is one of the pioneers in European-wide project financing for renewable energies and is also involved in the expansion of digital and other areas of important infrastructure. HCOB offers individual financing solutions for international corporate clients as well as a focused corporate client business in Germany. The bank's portfolio is completed by digital products and services facilitating reliable, timely domestic and international payment transactions as well as for trade finance.

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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

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