

# S&P Global Italy Services PMI<sup>®</sup>

## Italian service sector moves towards stabilisation in April

### April 2026

#### Activity levels little-changed

Growth in overall new business reinstated despite sharper fall in export sales

#### Cost pressures intensify, but charge inflation cools

The Italian services economy was broadly stagnant at the start of the second quarter, with firms facing greater cost pressures.

Only slight growth in overall new business was eked out in April amid the strongest fall in export sales in ten months. Uncertainty fuelled by war in the Middle East continued to weigh on the outlook and contributed to stronger cost pressures, indirectly limiting demand. Charge inflation cooled meanwhile in a sign that firms are absorbing the brunt of the elevated inflationary pressure.

The headline S&P Global Italy Services PMI<sup>®</sup> Business Activity Index is based on a single question asking how the level of business activity compares with the situation the month before. A reading above 50.0 signals expansion, and the further above 50.0 the faster the rate of growth signalled.

Up from 48.8 in March, April saw the headline Business Activity Index near the 50.0 stabilisation point by posting at 49.8. It marked the first time since the end of 2023 that back-to-back reductions in output have been recorded.

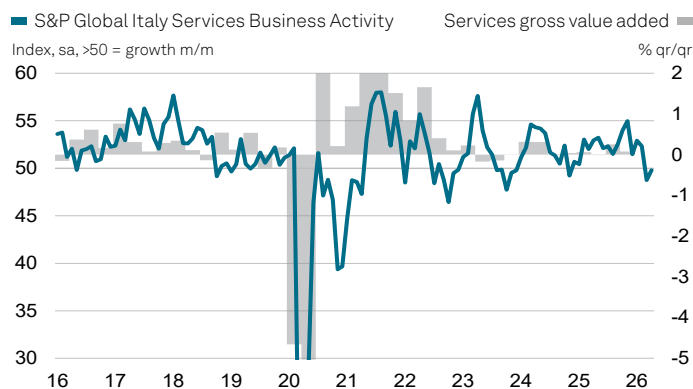
There were mixed trends at the sector level, as a sharp rise in software & communication services activity contrasted with a similarly strong drop in consumer services.

Where output was lower, panellists linked this to uncertainty caused by war in the Middle East, elevated cost pressures and subdued volumes of incoming new work.

Although there was a fresh increase in the total new business placed at Italian services companies, the expansion was only slight overall and muted compared to the long-run average. Lower export sales weighed on the overall upturn, as the rate of decline quickened to the fastest since mid-2025. The war in the Middle East was reported to have led to uncertainty and hesitancy at customers, as well as placing strain on client purchasing power.

In line with the trend for new orders, there was a slight increase in services employment across Italy in April. The rate of job creation was just softer than the series trend, however.

At the same time, April data pointed to the thirteenth



Data were collected 9-27 April 2026.

Sources: S&P Global PMI, ISTAT via S&P Global Market Intelligence. © 2026 S&P Global

### Comment

Eleanor Dennison, Economist at S&P Global Market Intelligence:

"The uncertainty caused by the outbreak of war in the Middle East continued to weigh on the Italian service sector as we move into the second quarter of the year. Not only did firms continue to face building cost pressures, but this also again had a knock-on effect on demand. Although growth in new business was renewed, the upturn as among the weakest seen since the start of last year.

"April data pointed to the largest gap in the PMI price indices since the end of 2022, as in fear of deterring already muted demand, firms were less able to pass cost burdens onto customers. This squeeze on margins is likely to have an adverse impact on labour market and investment outcomes if sustained."

## S&P Global Italy Services PMI®

reduction in outstanding business in the past 14 months. There was greater evidence of excess capacity, as the rate of depletion accelerated to the strongest since August 2024.

Prices data showed a third consecutive monthly increase in cost pressures faced by Italian service providers in April. The rate of inflation was the most marked seen since early-2023. There was a wide variety of sources of pressure cited in panel member reports, particularly related to energy, fuel and wages.

As only around 14% of companies raised their fees in April, the rate of charge inflation was comparatively softer than that of costs. The latest reading was weaker than that seen in March as pricing power waned and solid overall.

On balance, growth projections for the year ahead remained positive. Although up from March's recent low, the overall level of optimism was still far weaker than the series trend, as the prospect of continued war in the Middle East weighed on expectations.

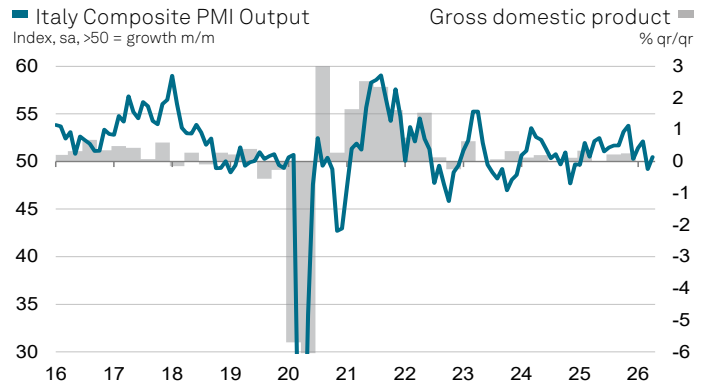
## S&P Global Italy Composite PMI®

Growth of private sector output reinstated in April

Up from 49.2 in March, the S&P Global Italy Composite PMI Output Index rose back above the neutral threshold of 50.0 in April. At 50.5, the latest reading signalled just a marginal uptick in output that was centred on the manufacturing sector. Meanwhile, growth in services new business counterbalanced the fall in manufacturing order books.

At the composite level, the rate of cost inflation intensified and was the highest in three-and-a-half years in April. Meanwhile, charges were raised at the strongest rate since February 2023, but to a softer degree compared to that of costs.

There were also slight improvements in the rate of job creation and the degree of confidence in the 12-month outlook for output compared to March.



Sources: S&P Global PMI, ISTAT via S&P Global Market Intelligence. © 2026 S&P Global

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## Methodology

The S&P Global Italy Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 450 service sector companies.

The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in January 1998.

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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite 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](mailto:economics@spglobal.com).

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