NEWS RELEASE
MARKET SENSITIVE INFORMATION
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# HCOB Italy Construction PMI®

## Signs of recovery in Italian construction sector at the end of the year

**Key findings:**

Renewed increases in activity and new orders signalled

Employment levels raised at most pronounced rate since March

Future outlook for activity dulls

Data were collected 5-23 December 2024.

The Italian construction sector pulled out of contraction territory at the end of the year, posting renewed growth of both activity and new orders. To support new work inflows, workforce numbers were increased for the fourth month running in December. The rate of jobs growth picked up only slightly on the month, but nevertheless posted a nine-month high. The improvement in the sales environment was, however, not sufficient to instil greater confidence towards the future, and the degree of optimism dipped from November.

The headline **HCOB Italy Construction Purchasing Managers' Index™ (PMI®)** – which measures month-on-month changes in total industry activity – rose from 48.5 in November to 51.2 in December.

With the headline index posting back above the crucial 50.0 mark for the first time in nine months, the Italian construction sector ended the year in growth territory. Increased volumes of incoming in new work was the primary factor behind the uplift in activity levels cited by panellists. Though only marginal, the rate of expansion was the second-strongest seen across 2024 (only slower than January).

Both residential and commercial building activity rose during December, according to more detailed sub-sector data. The rates of expansion also posted 12- and seven-month highs, respectively. Civil engineering remained a source of weakness, though activity fell at a softer rate compared to November.

The trend for new construction orders recovered in December, posting the first rise for nine months. A number of building companies mentioned that they had secured new contracts. The influx of new work was moderate and starkly contrasted the long-run series average for the index of 48.3.

To help cope with increased workloads, construction firms in Italy slightly increased their hiring activity in December. This marked the fourth successive monthly rise in employment levels, and the strongest rate of jobs growth for nine months.

At the same time, buying activity stabilised, bringing an end to a nine-month period of reduction. Purchasing decisions were linked to new orders, whether firms signalled a rise or fall in buying quantities.

Firms continued to report a decline in the performance of their vendors in December, as was the case in each month of the quarter. With a number of firms reporting delays, supplier delivery times lengthened further and at the most pronounced rate seen for eight months.

Prices paid for inputs meanwhile rose again during the final month of the year, with upward pressure reportedly stemming from supplier price increases and input shortages. Exceeding the 2024 average, the rate of cost inflation was strong overall in December.

Construction firms in Italy remained confident of a rise activity over the coming 12 months in December. An expected rise in new orders and new contract wins were the main sources of positivity among firms. Despite conditions generally improving across the sector, the level of confidence dipped on the month.

**Comment**

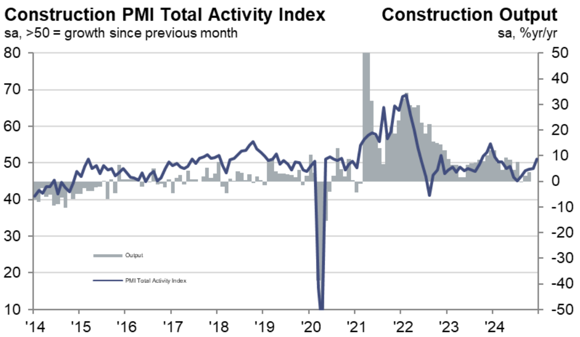
Commenting on the PMI data, Jonas Feldhusen, Junior Economist at Hamburg Commercial Bank, said:

*“The end of the year brings surprising news for Italy's construction sector. Our HCOB Construction PMI indicates a shift as the sector saw a rejuvenation of growth in December. This is good news for not only for Italy's construction industry but also for the whole of the eurozone, which had been showing consistent contraction in previous months. Following the COVID-19 pandemic, Italy's construction sector has demonstrated greater resilience compared to those of Germany or France. Initially, it benefited from the Superbonus110 program, launched as a COVID-19 stimulus measure, which has since been terminated because of the program's ballooning impact on public finances. Since the summer of 2024, there's been an upward trend in the HCOB PMI Activity Index, roughly coinciding with the start of interest rate cuts by the ECB. We at HCOB Economics expect two more small rate cuts from the ECB in 2025.*

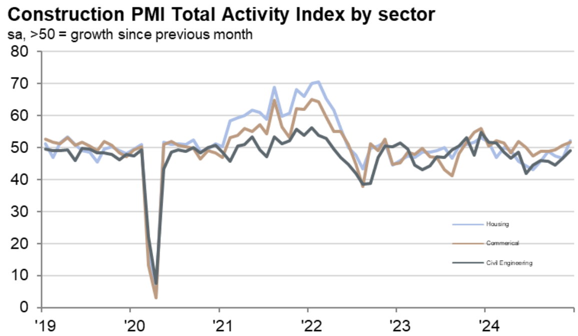
*“In December, several new contracts for the new year were secured in Italy's construction industry, and new orders grew in December for the first time after several months of contraction. It's also positive to see that construction companies continued to hire staff to meet demand, although fewer subcontractors were deployed in December compared to previous month.*

*“Looking at the various sub-sectors within Italy's construction industry, we see a mixed picture. The Activity Index increased across all sub-sectors—housing, commercial, and civil engineering—in December, but only housing and commercial activity expanded, while civil engineering continues to shrink moderately. As for upcoming twelve months, construction firms are cautiously confident, but the proportion of optimistic companies just slightly outweighs the pessimistic ones. Though the index for future business expectations remains well below the historical average.”*

-Ends-




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




Source: HCOB, S&P Global PMI.

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## Note to Editors

The HCOB Italy Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of over 200 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected July 1999.

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 Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction 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.

## 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.

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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

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