

S&P Global Italy Construction PMI®

Italian building activity contracts at strongest rate in over three-and-a-half years

April 2026

All three sub-sectors signal steeper declines in activity

Fastest falls in new orders and purchasing since August 2024

Cost inflation hits four-year high, despite weaker demand for inputs

Uncertainty caused by the war in the Middle East continued to weigh on the Italian construction sector in April.

The downturn in activity was again widespread across all three monitored sub-sectors, with the rate of contraction gaining speed in all three cases. Meanwhile, mounting cost inflation, added pressure on supply chains and subdued order books were all contributing factors behind a muted outlook for the coming year. In fact, cost inflation faced by constructors were their strongest in exactly four years. Still, firms continued to recruit additional staff, but their purchasing activity reduced sharply.

From 46.8 in March, the headline Construction PMI® Total Activity Index — which measures month-on-month changes in total industry activity — retreated further below the crucial 50.0 mark, posting 44.8 in April.

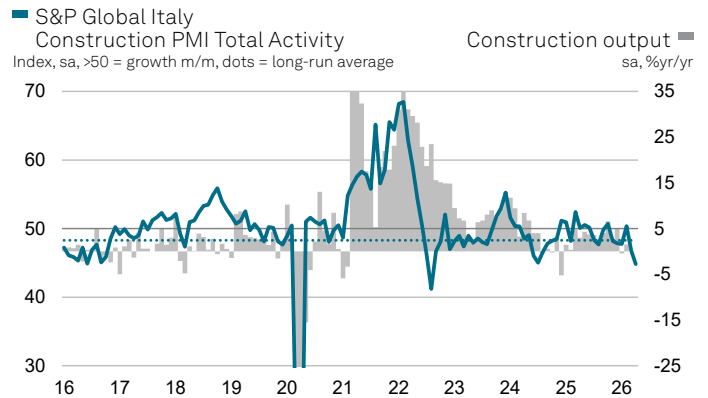
The latest reading was the lowest recorded since August 2022 and indicated a sharp contraction in building activity across Italy.

At the sub-sector level, there were steeper reductions across the board. The downturn was led by the civil engineering category, having signalled a rapid decline from March. Housing and commercial activity both decreased at similarly sharp rates.

April's results revealed that uncertainty caused by the war in the Middle East had led customers to delay orders amid concerns around elevated price pressures. The overall reduction in new orders was stronger than in March and the fastest since August 2024.

Firms' expectations towards the coming 12 months remained muted, even signalling a slightly pessimistic view on balance. Any signs of positivity were linked to previously secured business, while concerns around the geopolitical environment were widely noted.

On the employment front, although Italian construction companies continued to signal job creation, the rate of increase was the weakest seen this year so far. At the same



Data were collected 9-30 April 2026.

Sources: S&P Global PMI, ISTAT via S&P Global Market Intelligence. © 2026 S&P Global

Comment

Eleanor Dennison, Economist at S&P Global Market Intelligence, said:

"It seems as though building work in Italy is being put on the backburner until firms and customers alike can be confident that inflationary pressures have started to subside. Raised levels of uncertainty caused by war in the Middle East have put the brakes on contract signatures, so much so, constructors are also unsure whether they will fulfil their growth ambitions for the coming year.

"As no one sub-sector is exempt from these adverse operating conditions, construction work on homes, commercial buildings and on civil engineering projects all declined at steeper rates than seen in March. The latter of the three was the hardest hit with activity contracting at a rapid pace.

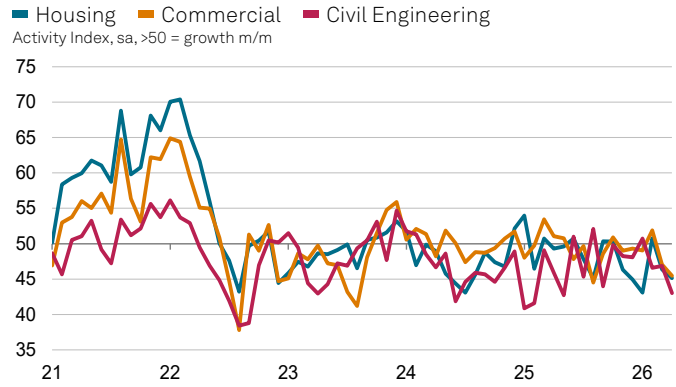
"On the upside, sustained hiring activity could suggest firms foresee a recovery the near-term and that they will be ready to take on new work when uncertainty fades. Meanwhile, firms acted to protect costs by lowering subcontractor usage and their purchasing quantities."

time, there were cutbacks to subcontractor usage.

As input requirements were lower, companies reduced their buying levels again. Here, the rate of contraction was the sharpest seen in 20 months.

Still, disruption to supply chains as a result of war in the Middle East led to a marked lengthening of lead times. The deterioration in vendor performance was the most pronounced in just over two years.

Higher energy, fuel, transportation and raw material prices pushed average cost burdens higher in April. The rate of cost inflation jumped to its strongest in four years, with around 58% of firms signalling a rise. This compared with less than 1% of companies that indicated a reduction in costs.



Source: S&P Global PMI. ©2026 S&P Global.

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Methodology

The S&P Global Italy Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 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.

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