

NEWS RELEASE  
MARKET SENSITIVE INFORMATION  
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# HCOB Italy Services PMI<sup>®</sup>

## Italian services economy remains in expansion mode in June

### Key findings:

Sustained, but slightly softer growth in activity and new business

Employment up at strongest rate for a year as confidence improves

Service fees rise at a less marked rate despite cost pressures building

Data were collected 12-25 June 2025.

The Italian service sector continued to expand at the mid-point of the year, recording further growth in both output and new work. Although there was a slight loss of momentum on both fronts, rates of increase in each were above trend. Overall new business was held back by a subdued export demand, with new sales from abroad decreasing at the fastest rate for five months.

Positively, firms looked towards the future with greater confidence and hiring activity was its strongest for a year. Elevated wage burdens, as well as increased energy and raw materials costs kept the pace of increase in operating expenses historically high, however. Despite greater cost pressures, firms were less aggressive in their price setting in June.

The **HCOB Italy Services PMI<sup>®</sup> Business Activity Index** posted at 52.1 in June. Down from May's near 12-month high of 53.2, the latest reading fell to its lowest for three months. That said, the expansion in Italian service sector output was slightly stronger than the historical trend.

Activity levels were driven higher in line with new business growth as well as new services launches and recent client wins, anecdotal evidence showed.

Indeed, overall new business placed at Italian services companies rose again in June, building on the trend of growth seen since February. As with activity, the upturn in new business lost pace from May, but remained elevated compared to the long-run series trend. Respondents mentioned that demand for their services had picked up and they had secured new contracts.

It remained the case that total new business continued to be buoyed by domestic demand, as export sales fell further in the latest survey period. Reports of reduced interest from key European markets and geopolitical challenges saw client demand from abroad weaken further.

Looking to the next 12 months, firms remained confident overall that activity would rise from present levels in June. New client introductions and hopes for more stable market conditions underpinned positivity. The level of optimism was nevertheless still subdued compared to the long-run series average, despite improving to its strongest in four months. Challenging economic and geopolitical conditions played a key role in dampening sentiment, panel member reports suggested.

With the outlook positive, Italian services firms continued to hire additional staff, in part due to efforts to keep on top of greater workloads in June. Services employment was up for a fifth consecutive month, with the rate of expansion the fastest the sector has seen for a year.

Concurrently, there was a further drop in the volume of business outstanding in June. With the decrease only slight, there were signs that capacity had been utilised efficiently.

Italian service providers continued to contend with elevated operating expenses in June, driven higher by increased wage, energy and material costs. The degree to which cost burdens rose was substantial and the strongest in three months.

As firms remained sensitive to the impact of increased charges on sales, selling prices were raised at a noticeably softer rate than in May. While some respondents attempted to pass-through increased costs to clients, there were some instances of discounting. Nonetheless, the increase contrasted with the historic trend which indicates reductions in charges (49.3).

### Comment

Commenting on the PMI data, Nils Müller, Junior Economist at Hamburg Commercial Bank, said:

*“Italy’s services sector maintained its growth trajectory in June, albeit at a slightly slower pace, with the HCOB Services PMI easing to 52.1 from May’s near one-year high. While the deceleration may raise eyebrows, the underlying dynamics suggest a sector still buoyed by resilient domestic demand and cautious optimism. Business activity and new work continued to expand at rates above historical norms, supported by new service launches and client wins. However, the momentum softened, hinting at a more measured pace of recovery heading into the second half of the year.*

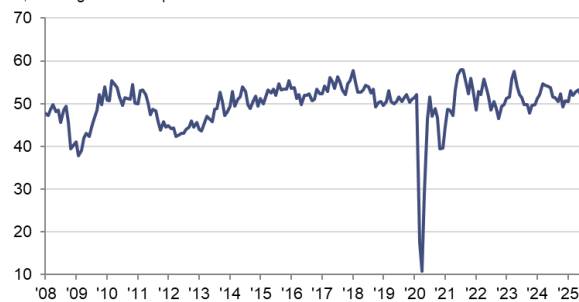
*“Employment surged at the fastest rate in a year, reflecting firms’ confidence in sustained workloads. Yet, this optimism remains tempered. Business expectations improved to a four-month high, but sentiment is still below long-run averages, shaped by persistent geopolitical and economic uncertainties. Export business remains a weak spot, contracting at the sharpest rate since January, as subdued demand from key European markets and global trade tensions continue to weigh on international sales.*

*“Input cost pressures intensified, driven by elevated wages and rising energy and raw material prices. Despite this, firms showed restraint in passing on costs, with selling prices rising at a softer pace. This suggests a strategic balancing act: protecting margins without alienating price-sensitive consumers.*

*“Looking ahead, Italy’s services sector appears stable but cautious. With domestic demand holding firm and financing conditions improving through the ECB’s policy easing, the groundwork for continued expansion is in place – provided external headwinds don’t intensify.”*

**HCOB Italy Services PMI Business Activity Index**

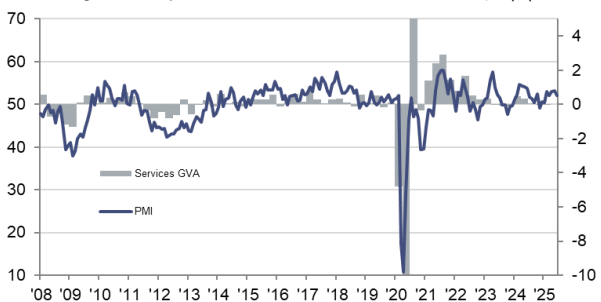
sa, > 50 = growth since previous month



Sources: HCOB, S&P Global PMI.

**Services PMI Business Activity Index**

sa, > 50 = growth since previous month



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

## HCOB Italy Composite PMI<sup>®</sup>

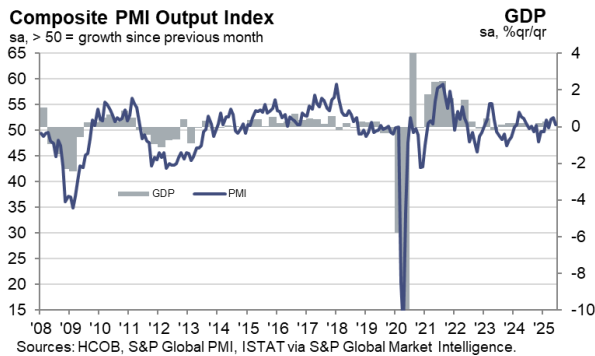
### Private sector propped up by services growth, amid manufacturing weakness

The **HCOB Italy Composite PMI Output Index\*** remained in growth territory for a fifth month in a row. At 51.1 in June, down from 52.5 in May, the reading was its weakest since March, owing to softer growth in services and a renewed manufacturing downturn.

June’s weaker expansion came in tandem with softer new business inflows. Likewise, new orders growth was centred on the service sector. Nevertheless, private sector employment rose at the strongest rate in exactly a year, despite sustained cuts to factory staffing numbers. At the same time, there were signs of spare capacity across both broad sectors, with backlogs at the composite level falling at a slightly stronger rate than in May.

Cost pressures picked up across the Italian private sector in June, while charge inflation was its least marked in 2025. Across both price measures, manufacturers recorded decreases, with inflation confined to the service sector.

Looking ahead, confidence in the outlook for activity remained little changed from May.



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## Note to Editors

The HCOB Italy Services PMI<sup>®</sup> is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 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).

### 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.

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