

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
Embargoed until 0955 CET (0855 UTC) 2 December 2024

# HCOB Germany Manufacturing PMI<sup>®</sup>

## Manufacturing sector still firmly in contraction territory midway through Q4

### Key findings:

HCOB Germany Manufacturing PMI at 43.0 (Oct: 43.0). Unchanged.

HCOB Germany Manufacturing PMI Output Index at 43.1 (Oct: 42.8). 5-month high.

Employment, purchasing activity and stocks all fall at faster rates

Data were collected 12-22 November 2024.

At the midway point in the final quarter of 2024, the German manufacturing sector remained deep in contraction territory, the latest HCOB PMI<sup>®</sup> survey showed. Rates of decline in both output and new orders eased for the second month running but remained sharp, while there were faster falls in employment, purchasing activity and stocks.

Weak demand and competitive pressures meanwhile led to further decreases in both input costs and output prices, the latter falling at one of the quickest rates over the past 15 years.

Business expectations edged higher for the second month running. However, a backdrop of political and economic uncertainty meant confidence was still low by historical standards.

The headline **HCOB Germany Manufacturing PMI<sup>®</sup>** is a gauge of overall business conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases. Its latest reading of 43.0 in November was unchanged from that recorded in October and well below the 50.0 threshold that separates growth from contraction.

The rate of decline in manufacturing production eased to the weakest since June. Nevertheless, it was still sharp and slightly quicker than the average recorded over the current sequence of contraction in output that stretches back to May 2023.

German manufacturers cut production as they continued to have difficulty winning new business. They reported headwinds to demand from a range of factors including an ongoing destocking cycle, political and geopolitical uncertainty, and a generally challenging economic climate. New orders fell sharply, albeit at the slowest rate for six months. The latest fall in export sales was even slightly quicker than that seen in October, led by a particularly sharp decline in the investment goods sector.

There remained a distinct lack of pressure on capacity across the manufacturing sector, as evidenced by a further sharp (albeit slower) drop in backlogs of work. As such, workforces were scaled back for the seventeenth month running during November. The rate at which factory employment fell was the second quickest seen since the initial phase of the pandemic in 2020, just behind that recorded in September.

Goods producers also made deeper cuts to their purchasing activity and stock levels during the penultimate month of the year. The decrease in post-production inventories was the joint-quickest for more than three years, while stocks of input fell at one of the fastest rates since 2009. Firms reported reducing inventories not only because of decreasing demand and production requirements, but also to save costs and due to improved material availability.

Lead times on inputs quickened for the twenty-fifth month in a row in November. The rate of improvement in vendor performance was the fastest seen since August but still only modest overall.

Amid reports of strong competition among suppliers, November saw a further decrease in average input prices faced by German manufacturers. The rate at which costs decreased was solid but the slowest for three months. Factory gate charges, on the other hand, fell to the greatest extent since May and at one of the quickest rates since 2009.

Lastly, November's survey showed an uptick in business confidence towards future output, with sentiment turning positive for the first time in three months. Some firms reported hopes of an economic upturn following next year's election. Still, growth expectations were well below the long-run average.

### Comment

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

*"The situation for German industry is looking pretty grim. People are feeling the pinch as reports of companies in the manufacturing sector planning massive job cuts are coming in almost daily. The PMI Employment Index backs this up, showing a trend of accelerating staff reductions since mid-2023. So far, this has only slightly impacted the unemployment rate, but it makes it even more urgent for the new federal government to take action and boost Germany's competitiveness.*

*"New orders aren't dropping as fast as they were in recent months, but that's little consolation. When we look at foreign orders alone, the situation has actually got worse. The slight speed-up in delivery times also points to weakening demand.*

*"Companies are more confident about their future than they have been in recent months. This could be because of the coalition collapse and the hope that the new government will finally bring about a real economic turnaround. This would involve things like lower energy prices and a reform of the debt brake. However, confidence is still very low compared to historical standards.*

*"The capital goods sector is getting hit particularly hard right now, mainly due to geopolitical uncertainty according to some companies. The PMI indicates that the recession is deepening in this sector, while the downturn in the intermediate goods sector has slowed down a bit for the second month in a row. Overall, it looks like the recession in the manufacturing industry will drag on into the new year."*

-Ends-

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



Sources: HCOB, S&P Global PMI.

**PMI Output Index**      **Manufacturing production**  
sa, >50 = growth since previous month      cal. adj., %yryr



Sources: HCOB, S&P Global PMI, Destatis via S&P Global Market Intelligence.

## Contact

### Hamburg Commercial Bank AG

Dr. Cyrus de la Rubia  
Chief Economist  
T: +49-160-9018-0792  
[cyrus.delarubia@hcob-bank.com](mailto:cyrus.delarubia@hcob-bank.com)

Katrin Steinbacher  
Head of Press Office  
Senior Vice President  
T: +49-40-3333-11130  
[katrin.steinbacher@hcob-bank.com](mailto:katrin.steinbacher@hcob-bank.com)

### S&P Global Market Intelligence

Phil Smith  
Economics Associate Director  
T: +44-1491-461-009  
[phil.smith@spglobal.com](mailto:phil.smith@spglobal.com)

Sabrina Mayeen  
Corporate Communications  
T: +44-796-744-7030  
[sabrina.mayeen@spglobal.com](mailto:sabrina.mayeen@spglobal.com)

## Note to Editors

The HCOB Germany Manufacturing PMI<sup>®</sup> 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<sup>™</sup> (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 90% 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](mailto: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.

Hamburg Commercial Bank aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored sustainability aspects in its business model. It supports its clients in their transition to a more sustainable future.

The bank's specialists are as experienced as they are pragmatic. They act in a reliable manner and at eye level with their customers. They provide in-depth advice in order to jointly find efficient solutions that are a perfect fit – for complex projects in particular. Tailor-made financing, a high level of structuring and syndication expertise and many years of experience are just as much a hallmark of the bank as are our profound market and sector expertise.

## S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be

trademarks of their respective owners © 2024 S&P Global Ltd. All rights reserved. [www.spglobal.com](http://www.spglobal.com)

#### **About BME**

The BME is the German Association for Supply Chain Management, Procurement and Logistics. Founded in 1954 it provides services for around 9750 individual and corporate members, including small and medium-sized businesses as well as Germany's top 200 companies. The BME liaises between businesses and academia, both on the demand and the supply side, by providing the necessary networks for communication and knowledge exchange. The association is open to all company types from any sector (industry, trade, banking/insurance, public sector, service providers, etc.).

Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME), Frankfurter Str. 27, 65760 Eschborn, GERMANY

Contact: Frank Rösch, Head of Press and Communications

E-mail: [frank.roesch@bme.de](mailto:frank.roesch@bme.de) Internet: [www.bme.de](http://www.bme.de)

#### **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)

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, [click here](#).

#### **Disclaimer**

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.