

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB Italy Manufacturing PMI®

## Italian manufacturing downturn loses momentum in April

### Key findings:

Output nearly stabilises, having declined in the 12 months prior to April

Softest contraction in new orders in over a year

Cost pressures cool further, but charge inflation intensifies

Data were collected 9-23 April 2025.

Latest HCOB PMI® data signalled a further deterioration in operating conditions for Italian goods producers. There were, however, signs that the downturn was less severe than earlier in the year as the decline in new orders lost noticeable momentum, a trend also true for export sales. Manufacturing output fell fractionally in April, a clear sign that the downturn had softened. Nevertheless, raised levels of uncertainty continued to dampen firms' confidence in the outlook. Although manufacturers continued to report increasing costs, the rate of inflation was the weakest in 2025 so far. Charges rose at a stronger rate, however.

The **HCOB Italy Manufacturing Purchasing Managers' Index™ (PMI®)**, a composite single-figure indicator of manufacturing performance derived from indicators for new orders, output, employment, suppliers' delivery times and stocks of purchases, posted at 49.3 in April, up from 46.6 in March. The latest headline PMI reading pointed to the softest decline in operating conditions in eight months, with four of the five components imparting positive directional influences.

There was still evidence of weakness in demand for Italian manufactured items in April, linked by panellists to challenging geopolitical and economic conditions. New orders decreased at marginal pace that was the softest across the 13-month sequence, however. New export orders were also down again in April, in part reflective of tariff uncertainty, but the trend of contraction also lost momentum compared to March.

Italian manufacturers remained reluctant to raise production volumes in April. As the respective HCOB index neared the 50.0 stabilisation mark, the decline in output was only fractional, however.

When it came to employment, latest data showed a seventh straight month of job losses at Italian factories in April. Panellists noted that, due to them having spare working capacity, they had opted not to replace leavers. The rate of job shedding was only modest, however. Given firms' workforce optimisation efforts, backlogs of work decreased to a lesser extent compared to March.

Goods producers in Italy faced a further rise in input costs in April, linked most commonly to increased raw material prices. Although the latest rise in cost burdens was the fifth in consecutive months, the rate of inflation was marginal and well-below trend.

Nevertheless, efforts to shield margins saw manufacturers raise their charges for a second successive month in April. The rate of selling price inflation picked up to its strongest in over two years.

Quantities of purchases and inventories, both pre- and post-production, all decreased again in April. The sustained declines

reflected attempts to minimise stocks and control costs while demand conditions remained muted. That being said, rates of contraction in all three cases were softer than in March.

Reduced purchasing helped suppliers to keep on top of their workloads in April as delivery times shortened for the first time in three months. Though the improvement in vendor performance was only slight, it contrasted with the long-run trend of deterioration.

Looking ahead to the next 12 months, Italian manufacturers were confident of a rise in output from present levels in April. New customer wins and hopes that market conditions will improve fuelled positive sentiment, according to panel member reports. That being said, confidence levels continued to tumble in the latest survey period, falling further below the long-run trend.

## Comment

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

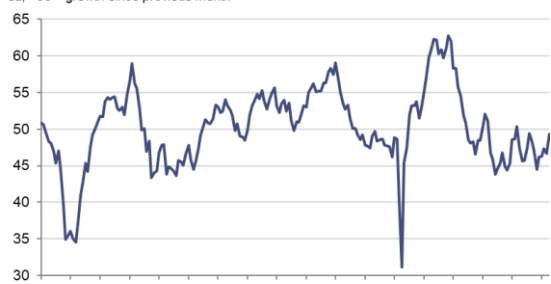
*“This appears to indicate stabilisation, despite US tariff policy. After declining almost continuously since April 2024, production has now almost reached the 50 mark, signalling that production is roughly at the same level as in the previous month. The turnaround also seems to be emerging in terms of new orders, where the decline is significantly milder than in previous months. This aligns with the fact that inventories of pre-production goods were reduced only slightly.*

*“Given the improved survey results, growth is once again within the realm of possibility. However, after the sector has been in recession almost continuously since mid-2022, Italian industry will have to work its way out of a rather deep hole. There will still be a number of obstacles along the way, chief among them the US tariff policy and the threat of intensified competition from China, which will push even more products onto the European market than before.*

*“Higher tariffs and uncertainty are weighing on Italian industry, which is reflected in the below-average optimism of manufacturers. However, a more severe slump in sentiment could well have been expected. The fact that the PMI figures signal stabilisation rather than a sharp deterioration may have something to do with the fact that industry is still benefiting from some advance deals designed to circumvent higher tariffs. In addition, the defence industry is likely to see higher demand for defence equipment, which should have a knock-on effect on the entire manufacturing sector.”*

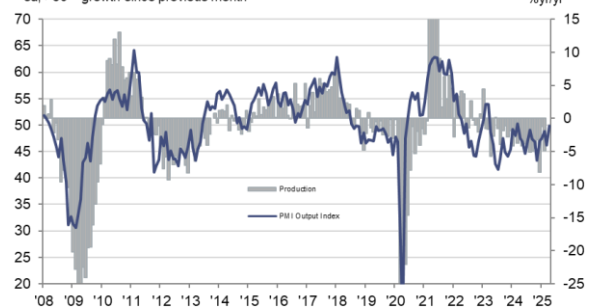
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**HCOB Italy Manufacturing PMI**  
sa, >50 = growth since previous month



Sources: HCOB, S&P Global PMI.

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



Sources: HCOB, S&P Global PMI, ISTAT via S&P Global Market Intelligence.

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## Note to Editors

The HCOB Italy Manufacturing PMI<sup>®</sup> is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in June 1997.

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.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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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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