

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

## Production levels grow at fastest rate for over three years in April

### Key findings:

HCOB Germany Manufacturing PMI at 48.4 (Mar: 48.3). 32-month high.

HCOB Germany Manufacturing PMI Output Index at 52.3 (Mar: 52.1). 37-month high.

Business expectations ease to weakest in four months

Data were collected 9-23 April 2025.

German manufacturing production levels rose at the quickest rate for more than three years in April, supported by an upturn in export orders, the latest HCOB PMI<sup>®</sup> survey showed. Goods producers were less optimistic about the outlook, however, and they continued to reduce workforce numbers, albeit at a slower pace.

Notably, latest data showed a rise in average prices charged by German manufacturers for the first time in almost two years. This was despite input costs recording a sharp and accelerated decline.

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 48.4 in April, up slightly from March's 48.3. The latest reading was the highest recorded for more than two-and-a-half years, which principally owed to a solid and accelerated increase in output.

Production levels rose across the German manufacturing sector for the second month in a row in April, after having fallen continuously for almost two years. The rate of growth quickened to the fastest since March 2022, buoyed by a stronger expansion in the investment goods segment. Nevertheless, it was still slightly below the long-run average. Firms that scaled up production often remarked on increased intakes of new work, although there were also some that raised output to clear backlogs and build up stocks of finished goods.

April data likewise showed back-to-back increases in new orders across the goods-producing sector. The pace of growth slowed, however, with new orders rising only marginally from the previous month. Panellists reported stronger demand both domestically and abroad, with export sales rising – albeit only slightly – for the first time since early 2022. There were mentions of new business wins across Europe and Asia, alongside reports of some customers bringing forward orders in anticipation of increased customs duties.

Backlogs of work fell at the quickest rate for three months in April. With firms completing more orders than they received during the month, this contributed to further job cuts. The pace of staff shedding eased to the weakest since last June, although it was still marked by historical standards.

The latest decline in employment coincided with a notable deterioration in manufacturers' growth expectations for the year ahead. The degree of optimism towards future output retreated sharply from March's 37-month high to the lowest seen so far this year. There were a number of reports from panellists of tariff-related concerns and heightened levels of uncertainty weighing on confidence.

Stocks of finished goods fell only modestly in April, recording the slowest decline for eight months. This contrasted with a steep and slightly accelerated reduction in pre-production inventories. Manufacturers' purchases of inputs steadied somewhat, however, falling to the smallest extent for almost three years. Higher output requirements in fact led some firms to raise buying levels, as did concerns about future input price increases.

Average purchasing costs were down sharply in April, registering the most marked drop in just over a year. A stronger euro, discounts from suppliers and lower commodity prices were some of the factors that led to lower input costs, according to panel members. By contrast, average factory gate charges increased for the first time in almost two years, albeit only slightly.

Lastly, April's survey showed a further shortening of supplier delivery times. The latest improvement, which was solid but slightly less marked than in March, reflected reduced demand for inputs.

## Comment

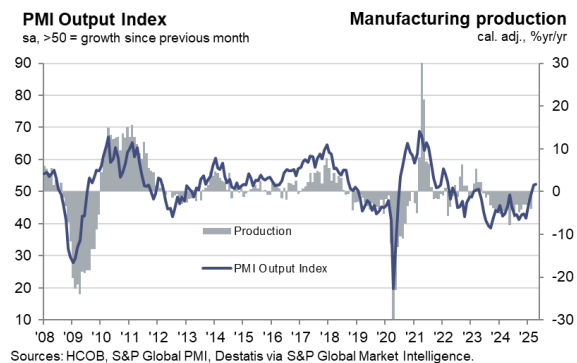
Commenting on the PMI data, Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

*“With the headline PMI moving closer to the neutral 50 mark, one might think that German industry is gradually emerging from a downturn that has lasted almost three years. After all, manufacturers have expanded production for the second month in a row. It doesn't take a crystal ball to see that the road ahead will be bumpy, though. US tariffs and the associated uncertainty are going to weigh on German exporters. And it is quite possible that the expansion in production over the past two months is due to pull-forward effects in connection with the impending US tariff increases, which means that there might be a backlash in the coming months.*”

*“Despite global headwinds, German manufacturers recorded a marginal increase in export orders for the first time in over three years. This supported a second straight monthly rise in overall order intakes. Orders from the German Bundeswehr are probably not yet playing a decisive role here, but many companies – defence contractors, but also vehicle and drone manufacturers and producers of optical equipment, for example – are likely to benefit from the planned additional defence spending in the future.*”

*“Falling energy prices are helping German industry. The drop in oil and gas prices due to increased fears of recession in the US is reflected in lower purchase prices and is helping manufacturers to expand their profit margins. This is even more the case as sales prices rose slightly in April for the first time in nearly two years.”*

-Ends-



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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 92% 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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#### **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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