

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 0930 CET (0830 UTC) 6 March 2025

HCOB Italy Construction PMI®

Construction activity down despite slight rise in new orders

Key findings:

- First drop in activity for three months
- Marginal growth of new business signalled
- Rate of input price inflation at 12-month high

Data were collected 10-28 February 2025.

February HCOB PMI® data saw an end to a brief period of expansion, as construction activity in Italy returned to contraction territory. The downturn came despite sustained growth in new business, though the uptick was only marginal in nature. Meanwhile, input costs rose at a stronger rate on the month, with upward pressures from increased raw material prices and supplier charges.

Positively, firms felt confident enough to continue to increase their payroll numbers in the latest survey period and expressed greater optimism toward future activity.

The headline **HCOB Italy Construction Purchasing Managers' Index™ (PMI®)** – posted at 48.2 in February, down from 50.9 in January.

Activity levels were down in the latest survey period, reversing the short run of growth seen in the previous two months. Activity was reportedly limited by bureaucracy and subdued inflows of new work, according to panel member reports. That said, the rate of contraction was only modest overall.

All three monitored sub-sectors recorded declines in activity in February for the first time in four months. After a strong performance at the start of the year, housing activity dropped solidly over the month. The commercial and civil engineering sectors recorded sustained, but softer rates of decline compared to January, with activity in the former nearing stabilisation.

Reflective of new business and tender wins, Italian construction firms signalled a third rise in new orders in successive months in February. Though growth of new business remained only mild, latest data pointed to a robust increase in the context of historical data.

With new business growth sustained, Italian constructors continued to hire new site workers in February, marking the sixth month in a row in which workforce levels had been raised. The rate of jobs growth was faster than in January, but still only marginal overall.

While activity was down and incoming new orders were up only slightly, firms showed some reluctance to purchase inputs in February. The reduction in buying activity was only fractional, however.

Nevertheless, delivery times on inputs were longer and cost pressures rose in February. However, supplier performance deteriorated to a lesser degree than in January. At the same time, the rate of input price inflation was its most pronounced for a year and sharp overall. Increased price lists at suppliers and raised raw material costs were cited as the key drivers.

On balance, firms remained confident that activity would rise from current levels, with positive sentiment pinned on new business wins and a forecast pick-up in demand. Here, the optimists outweighed the pessimists 31% to 22% and the degree of positive sentiment was its strongest for five months. That being said, in the context of the series history, sentiment was relatively subdued.

Comment

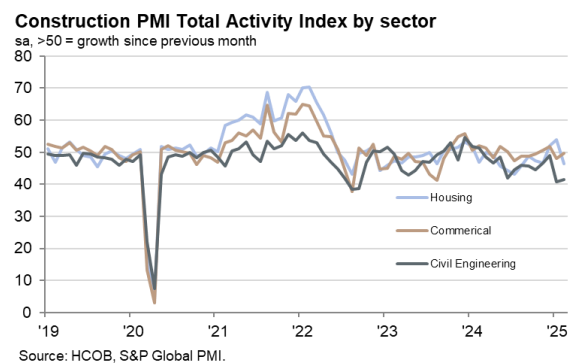
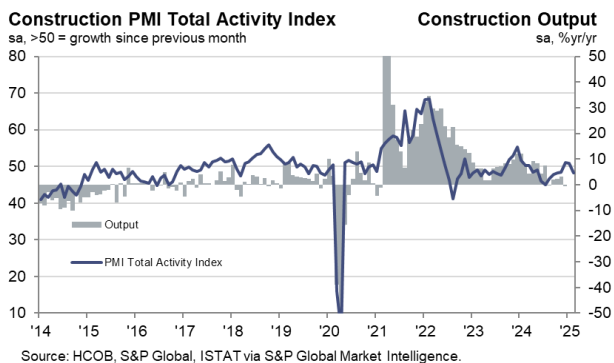
Commenting on the PMI data, Dr Tariq Kamal Chaudhry, Economist at Hamburg Commercial Bank, said:

“Italy disappoints the eurozone. After two months of slight growth, the HCOB Construction Sector PMI fell into contraction territory in February, joining the other major eurozone economies. While civil engineering activity shrank at the fastest rate, the index for residential construction activity saw the biggest setback compared to the previous month. Commercial activity is only marginally in contraction. The current weakness of the Italian construction sector can be attributed to the expiration of key support programs (such as the Superbonus), general economic uncertainty, and persistent bureaucratic hurdles. These factors significantly hinder investments and delay construction projects.

“Prices are rising faster. Subdued demand is met with further increases in input prices. Participants reported higher raw material costs and increased price lists at suppliers. Interestingly, even subcontractor rates are steadily rising. However, a look at the subindex for subcontractor usage suggests that rate increases could soon cool down.

“The outlook is not so dramatic. Surveyed companies remain hopeful, which is exceptional compared to other major European states. Italian construction firms continue to receive orders, albeit at a mild pace. The Future Activity Index is higher than in the previous month, but remains below the historical average. Expected new orders and already secured deals contribute to the positive sentiment. This keeps employment in the construction sector active. Respondents linked the increase in employment levels to the heightened workload.”

-Ends-



Contact

Hamburg Commercial Bank AG

Dr Tariq Kamal Chaudhry

Economist

T: +49-171-915-9096

tariq.chaudhry@hcob-bank.com

Katrin Steinbacher

Head of Press Office

Senior Vice President

T: +49-40-3333-11130

katrin.steinbacher@hcob-bank.com

S&P Global Market Intelligence

Eleanor Dennison

Economist

T: +44-1344-328-197

eleanor.dennison@spglobal.com

Corporate Communications

S&P Global Market Intelligence

press.mi@spglobal.com

Note to Editors

The HCOB Italy Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of over 200 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected July 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.

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 © 2025 S&P Global Ltd. All rights reserved. www.spglobal.com

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

If you prefer not to receive news releases from S&P Global, please email press.mi@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.