

S&P Global Philippines Manufacturing PMI[®]

Output rises at strongest pace since November 2018

February 2026

Robust and sharp expansions in output and new orders

Firms raise their buying activity at a solid pace

Business confidence lifts notably

The Filipino goods-producing sector recorded a strong improvement in operating conditions in February.

Manufacturers registered accelerated increases in production volumes and new orders midway through the first quarter of 2026. The sharp expansions across these two measures were accompanied by an uplift in business confidence, which rebounded notably from the recent low recorded in the month prior.

To support higher production requirements, manufacturers across the Philippines raised their purchasing activity further and at a faster pace. Meanwhile, employment growth remained relatively modest, which in turn meant that backlogs of work rose following a drop in the month prior, as a sustained rise in new orders placed pressure on capacity.

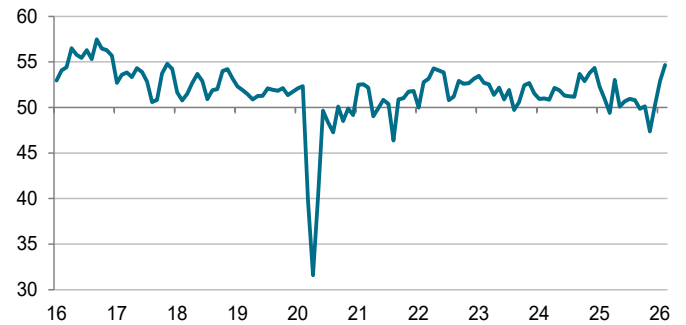
The Philippines Manufacturing Purchasing Managers' Index[™] (PMI[®]) rose to 54.6 in February, from 52.9 in January. The latest data signalled a strong improvement in the health of the Filipino manufacturing sector, and one that was the most marked since November 2017. Operating conditions have now improved in three consecutive months.

Driving the rise in the headline index was a stronger expansion in output in February. Manufacturing companies in the Philippines noted that sustained growth in new orders led them to increase their production levels. Output increased for a second month running, with the latest uptick in fact the fastest since November 2018.

Similar to production, the latest rise in order book volumes across the Filipino manufacturing sector was strong, with the pace of increase accelerating on the month. The respective seasonally adjusted index hit the highest level in just over eight years. The acquisition of new clients and bulk buying activity among customers was said to have pushed up new sales.

The latest data hinted that growth in new factory orders was driven by improvements in domestic and international demand, as the rise in new export orders remained modest. Foreign sales increased for the second consecutive month, though the pace of expansion held steady in February.

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



Source: S&P Global PMI. ©2026 S&P Global.
Data were collected 10-20 February 2026.

Comment

Commenting on the latest survey results, Maryam Baluch, Economist at S&P Global Market Intelligence, said:

"The Philippines manufacturing sector has had a solid start to 2026, with February marking its strongest performance since late 2017. A sharp influx of new orders underpinned robust growth of output, and in both cases, the expansions were historically pronounced and reached multi-year highs.

"Businesses, in turn, continued to expand their purchasing activity, which rose at a faster pace. However, jobs growth remained steady and was relatively modest overall. With backlogs rising, manufacturers have further scope to increase their staffing numbers in the coming months.

"The sector's positive performance was accompanied by a surge in business confidence. Firms were hopeful that demand conditions would continue to improve and drive further expansions in production volumes."

Increased production meant that input buying rose at an accelerated rate in February. The pace of expansion was strong and the fastest since January 2025.

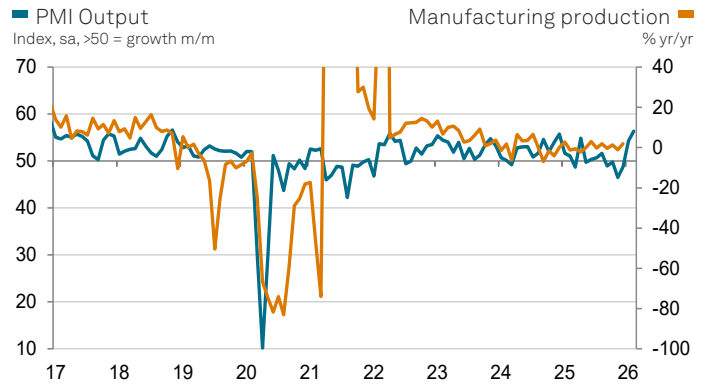
Firms, in turn, stepped up their stock building initiatives. The rates at which inventories of purchases and finished goods were accumulated were stronger than seen in the month prior. Firms often noted that expectations of increased demand in the coming months encouraged companies to raise their stock levels.

Employment growth across the Philippines manufacturing sector was sustained in February, with staffing numbers rising for a second straight month. The pace of job creation was only modest overall and therefore insufficient to prevent a fresh build-up in backlogs of work. The pace of accumulation was the fastest in three months.

Increased purchasing activity, along with poor weather conditions and congestion issues at ports meant that supply chains came under further duress in February. Average delivery times for inputs lengthened for a third successive month. The incidence of delay was sharp overall and the most pronounced in 14 months.

Turning to prices, Filipino manufacturers reported falling operating expenses, which in turn allowed them to reduce their own charges. In both cases, the rates of decrease were fractional overall.

Lastly, sentiment regarding the 12-month outlook for output improved in February. The degree of confidence lifted notably from the recent low observed at the turn of the year. Panellists that foresee growth in production volumes largely linked this to hopes of further improvements in underlying demand trends.



Sources: S&P Global PMI, Philippines Federal Reserve via S&P Global Market Intelligence. ©2026 S&P Global.

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Methodology

The S&P Global Philippines 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 January 2016.

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.

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

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