

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB Germany Manufacturing PMI<sup>®</sup>

## Upturns in output, new orders and export sales lose momentum in July

### Key findings:

HCOB Germany Manufacturing PMI at 49.1 (Jun: 49.0). 35-month high.

HCOB Germany Manufacturing PMI Output Index at 50.6 (Jun: 51.9). 5-month low.

Pace of job losses eases to weakest in almost two years

Data were collected 10-24 July 2025.

Output rose for a fifth straight month across the German manufacturing sector during July, the latest HCOB PMI<sup>®</sup> survey showed. However, the upturn lost momentum as firms reported slower increases in both new orders and export sales. More positively, the pace of job losses eased considerably, to show the weakest fall in factory employment for almost two years. Goods producers remained relatively optimistic about growth prospects in the year ahead, although the degree of confidence was down slightly from June's recent high.

On the price front, German manufacturers reported a further – albeit slower – drop in input costs, citing a lack of pricing power among suppliers and the influence of a strong euro. Competitive pressures meant that goods producers passed on cost savings to customers, resulting in a third straight monthly reduction in average factory gate charges. Furthermore, the rate of decline was the quickest seen since February.

The headline **HCOB Germany Manufacturing PMI<sup>®</sup>** – a gauge of overall business conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases – registered 49.1 in July. This was up slightly from June's 49.0 and the highest reading for nearly three years. Positive directional influences came from the employment, stocks of purchases and supplier delivery times components, offsetting the slower rises in both output and new orders.

The latest increase in manufacturing production was only marginal and the weakest recorded since the current sequence of growth began in March. Higher output often reflected increased intakes of new work, according to panel member reports, but sub-index data revealed a slower pace of increase in demand compared with the month before. Export sales were up for a fourth successive month in July, albeit with the rate of growth moderating from June's 40-month high.

Although backlogs of work fell again across the Germany manufacturing sector during July, they did so only slightly and at the joint-slowest rate for more than three years. Amid the signs of capacity pressures reaching an equilibrium, goods producers moderated their pace of staff shedding. Latest data in fact showed the weakest fall in factory employment since September 2023.

At the same time, goods producers scaled up their buying activity for a second straight month, albeit again only marginally. Stocks of purchases continued falling, in part due to the increased use of inputs in production, but the rate of depletion was the slowest for almost two-and-a-half years. Stocks of finished goods, on the other hand, fell at a quicker pace.

On the supply side, average lead times on purchases quickened only slightly in July, recording the smallest improvement for 18 months.

Purchase prices faced by manufacturers meanwhile continued falling, amid reports of successful negotiations with suppliers and favourable exchange rates. The pace of decline in input costs did however ease to the weakest since March. By contrast, goods producers made greater reductions to factory gate charges, which fell at the fastest rate in five months.

Looking ahead, German manufacturers remained relatively optimistic about the prospect of output levels rising over the coming

year, with confidence levels running above the long-run average. They cited plans for new product launches, hopes of better economic conditions and a potential pick-up in investment spending. Expectations did however tick down from June's 40-month high.

### Comment

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

*“The recovery in the manufacturing sector remains sluggish. Although the headline index has been rising almost continuously since the beginning of the year, the expansion threshold has still not been reached. Among other things, the continued and rapid reduction in inventories signals that companies have not yet switched to a sustained recovery mode and prefer to remain cautious. This is also reflected in the fact that optimism has recently weakened somewhat again.*

*“The recovery in demand has recently been driven primarily by foreign markets. Export orders have increased for four consecutive months. While this was initially linked to front-loaded U.S. imports in the spring, the continued foreign demand into early summer suggests a more fundamental improvement in conditions. The tariff agreement reached at the end of July between the EU and the U.S. may mean that U.S. importers will buy fewer goods from Germany in the near future. At the same time, however, uncertainty is likely to settle at a lower level, which should support overall demand.*

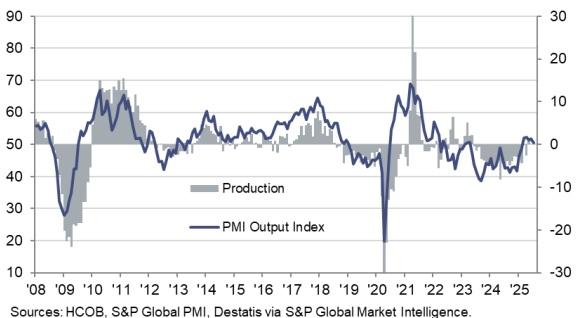
*“The clearest indicator of a recovery is the production index, which has shown an expansion in output for five months now. However, the rate of growth has recently slowed significantly, mainly due to the consumer goods industry, while production in the capital goods sector has grown robustly. This suggests that domestic demand, which depends on private consumption, is somewhat weakening, while foreign demand – crucial for the capital goods industry – is performing better.”*

-Ends-

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



**PMI Output Index**  
sa, >50 = growth since previous month



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## 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.

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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.).

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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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi.html)

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