

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 0930 CEST (0730 UTC) 7 May 2025

HCOB Italy Construction PMI®

Italian construction sector stagnates at the start of the second quarter

Key findings:

Activity and new orders broadly unchanged in April

Strongest rise in employment of 2025 so far, albeit only modest

Below-average confidence in the future

Data were collected 9-30 April 2025.

The Italian construction sector broadly stagnated at the start of April, according to the latest HCOB PMI®, following a period of recovery and solid growth in March. Growth trends for both new orders and input purchasing subsequently moderated to only marginal paces. At the same time, employment levels rose at the quickest rate of the year so far. Confidence towards the future improved slightly, but remained subdued when put into a historical context.

At 50.1 in April, the headline **HCOB Italy Construction PMI® Total Activity Index** — which measures month-on-month changes in total industry activity — neared the all-important 50.0 no-change mark, to signal a broad stagnation of the Italy construction sector. The index was down from 52.4 in March, its highest reading in 15 months.

The headline figure masked mixed trends at the sector level. Declines in housing and civil engineering activity counterbalanced an expansion in commercial building.

The civil engineering sector remained the worst performer for the eighth month running in April. The latest decrease in activity was marked and noticeably faster than in March. Meanwhile, housing activity decreased for the second time in three months. The rate of decline was only slight, however. Commercial construction was again a bright spot as the only sector to post activity growth in April, albeit with the pace of expansion being only marginal overall.

The trend for activity was closely aligned with that of new orders, as Italian construction firms signalled only fractional growth of new work intakes. While on one hand some firms reported improved customer interest for construction work, resulting in new tenders and contracts, others linked weakness to unfavourable economic and geopolitical conditions.

Purchasing activity, meanwhile, rose for a second month in a row in April, as firms required additional materials for new projects. Although the rate of expansion was only marginal and softer than in March, it was nevertheless stronger than the long-run trend. Above-average buying added pressure to supply chains, and delivery times lengthened in the latest survey period.

At the same time, Italian construction companies continued to take on additional workers in April. It marked the eighth consecutive month of job creation. The increase reflected greater workloads, often due to the start of new projects, with firms typically hiring on fixed-term contracts. The rate of workforce expansion was the fastest in 2025 so far, albeit only modest overall.

Looking ahead, firms across the Italian construction sector were generally confident that activity levels would rise over the next 12 months. Confidence was centred on recent new business wins. Although sentiment was its strongest for seven months, it was historically subdued, clouded by the geopolitical and economic outlook.

Comment

Commenting on the PMI data, Norman Liebke, Economist at Hamburg Commercial Bank, said:

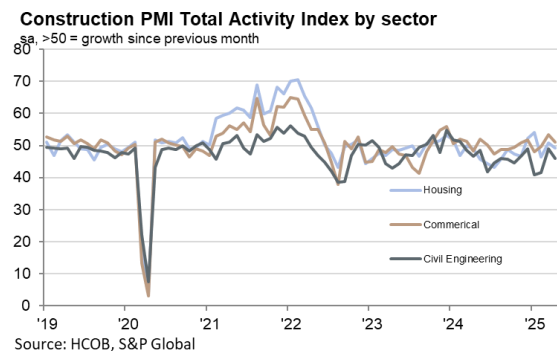
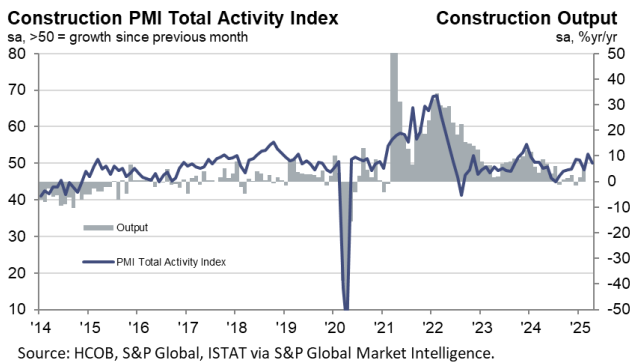
“The Italian construction sector is in stagnation in April. The HCOB Italy Construction PMI Total Activity Index fell from 52.4 in March to 50.1, signalling near-stagnant industry activity. Growth trends in both new orders and purchasing volumes weakened to low levels, while employment rose at its strongest pace this year. Confidence for the future improved slightly but remained subdued by historical standards.

“The overall figures masked mixed trends at the sector level. Declines in residential and civil engineering offset growth in commercial construction. Civil engineering was the weakest sector for the eighth month in a row in April, recording a significant decline in activity that was much faster than in March. Residential construction activity declined for the second time in three months. In contrast, commercial construction was a bright spot, recording growth in construction activity for the second month in a row.

“New orders received by Italian construction companies rose slightly in April. Some companies reported increased customer interest, leading to new tenders and orders, while others attributed the weakness to unfavourable economic and geopolitical conditions. Although the pace of growth slowed compared to March, it remained above the long-term trend.

“Italian construction companies continued to hire new staff in April, creating jobs for the eighth month in a row. The increase reflected higher capacity utilization, often due to the start of new projects, with companies typically offering temporary contracts. Employment growth was the strongest in 2025, albeit moderate overall. Looking ahead, companies were generally confident that business activity would increase over the next 12 months, based on recent order intake. However, sentiment remained historically subdued due to the geopolitical and economic outlook. HCOB Economics expects the European Central Bank to make further rate cuts this year, which will help to set the Italian construction sector on its way.”

-Ends-



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Note to Editors

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

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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