

S&P Global Canada Manufacturing PMI[®]

Manufacturing sector growth sustained in May as output, new orders and employment all increase

May 2026

Further rises in production and new work recorded

Employment increases despite uncertain outlook

Cost pressures and supply chain challenges intensify

Canada's manufacturing sector continued to expand during May, underpinned by further increases in both output and new orders amid reports of higher demand and success in securing new customers. Employment growth was sustained as firms noted some pressure on current capacity.

However, price indices shifted upwards, hitting near four-year highs, whilst input delivery times deteriorated markedly as the Middle East conflict weighed heavily on supply chains. Confidence in the outlook subsequently remained subdued.

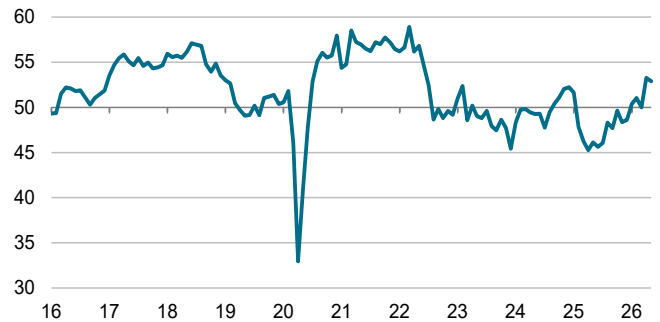
The seasonally adjusted S&P Global Canada Manufacturing Purchasing Managers' Index[™] (PMI[®]) – a composite index designed to provide a summary of operating conditions in the manufacturing economy – remained in positive territory during May for a second successive month. Although falling to 52.9, from 53.3 in April, the rate of growth remained solid and above its historical average.

Concurrent rises in both output and new orders were recorded. Growth rates softened but remained above trend levels. Some firms reported an improvement in demand and success in securing new customers, albeit generally from domestic sources as new export orders were little changed over the month. With manufacturers reporting a firmer rise in new work than production, some were forced to dip into their inventories of finished goods, which declined slightly in May.

Limiting sales growth were ongoing reports that tariffs and the global uncertainty caused by the war in Iran was resulting in some hesitation amongst clients when committing to new work. These factors also weighed on manufacturers' own assessment of the business outlook, with sentiment down since April and again well below trend.

Firms also noted some concern regarding the possibility of future input price rises, which led them to raise their own purchasing activity (albeit relatively mildly). This helped explain why input inventories increased in May, with growth the steepest recorded by the survey since August 2024. Fragility in supply chains also led to some pre-purchasing, with manufacturers reporting the steepest deterioration in average

S&P Global Canada Manufacturing PMI
Index, sa, >50 = improvement m/m



Data were collected 12-22 May 2026.

Source: S&P Global PMI. ©2026 S&P Global.

Comment

Paul Smith, Economics Director at S&P Global Market Intelligence:

“Canada's manufacturing economy registered a solid expansion during May, underpinned by further rises in both output and new orders, plus the best increase in employment since October 2024. Firms reported a general upturn in demand and success in securing new customers, despite ongoing anecdotal evidence that tariffs and the uncertainty caused by the war in Iran were weighing on product markets.

“The uplift in sector performance is likely on balance to have been driven by client efforts to secure goods given worries over price increases and product availability. These were certainly noted as reasons for manufacturers' own efforts to build buffer stocks in May: respondents anticipated elevated inflation and supply chain fragility in the months ahead, which will build on the already steep rises in operating expenses and lengthening lead times highlighted by May's survey.

“This leads to the rather sombre conclusion that current growth is somewhat illusory and laced with downside risks, a sentiment that manufacturers themselves have also reached as confidence in the outlook eased back in May and remained well below par.”

lead times since October 2022. The Middle East conflict was reported to be leading to delays on international shipping routes. Firms also noted shortages of stock and labour at suppliers.

Regarding prices, manufacturers signalled a considerable and accelerated increase in input costs over the month. Linked to the war in Iran, and the inflationary impact this has had on global energy and oil prices, manufacturers reported the steepest increase in overall input costs since July 2022. Suppliers were reported to have generally increased their charges, whilst freight and transportation costs also rose. Tariffs were still noted as a factor driving up input expenses.

In response, manufacturers similarly raised their own selling prices sharply. The rate of inflation was also the highest since July 2022.

Finally, staffing levels were increased for a second successive month and, although modest, the rate of growth was the strongest since October 2024. Nonetheless, there was some pressure on capacity, with firms recording their greatest increase in backlogs of work in nearly four years.

Methodology

The S&P Global Canada Manufacturing PMI® 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 October 2010.

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. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.1 (0.4 in absolute terms).

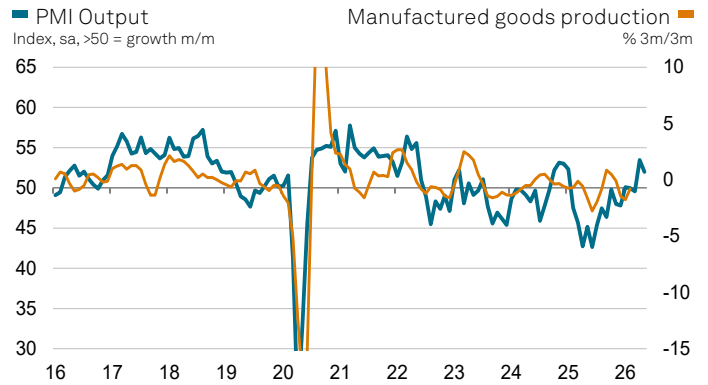
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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.



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

Contact

Paul Smith
Economics Director
S&P Global Market Intelligence
T: +44-1491-461-038
paul.smith2@spglobal.com

Florence Bogitsh
Senior Communications
Manager, Americas
S&P Global Market Intelligence
T: +1-646-460-7204
florence.bogitsh@spglobal.com
press.mi@spglobal.com

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](#).

S&P Global

S&P Global (NYSE: SPGI) 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. www.spglobal.com

PMI by S&P Global

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