

## CHINA DRIVES STRONGEST GROWTH IN GLOBAL FACTORY PURCHASING SINCE MID-2022, WHILE NORTH AMERICAN MANUFACTURERS COOL IN SEPTEMBER: GEP GLOBAL SUPPLY CHAIN VOLATILITY INDEX

- Chinese manufacturers sharply increased purchasing in September, propelling Asia's supply chains to their busiest level since June 2022.
- In contrast, tariff-related disruptions and a softer economic outlook curbed North American manufacturing activity.
- Europe's recovery remains sluggish, with supply chains operating at their weakest since March.

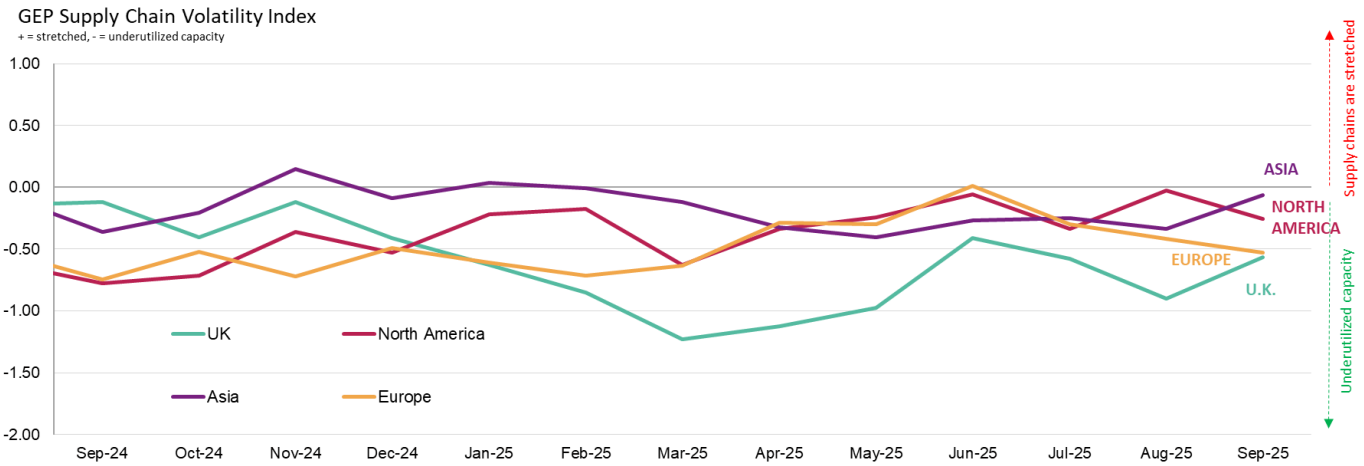
Clark, N.J., Oct 10, 2025 – [GEP Global Supply Chain Volatility Index](#) — a leading indicator tracking demand conditions, shortages, transportation costs, inventories, and backlogs based on a monthly survey of 27,000 businesses — was little changed in September (-0.38 vs -0.39 in August), indicating that global supply chains are operating below full capacity still.

However, Chinese factories reported a strong rise in purchasing, pushing global manufacturing procurement activity up at the fastest rate since mid-2022. This expansion pushed Asia's supply chains to near-full utilization.

In sharp contrast, North American supply chains lost momentum. Manufacturers cited tariff-related delays and growing concerns about the economic outlook, leading many to hold back purchasing and reduce inventory buffers.

Meanwhile, Europe's supply chains remained underused as manufacturers in Germany, France, and Italy reduced both purchasing and stockpiles. The region's supply-chain activity fell to its weakest level since March, extending its protracted industrial downturn.

“This is the new normal for global companies — higher prices, tariff pressure, and slower growth are here to stay,” said John Piatek, Vice President, Consulting, GEP. “For supply chain leaders who’ve been waiting to see how things settle: stop waiting for stability and start executing their revised strategies.”



Sources: GEP, S&P Global PMI.

**Interpreting the data:**

Index > 0, supply chain capacity is being stretched. The further above 0, the more stretched supply chains are.

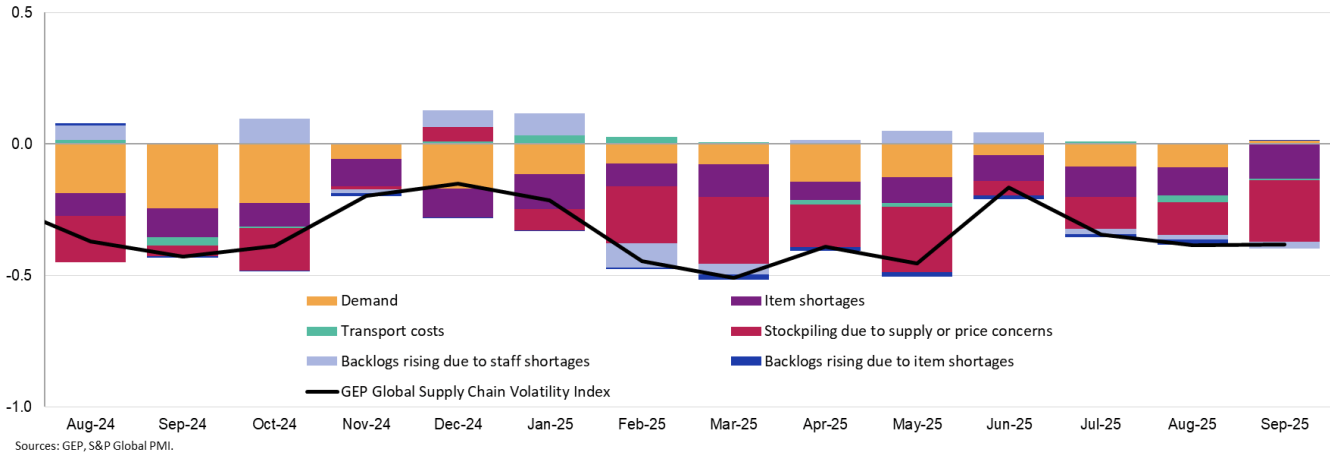
Index < 0, supply chain capacity is being underutilized. The further below 0, the more underutilized supply chains are.

**SEPTEMBER REGIONAL KEY FINDINGS**

- **ASIA:** Factory activity in China picked up in September, with a notable boost in demand driving the strongest rise in input purchasing across Asia for ten months.
- **NORTH AMERICA:** Manufacturers displayed a reticence to stockpile further in September, after August’s bumper rise due to concerns about the economic outlook, although delivery delays and tariff-related disruptions were reportedly hindrances.
- **EUROPE:** Factory purchasing lost momentum in September, with Germany, France and Italy all reporting softer procurement trends, driving the region’s respective Index to a six-month low.
- **U.K.:** Although the index rose to -0.57, from -0.90, it is still at a level reflecting significant manufacturing weakness across the country.

**SEPTEMBER 2025 DETAILED FINDINGS**

GEP Global Supply Chain Volatility Index  
 += stretched, -= underutilized capacity



- DEMAND:** September saw a revival in factory purchasing, which made its strongest gains since June 2022. Asia was central to this uplift, particularly China, as the globe’s second-largest economy ramped up buying to facilitate sharper growth in production and sales. Input demand trends were far more constrained in North America and Europe.
- INVENTORIES:** The frequency at which manufacturers across the globe stockpiled due to price or supply fears continued to decrease in September, indicating factory procurement leaders are becoming less concerned about purchase cost inflation or item availability in the near term.
- MATERIAL SHORTAGES:** Our global supply shortages tracker decreased in September, indicating robust item availability. Factories will have little, if any, challenges in sourcing vendors for commodities, components and other intermediate products.
- LABOR SHORTAGES:** Staffing capacity was not a constraint for global manufacturers during September. Reports of backlogs rising due to labor shortages fell further below the long-term average and were the lowest in six months.
- TRANSPORTATION:** Global transportation costs were in line with historically normal levels during September.

For more information, visit [www.gep.com/volatility](http://www.gep.com/volatility).

Note: Full historical data dating back to January 2005 is available for subscription. Please contact [economics@spglobal.com](mailto:economics@spglobal.com).

**The next release of the GEP Global Supply Chain Volatility Index will be 8 a.m. ET, Nov. 12, 2025.**

### About the GEP Global Supply Chain Volatility Index

The [GEP Global Supply Chain Volatility Index](#) is produced by S&P Global and GEP. It is derived from S&P Global's PMI® surveys, sent to companies in over 40 countries, totaling around 27,000 companies. The headline figure is a weighted sum of six sub-indices derived from PMI data, PMI Comments Trackers and PMI Commodity Price & Supply Indicators compiled by S&P Global.

- A value above 0 indicates that supply chain capacity is being stretched and supply chain volatility is increasing. The further above 0, the greater the extent to which capacity is being stretched.
- A value below 0 indicates that supply chain capacity is being underutilized, reducing supply chain volatility. The further below 0, the greater the extent to which capacity is being underutilized.

A Supply Chain Volatility Index is also published at a regional level for Europe, Asia, North America and the U.K. For more information about the methodology, click [here](#).

### About GEP

GEP® delivers AI-powered procurement and supply chain solutions that help global enterprises become more agile and resilient, operate more efficiently and effectively, gain competitive advantage, boost profitability and increase shareholder value. Fresh thinking, innovative products, unrivaled domain expertise, smart, passionate people — this is how GEP SOFTWARE™, GEP STRATEGY™ and GEP MANAGED SERVICES™ together deliver procurement and supply chain solutions of unprecedented scale, power and effectiveness. Our customers are the world's best companies, including more than 1,000 Fortune 500 and Global 2000 industry leaders who rely on GEP to meet ambitious strategic, financial and operational goals. A leader in multiple Gartner Magic Quadrants, GEP's cloud-native software and digital business platforms consistently win awards and recognition from industry analysts, research firms and media outlets, including Gartner, Forrester, IDC, ISG, and Spend Matters. GEP is also regularly ranked a top procurement and supply chain consulting and strategy firm, and a leading managed services provider by ALM, Everest Group, NelsonHall, IDC, ISG and HFS, among others. Headquartered in Clark, New Jersey, GEP has offices and operations centers across Europe, Asia, Africa and the Americas. To learn more, visit [www.gep.com](http://www.gep.com).

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