

S&P Global Indonesia Manufacturing PMI[®]

Output stabilises amid solid new order growth

October 2025

New orders rise at faster pace

Production levels unchanged

Input price inflation at eight-month high

Indonesia's manufacturing sector registered a modest improvement in operating conditions at the start of the fourth quarter of 2025.

A third consecutive increase in new orders coincided with a broad stabilisation in production levels, and also underpinned expansions in purchasing activity and employment. In fact, October's increase in workforce numbers was the steepest recorded since May. On the price front, Indonesian manufacturers signalled a further acceleration in the rate of input price inflation. Average cost burdens rose at the strongest rate in eight months amid higher raw material prices.

The headline S&P Global Indonesia Manufacturing Purchasing Managers' Index™ (PMI[®]) rose from 50.4 in September to 51.2 in October, indicating a stronger improvement in the health of the goods-producing sector. The survey's headline measure was indicative of a modest expansion in factory operating conditions and extended the current sequence of growth to three months.

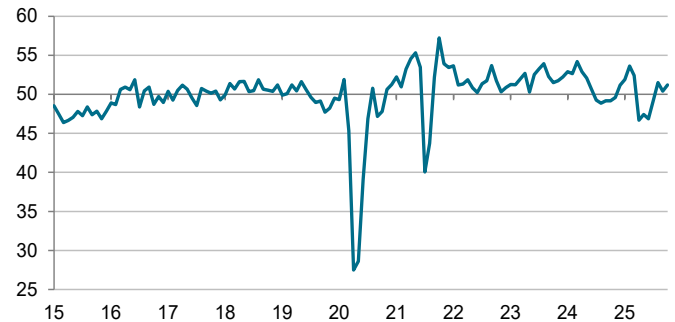
Central to October's upturn was an accelerated expansion in demand for Indonesian goods. New orders increased for the third consecutive month, with the rate of growth at the joint-strongest since March (equal with August). Panel member reports suggested that domestic market activity had improved, and encouraged local clients to place additional orders. Data indicated that the expansion was domestic-driven, as Indonesian manufacturers pointed to a second successive fall in new export business amid reports of largely muted demand in international markets.

Positive movements in sales encouraged firms to raise capacity, with employment levels increasing for the third month in a row, and at the steepest rate in five months.

Indonesian factory output was unchanged from September, following a slight fall in the previous survey period. Where an increase was reported, firms signalled improving new orders, though this was offset by sluggish foreign demand. Firms also noted that existing stocks were used to help complete incoming orders, with post-production inventory holdings falling fractionally on the month.

Pressure on capacity was soft, as October saw a reduction in backlogs of work for the seventh month running. The pace of depletion was marginal, however, and the slowest since June.

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



Data were collected 9-24 October 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

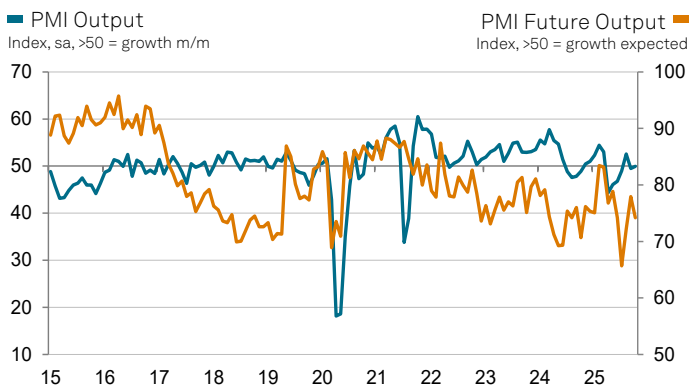
Usamah Bhatti, Economist at S&P Global Market Intelligence

"The improvement in the health of the Indonesian manufacturing sector strengthened at the start of the fourth quarter of 2025, boding well for the coming months.

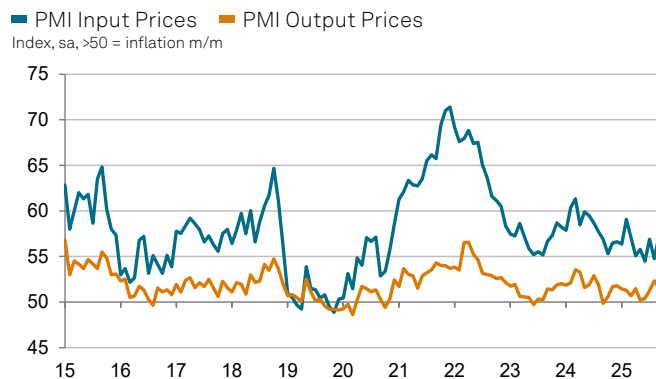
"Demand conditions were positive, as sales rose solidly, contributing to increases in employment and purchasing activity. Production volumes appeared to lag slightly however, coming in at the neutral level as some manufacturers cited exhausted existing inventories of finished items in the first instance.

"Price pressures remained acute however, with goods producers citing the sharpest uptick in average cost burdens in eight months, amid reports of higher raw material prices. That said, firms were hesitant to fully pass through higher expenses to clients, as factory gate charges rose only fractionally as part of efforts to remain competitive on price."

S&P Global Indonesia Manufacturing PMI®



Source: S&P Global PMI. ©2025 S&P Global.



Source: S&P Global PMI. ©2025 S&P Global.

The start of the fourth quarter also pointed to higher purchasing activity among Indonesian goods producers. Input buying rose for the third consecutive month, albeit only modestly. At the same time, pre-production inventories were also raised, as some firms pointed to storing inputs in response to improving demand and production requirements. October data also pointed to signs of pressure on suppliers amid reports of shipping delays and road repairs. As such, average lead times lengthened for the first time in three months.

Factory cost pressures were marked at the start of the final quarter. Panellists widely attributed the latest rise in cost burdens to higher raw material prices, with the rate of input price inflation the highest recorded since February. That said, firms raised their selling prices only marginally as part of attempts to keep goods priced competitively.

Looking ahead, the degree of confidence regarding the 12-month outlook dipped from that in September and was below the series average. The latest reading of the Future Output Index was still indicative of robust optimism for the coming year, underpinned by expectations of stronger demand conditions and new product launches.

Methodology

The S&P Global Indonesia 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 April 2011.

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.

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.

Contact

Usamah Bhatti
Economist
S&P Global Market Intelligence
T: +44 1344 328 370
usamah.bhatti@spglobal.com

Corporate Communications
S&P Global Market Intelligence
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

PMI®

by S&P Global

© 2025 S&P Global