

NEWS RELEASE
MARKET SENSITIVE INFORMATION
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HCOB Germany PMI[®] Export Conditions Index

Manufacturing export conditions stagnate again in January

Key findings:

- Subdued global demand persists at the start of 2025
- Weak economic performance in Europe offsets growth in Asia and North America
- German manufacturers signal slowest fall in new export orders since May 2024
- Consumer staples emerges as the best-performing export category in January

The headline HCOB Germany Manufacturing PMI[®] Export Conditions Index is a single-figure measure of global macroeconomic conditions on a trade-weighted basis for German manufacturers, with additional series compiled for major world regions and markets. It is constructed from surveys in over 40 countries and regions by S&P Global.

The index is published by Hamburg Commercial Bank as part of a monthly report that is designed to offer unique and timely macroeconomic insights into export performance across the German manufacturing sector.

Comment

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

“German exporters could really use some economic tailwinds from abroad. Unfortunately, it's been pretty much dead calm for the past five months. With a PMI export conditions index of exactly 50 points, the barely noticeable positive impulses from developed countries are offset by the slightly negative demand conditions in emerging markets. The previously reliable growth market of North America has lost momentum, and the recent back-and-forth with tariffs threatened against the US free trade partners, Mexico and Canada, isn't helpful either. Europe is still looking weak, although the situation isn't viewed as negatively as it was last month. All in all, the new year is starting off just as sluggish as the old one ended.”

“The lack of momentum from abroad, the structural problems Germany is grappling with, and the uncertainty surrounding Donald Trump's tariff plans and ongoing geopolitical tensions are causing a gloomy mood across virtually all export sectors. This is evident in the declining order intake, particularly in the automotive sector, which has been experiencing a slump since early 2022, and one that is more pronounced compared to other key sectors. The machinery and equipment sector has been struggling with falling orders since late 2022, although the downward spiral isn't as severe as in the automotive industry. The chemical sector managed to recover slightly during 2024 after suffering greatly from the energy crisis, but order intakes have recently declined here as well.”

Export conditions

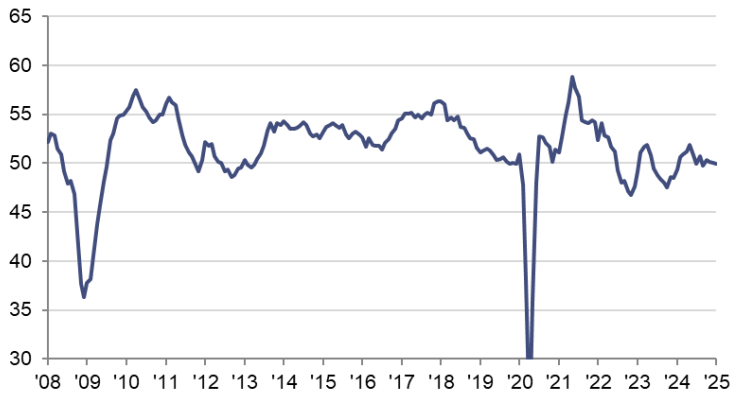
January data highlighted that global demand conditions continued to stagnate. At 50.0, the headline HCOB Germany Manufacturing PMI Export Conditions Index indicated that worldwide business activity on a trade-weighted basis was unchanged since December. The index was well below its pre-pandemic average (52.8). Export conditions have now flatlined for much of the past seven months. Germany's manufacturers therefore faced a considerable headwind to sales from subdued underlying global demand at the start of 2025.

North America remained the best-performing global region for private sector output growth, driven by another solid upturn in the US economy. However, the respective index eased from 54.3 to 52.0 in January, its lowest since April 2024. There was also a loss of growth momentum across Asia, with the seasonally adjusted index pointing to the slowest rate of business activity expansion for four months. This largely reflected a slowdown in output growth across China to its weakest since last September.

European export conditions meanwhile deteriorated for the eighth consecutive month, albeit at only a modest pace that was the least marked since October 2024. HCOB PMI data pointed to relatively weak demand conditions in France and Italy, while Spain remained a notable out-performer. Higher levels of business activity were also recorded in the UK and Ireland in January.

HCOB Germany PMI Export Conditions Index

sa, >50 = improvement since previous month



Sources: HCOB, S&P Global PMI.

New export orders

Adjusted for seasonal influences, the HCOB Germany Manufacturing PMI New Export Orders Index registered 46.5 in January, up from 43.7 in December and the highest reading for eight months. That said, the index has remained below the 50.0 no-change threshold since March 2022, thereby indicating almost three years of continuous decline.

Some manufacturers commented on a tentative turnaround in clients' willingness to spend, in part due to customer restocking. There were also a number of reports citing an improvement in sales to clients in China, albeit from a relatively low base. Goods producers signalling a downturn in their export order books typically cited strong competitive pressures and cutbacks to capital expenditure budgets among clients. Some exporters noted that heightened geopolitical tensions had resulted in postponed projects and a wait-and-see approach to business investment plans.

January data once again signalled divergent export sales trends across the manufacturing sector. Consumer Non-cyclicals bucked the downturn seen elsewhere, with new work from abroad rising slightly during the latest survey period. Moreover, the respective seasonally adjusted index was the highest since April 2022.

Chemicals producers recorded a renewed downturn in export order books, which ended a nine-month period of expansion. This was generally linked to subdued global demand conditions. Worries about the impact of US trade tensions meanwhile contributed to the steepest fall in new export orders in the Machinery & Equipment sector since February 2024. A steep decline in new work from abroad was seen in the Automobiles & Auto Parts segment at the start of 2025. The rate of contraction eased to its slowest since July 2024, but remained the sharpest decline of all categories monitored by the survey.

The next HCOB Germany Manufacturing PMI Export Conditions Index will be released at 10:00 (CET) on 12th March 2025.

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Note to Editors

The HCOB Germany Manufacturing PMI Export Conditions Index is a seasonally adjusted single-figure indicator of the health of Germany's most important manufacturing export markets. The Index varies between 0 and 100, with a reading above 50 indicating an overall improvement compared to the previous month, and below 50 an overall deterioration.

The index is calculated by weighting together national PMI output indices from S&P Global's PMI surveys. Weights are derived from official trade statistics relating to each nation's contribution to German manufacturing exports. By weighting together the national output indices according to their importance to German manufacturing exports, a single advance indicator for the overall health of Germany's export markets is obtained.

The national output indices are calculated as weighted averages of the Manufacturing PMI Output Index and the Services PMI Business Activity Index where available. Weights are derived from national official statistics on value added by sector. All data are seasonally adjusted.

Underlying national PMI data included in the HCOB Germany Manufacturing PMI Export Conditions Index are not subject to revision. Country weights are updated as new calendar year official trade statistics become available and are used in the index calculation on an as-reported basis. Any changes to country weights are not applied retrospectively (i.e. the historic index is not revised due to the incorporation of new country weights).

The headline index may be revised from time to time if constituent national data are unavailable for inclusion in the figures due to later than usual release dates. Revised values reflect the inclusion of economy level data that was unavailable at release time into the aggregate global index.

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.

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