

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

Italian manufacturing output dips back into decline in June

Key findings:

Renewed drop in production amid further fall in new orders

Inflationary pressures dissipate

Job shedding continues as business confidence wanes

Data were collected 12-23 June 2025.

June data signalled a further decline in the health of the Italian manufacturing sector, as new orders continued to fall spurring a renewed decrease in output levels. The contraction in production was solid overall, as weak domestic and foreign client demand weighed on total new sales. Subsequently, firms reduced purchasing and employment, with pre-production inventories also lowered. Global economic uncertainty dampened the outlook as companies were historically subdued in their output expectations for the year ahead.

Inflationary pressures, meanwhile, ebbed. Input costs and output charges both fell in June, as supplier discounts were passed through to customers in a bid to stave off competition.

The **HCOB Italy Manufacturing Purchasing Managers' Index[™] (PMI[®])**, a composite single-figure indicator of manufacturing performance derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases, dipped to 48.4 in June, from 49.2 in May. The latest data signalled a modest deterioration in operating conditions and one that was the fastest in three months.

Contributing to the fall in the headline index was a return to contraction in output midway through the year, following a brief expansion in May. Italian goods producers stated that a sustained decline in new orders led them to reduce their production levels. The rate of decrease was solid overall.

Meanwhile, the pace of decline in new orders quickened to the fastest in three months in June. Global economic uncertainty and muted customer demand hampered new sales intakes, according to manufacturers.

The solid fall in total new work was weighed down by a renewed decrease in new export orders in June. New sales from abroad fell as firms noted difficulties reaching out to new clients and weakness in demand conditions in existing markets.

June data indicated a second successive monthly decrease in input costs faced by Italian manufacturers. The pace of decline eased from May to only a marginal rate, but firms nonetheless attributed the drop in cost burdens to lower raw material prices and positive negotiations with suppliers which resulted in discounts.

In line with lower costs and in a bid to boost new sales, Italian goods producers lowered their output charges at the end of the second quarter. The fall in selling prices was only fractional, but was reportedly underpinned by efforts to remain competitive.

Manufacturers remained in retrenchment mode during June, as they reduced headcounts and lowered input buying. The pace of job shedding eased, however, to the softest in nine months. Nonetheless, panellists suggested that job losses were centred

on the non-replacement of voluntary leavers and fewer temporary positions.

Input buying, meanwhile, decreased at a solid pace. Despite weaker demand for inputs, supplier performance deteriorated for the first time in three months, amid logistics delays and vendor shortages.

Firms were again able to reduce their backlogs, with incomplete work falling at the quickest pace in three months. At the same time, delayed shipments and lower new orders led to a renewed rise in stocks of finished goods. In contrast, stocks of purchases contracted at the fastest pace since March.

Finally, output expectations at Italian manufacturers remained positive in June. The degree of confidence slipped to the weakest since last November, however, amid global economic uncertainty and muted customer demand.

Comment

Commenting on the PMI data, Nils Müller, Junior Economist at Hamburg Commercial Bank, said:

“Italy’s manufacturing sector lost ground in June, with the headline PMI falling to 48.4, marking the sharpest deterioration in operating conditions since March. After a brief recovery in May, output contracted once more, dragged down by a solid decline in new orders. Both domestic and foreign demand remained subdued, with firms citing persistent difficulties in securing new clients and waning appetite in key export markets.”

“The downturn was broad-based across the PMI components. New orders fell at the fastest pace in three months, prompting firms to scale back production and purchasing activity. Employment continued to decline, though at a slower rate, largely due to non-replacement of voluntary leavers and reduced reliance on temporary staff. Stocks of purchases were drawn down at the quickest pace since March, while supplier delivery times lengthened amid logistical bottlenecks – an unwelcome development given softer input demand.”

“Encouragingly, inflationary pressures continued to ease. Input costs fell for a second consecutive month, helped by lower raw material prices and supplier discounts. Output charges also declined fractionally, as firms sought to remain competitive in a weak demand environment. This disinflationary trend aligns with broader eurozone dynamics and may offer some relief to policymakers at the ECB.”

“Yet, the outlook remains clouded. While firms remain broadly optimistic about future output – supported by hopes of stronger demand and planned investment – confidence slipped to its lowest since last November. This softening in sentiment reflects fragile customer demand and a challenging external environment as trade uncertainty stemming from U.S. policy shifts continues to weigh on the global outlook. However, the easing of geopolitical tensions, particularly in the Middle East, could raise the prospect for sustained lower energy prices. But for now, Italy’s manufacturers remain in a defensive posture, navigating a recovery that remains elusive.”

-Ends-

HCOB Italy Manufacturing PMI

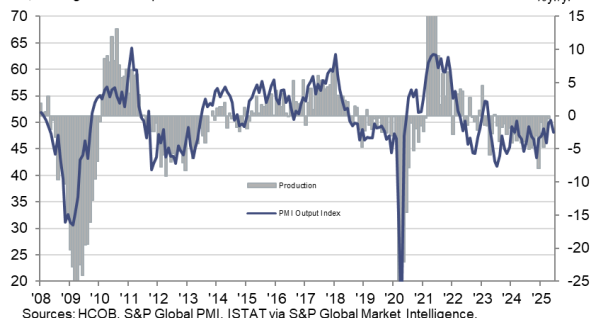
sa, >50 = growth since previous month



Fonti: HCOB, S&P Global PMI.

PMI Output Index

sa, >50 = growth since previous month



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

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Note to Editors

The HCOB Italy Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in June 1997.

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.

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

Hamburg Commercial Bank AG

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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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