

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 0955 CET (0855 UTC) 3 March 2025

HCOB Germany Manufacturing PMI®

Manufacturing PMI climbs to 25-month high as downturn shows further signs of easing

Key findings:

HCOB Germany Manufacturing PMI at 46.5 (Jan: 45.0). 25-month high.

HCOB Germany Manufacturing PMI Output Index at 48.9 (Jan: 46.3). 9-month high.

Sharp and accelerated decline in employment

Data were collected 10-21 February 2025.

The latest HCOB PMI® survey showed that while manufacturing business conditions continued to deteriorate across Germany in February, they did so at the slowest rate for more than two years. Output, new orders and export sales all posted only modest declines, while firms' purchasing activity and backlogs of work also fell more slowly.

Employment, on the other hand, decreased sharply, with the rate of job shedding even accelerating from the month before. February also saw slightly faster declines in both input costs and output prices as spare capacity across supply chains prompted discounting by vendors.

Looking ahead, goods producers in the eurozone's largest economy predicted that output levels would rise over the coming year, although they were less optimistic than in January.

The headline **HCOB Germany Manufacturing PMI®** – a gauge of overall business conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases – rose to 46.5 in February from January's 45.0. Although still below the 50.0 no-change threshold, the latest reading was the highest recorded since January 2023.

The rise in the headline PMI was mostly driven by a slower decrease in new orders, which showed the smallest decline for almost three years in February. Contributing to this was a reduced drag from falling export sales, which like total new orders fell only modestly on the month and at one of the weakest rates since the current period of decline started in early 2022. Underlying data showed an upturn in foreign demand for intermediate goods.

The pace of contraction in manufacturing production likewise eased midway through the opening quarter of the year, to show the softest fall since last May.

By contrast, factory employment declined at a sharp and accelerated rate that was the quickest for three months. Alongside reports of the non-replacement of leavers and non-renewal of temporary contracts, there were also several mentions of redundancies by surveyed businesses.

The combination of a slower fall in incoming new work and greatly reduced staffing capacity meant that the decline in backlogs of work – seen since mid-2022 – eased again in February, the fourth time in the past five months in which this has been the case. Overall, work-in-hand decreased only modestly and at the second-slowest rate in the current sequence of depletion.

It was a similar story for manufacturers' purchasing activity. Here, however, the pace of contraction remained substantial as firms continued to signal a preference for lower stocks of purchases. February saw a further steep drop in pre-production inventories, albeit with the rate of depletion having slowed since January. Stocks of finished goods meanwhile fell at a slightly faster rate than the month before.

Turning to prices, February's survey showed further reductions in both input costs and output charges across Germany's

manufacturing sector. Moreover, the respective rates of decline quickened after having showed only modest declines at the start of the year. The lack of inflationary pressure tallied with signs of spare capacity across supply chains, with firms reporting the most marked improvement in delivery times on purchases for six months.

Lastly, latest data showed that manufacturers were optimistic about the year-ahead outlook for output. Expectations remained above the historic average, although they did ease slightly from January's 35-month high, amid reports of concerns over geopolitical tensions and tariffs.

Comment

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

“The recession in German industry may come to an end in the coming months. In particular, incoming orders, which have fallen again but more slowly than at any time since April 2022, are a source of hope. The same applies to the order backlog. The recession in production has weakened significantly within two months. In the intermediate goods sector output even grew again, while in the other key sector of capital goods, production has come close to stabilizing. This points to the possibility of an early recovery overall. At this point in time, however, a great deal of caution is still called for, as it is still unclear whether the upward trend in global industrial activity will continue.

“Job cuts have accelerated sharply of late. Companies have been reducing their headcount month after month since mid-2023. However, with the stabilization of production that is becoming apparent, it is possible that companies will gradually change tack and that the downsizing measures will come to an end in the coming months.

“Demand remains weak. Although there are signs of a stabilization in the order situation, the fact that supplier delivery times shortened in February is an indication of the spare production and transport capacity in the economy. Furthermore, the inventory cycle hasn't turned around yet – both finished products and purchased inputs are still seeing reductions.

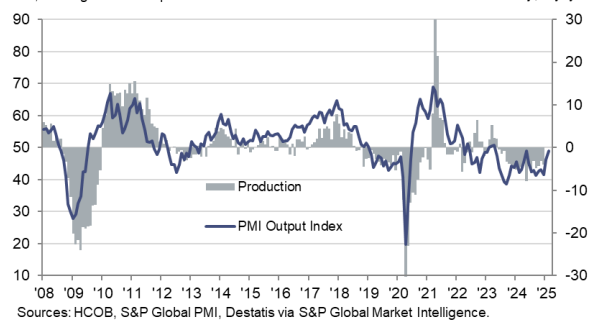
“The outlook for the future is looking positive, though not as bright as at the beginning of the year. A lot will depend on how quickly a new government is formed and how bold their economic plans will be. To truly turn things around, we'll need a solid investment plan to modernize public infrastructure and sustainably improve conditions in Germany.”

-Ends-

HCOB Germany Manufacturing PMI
sa, >50 = improvement since previous month



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



Contact

Hamburg Commercial Bank AG

Dr. Cyrus de la Rubia
Chief Economist
T: +49-160-90180-792
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

Phil Smith
Economics Associate Director
T: +44-149-146-1009
phil.smith@spglobal.com

Corporate Communications
press.mi@spglobal.com

Note to Editors

The HCOB Germany Manufacturing PMI® 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 93% 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.

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 © 2025 S&P Global Ltd. All rights reserved. www.spglobal.com

About BME

The BME is the German Association for Supply Chain Management, Procurement and Logistics. Founded in 1954 it provides services for around 9750 individual and corporate members, including small and medium-sized businesses as well as Germany's top 200 companies. The BME liaises between businesses and academia, both on the demand and the supply side, by providing the necessary networks for communication and knowledge exchange. The association is open to all company types from any sector (industry, trade, banking/insurance, public sector, service providers, etc.).

Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME), Frankfurter Str. 27, 65760 Eschborn, GERMANY

Contact: Frank Rösch, Head of Press and Communications

E-mail: frank.roesch@bme.de Internet: www.bme.de

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 press.mi@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.