

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 1000 CEST (0800 UTC) 12 April 2024

HCOB Germany PMI[®] Export Conditions Index

Gradual recovery in export conditions extends into March

Key findings:

Germany Manufacturing Export Conditions Index climbs to 11-month high of 51.0

Broad-based acceleration in growth across key Asian markets

Downturn in new export orders eases, but Germany remains global laggard

Automobiles & Auto Parts remains the biggest drag on overall export sales

The headline HCOB Germany Manufacturing PMI[®] Export Conditions Index is a single-figure measure of global macroeconomic conditions on a trade-weighted basis for German manufacturers, with additional series compiled for major world regions and markets. It is constructed from surveys in over 40 countries and regions by S&P Global.

The index is published by Hamburg Commercial Bank as part of a monthly report that is designed to offer unique and timely macroeconomic insights into export performance across the German manufacturing sector.

Data were collected 11-28 March.

Comment

Commenting on the report, Tariq Kamal Chaudhry, Economist at Hamburg Commercial Bank, said:

“The HCOB Export Conditions Index brightened further in March but still shows modest growth at 51 index points. The improved business activity in North America and Asia, especially in India and China, has a positive impact on Germany's export conditions, although political tensions and anti-dumping investigations, especially concerning China, could increase the potential for trade barriers. Chancellor Scholz is expected in Beijing on April 15, 2024, where his reaction to Chinese policies will be of great interest. Further, Germany is particularly suffering from the weakness of export conditions in Europe, where we expect a gradual recovery due to a comeback of private consumption, beginning in the second half of the year.

“Germany continues to struggle to attract orders, with the index standing at 42.7 in the three months to March. A glimmer of hope comes from the chemical industry, which, after two years, is experiencing stagnation for the first time. Machinery & Engineering could also follow suit soon, as it has been consistently reducing its rate of contraction for six months now. The recession hits the automotive industry particularly hard, facing the highest rate of order contraction mainly due to global demand weakness and growing competition from China.

“Good news for global trade: The global PMI for new export orders in March stands at 49.5, almost crossing the growth threshold and reaching its highest level since June 2022. Particularly noteworthy is that, alongside India, European representatives such as the Netherlands and Greece are the main drivers of this development. This trend contrasts with much of the rest of Europe, which lags behind in the global comparison. Persistently high interest rates and the aftermath of the energy crisis are particularly burdening the competitiveness of these countries. For Germany, also positioned at the lower end of the global comparison, the path out of the deep recession will therefore be long and arduous.”

Export conditions

German export conditions continued to strengthen as the first quarter of 2024 came to a close, building on the improvement seen in February. At 51.0 in March, up from 50.7, the headline **HCOB Germany Manufacturing PMI Export Conditions Index** recorded its highest reading for almost a year, albeit remaining at a level indicative of only modest growth of international economic activity on a trade-weighted basis.

The upturn in export conditions was led by renewed momentum across Asian markets, where growth on a trade-weighted basis accelerated to the quickest since May 2023 (latest index at 52.7). Central to this were faster increases in business activity in China, Japan and India.

North America also saw a sustained expansion in economic output during March, but growth there slowed for the first time in four months (51.7).

Export conditions across Europe meanwhile stabilised at the end of the first quarter (49.9), after having deteriorated in every month since May last year. The broad stagnation continued to mask contrasting performances between the region's national economies, with strong growth in the likes of Greece and Spain being offset by ongoing weakness in some of Germany's neighbouring countries, including France and Austria.

HCOB Germany Manufacturing PMI Export Conditions Index

sa, >50 = improvement since previous month



New export orders

Germany's export performance once again stood in contrast to the improvement in overall demand conditions across its trading partners, with the country's international sales remaining in contraction territory in March. The seasonally adjusted HCOB Germany Manufacturing PMI New Export Orders Index did however rise to 43.1, up from February's 42.3 and its highest in nearly a year. Although still firmly below the neutral 50.0 threshold, the latest reading was up noticeably from the nadir of 34.4 recorded last July.

Germany remained one of the global laggards in terms of trends in export sales and part of a wider group of under-performing nations across Central Europe. Of the countries covered by the PMI surveys worldwide, only neighbouring Austria (39.7) and Czechia (42.5) saw more marked decreases in new export orders in March, hinting at some spillover from the slowdown in economic activity in the eurozone's largest economy.

The Automobiles & Auto Parts sector once again provided the biggest drag on German manufacturing export sales of the four major categories monitored by the survey (index at 37.3), with anecdotal evidence from panellists highlighting the influence of lower demand across Europe and, in some cases, high retail stock levels. It was followed by Consumer Non-cyclicals (40.5), which even saw a slight acceleration in the rate of decline in new export business.

More positively, there were further tentative signs of a turnaround in the Machinery & Equipment sector (45.7) in March. Here, new orders received from abroad recorded the slowest decline in more than a year-and-a-half, with some firms remarking on improving demand for investment goods not only across the Americas and Asia but also in parts of Southern and Western Europe. Most encouraging of all, however, was a stabilisation of export sales in the Chemicals segment (50.0), which brought to an end a two-year sequence of contraction.

The next HCOB Germany Manufacturing PMI Export Conditions Index will be released at 10:00 (CEST) on 13th May 2024.

-Ends-

Contact

Hamburg Commercial Bank AG

Dr. Cyrus de la Rubia
Chief Economist
T: +49-160-9018-0792
cyrus.delarubia@hcob-bank.com

Katrin Steinbacher
Head of Press Office
Senior Vice President
T: +49-40-3333-11130
katrin.steinbacher@hcob-bank.com

S&P Global Market Intelligence

Tim Moore
Economics Director
T: +44-149-146-1067
tim.moore@spglobal.com

Sabrina Mayeen
Corporate Communications
T: +44-796-744-7030
sabrina.mayeen@spglobal.com

Note to Editors

The HCOB Germany Manufacturing PMI Export Conditions Index is a seasonally adjusted single-figure indicator of the health of Germany's most important manufacturing export markets. The Index varies between 0 and 100, with a reading above 50 indicating an overall improvement compared to the previous month, and below 50 an overall deterioration.

The index is calculated by weighting together national PMI output indices from S&P Global's PMI surveys. Weights are derived from official trade statistics relating to each nation's contribution to German manufacturing exports. By weighting together the national output indices according to their importance to German manufacturing exports, a single advance indicator for the overall health of Germany's export markets is obtained.

The national output indices are calculated as weighted averages of the Manufacturing PMI Output Index and the Services PMI Business Activity Index where available. Weights are derived from national official statistics on value added by sector. All data are seasonally adjusted.

Underlying national PMI data included in the HCOB Germany Manufacturing PMI Export Conditions Index are not subject to revision. Country weights are updated as new calendar year official trade statistics become available and are used in the index calculation on an as-reported basis. Any changes to country weights are not applied retrospectively (i.e. the historic index is not be revised due to the incorporation of new country weights).

The headline index may be revised from time to time if constituent national data are unavailable for inclusion in the figures due to later than usual release dates. Revised values reflect the inclusion of economy level data that was unavailable at release time into the aggregate global index.

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.

Hamburg Commercial Bank aligns its activities with established ESG (Environment, Social, and Governance) criteria and has anchored sustainability aspects in its business model. It supports its clients in their transition to a more sustainable future.

The bank's specialists are as experienced as they are pragmatic. They act in a reliable manner and at eye level with their customers. They provide in-depth advice in order to jointly find efficient solutions that are a perfect fit – for complex projects in particular. Tailor-made financing, a high level of structuring and syndication expertise and many years of experience are just as much a hallmark of the bank as are our profound market and sector expertise.

S&P Global (NYSE: SPGI)

S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

S&P Global is a registered trademark of S&P Global Ltd. and/or its affiliates. All other company and product names may be trademarks of their respective owners © 2024 S&P Global Ltd. All rights reserved. www.spglobal.com

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.

If you prefer not to receive news releases from S&P Global, please email katherine.smith@spglobal.com. To read our privacy policy, [click here](#).

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.