

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

## Production growth quickest for nearly three-and-a-half years in August

### Key findings:

HCOB Germany Manufacturing PMI at 49.8 (Jul: 49.1). 38-month high.

HCOB Germany Manufacturing PMI Output Index at 52.9 (Jul: 50.6). 41-month high.

Manufacturers remain in job-cutting mode

Data were collected 12-21 August 2025.

The latest HCOB PMI<sup>®</sup> survey showed stronger growth in both production and new orders across the German manufacturing sector in August, with the pace of expansion in output at its highest in nearly three-and-a-half years.

Nevertheless, not only did goods producers remain in job-cutting mode, with employment even falling at a quicker rate than in July, but they also signalled a renewed decline in purchasing activity and further marked decreases in stocks. This coincided with slightly less optimism about the year-ahead outlook.

On the price front, latest data showed sustained declines in both input costs and output prices across the German goods-producing sector, with the latter falling at the quickest rate for six months.

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 – ticked up to 49.8 in August, from July's 49.1. The latest reading was the highest recorded since the index slipped below the 50.0 threshold that separates improvement from deterioration in mid-2022.

The rise in the headline index was driven mainly by its two largest components, namely new orders (30% weight) and output (25%). New orders increased for the third month in a row in August and at a slightly faster rate than that recorded in July. This was despite a first - albeit marginal – reduction in export sales for five months.

The current upturn in production meanwhile extended to six months. Furthermore, the pace of expansion quickened considerably to its fastest since March 2022, and was in line with its long-run average. In some cases, output was supported by work on backlogged orders, which fell again in August. That said, the pace of depletion was the weakest observed in the current sequence of decline that stretches back to June 2022.

Staffing capacity was scaled back further during August. There were reports from surveyed businesses of reductions in contractor numbers and the non-replacement of leavers. Moreover, following the softest reduction in employment for nearly two years in July, the rate of job shedding reaccelerated and was solid overall.

August also saw the first decrease in purchasing activity among German manufacturers for three months. The decline in buying levels, which followed back-to-back marginal increases, was the most marked since March and largely reflected attempts by firms to run down stocks. Both pre- and post-production inventories fell during August, each recording relatively solid rates of decline that were broadly unchanged from those seen in the previous survey period.

Delivery times on purchased inputs quickened only fractionally midway through the third quarter, registering the smallest improvement for almost three years. Average prices paid for purchases meanwhile continued falling, although the rate of decline eased for the fourth month in a row and was the weakest since March.

By contrast, average factory gate charges fell at a quicker rate – the steepest seen since February. Where discounts were

given, firms commented on the pass-through of lower input costs and strong competitive pressures.

Lastly, August survey data indicated a slight weakening of German manufacturers' growth expectations for the year ahead. Optimism retreated further from June's recent peak, although it was still stronger than the long-run series average.

### Comment

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

*"These are encouraging developments for the German manufacturing sector. Output has increased for six consecutive months, and firms have received more new orders for three months in a row. This doesn't mean that German industry is out of the woods—far from it. However, the ability to expand production despite mounting challenges is a testament to its resilience. These challenges include the looming disruption of trade relations with one of the most important non-EU markets, the United States; intensifying competition from China; and pressure on competitiveness due to a stronger euro.*

*"German manufacturers are fighting on multiple fronts. Output prices remain under pressure, the backlog of orders continues to shrink, and foreign demand for goods declined in August after a few stronger months. In response, firms have cut even more jobs than in the previous month. The silver lining is that labour productivity is rising, as output continues to grow at a solid pace.*

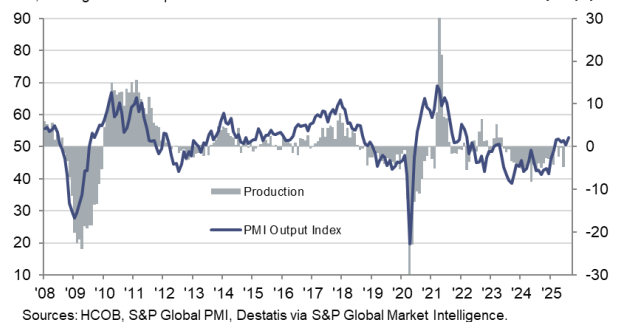
*"The growth in output is being driven primarily by the investment goods sector, where the index has reached a 28-month high. The intermediate goods sector has also contributed to the expansion, while the consumer goods sector—which includes pharmaceuticals and food products—is stagnating. Overall, we see an upward trend in output, which should be supported by expansionary fiscal policy, including increased investment in infrastructure and defence."*

-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™ (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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#### **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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