News Release
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S&P Global Brazil Manufacturing PMI®

Factory employment falls at fastest pace since April 2023

October 2025

Total new orders and international sales contract further

Output falls again, albeit at softer pace

Firms trim input purchasing and headcounts

Adverse demand trends continued to weigh on the performance of Brazil's manufacturing industry, triggering production cutbacks and a sharp round of job shedding. Notably, international orders dropped at a solid and accelerated pace.

Companies also reported a preference for lean stocks, which prompted a marked contraction in buying levels. On the price front, a negligible rise in input costs supported a second successive reduction in output charges.

At 48.2 in October, the S&P Global Brazil Manufacturing Purchasing Managers' Index™ (PMI®) – a single-figure indicator of manufacturing performance – was inside contraction territory (below 50.0) for the sixth successive month. However, rising from 46.5 in September, the latest reading was indicative of a softer and only moderate deterioration in the health of the sector.

Both new orders and output decreased at slower rates at the start of the fourth quarter. When explaining the declines, survey members remarked on adverse demand trends and US tariff policy. That said, a few companies reported growth, which stemmed from restocking among some clients, investment in sales departments and better demand from a small range of products.

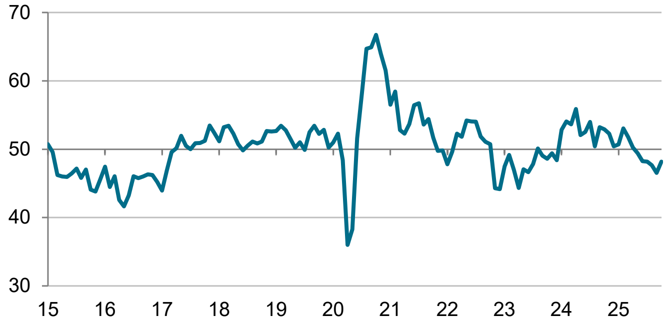
The rate of contraction in production was the least pronounced over the current six-month period of reduction, while the fall in sales was the weakest since May.

International demand for Brazilian goods worsened to the greatest extent in three months. Panel members cited the US as a key source of demand weakness.

Sustained declines in new orders and cost-cutting measures sparked a substantial contraction in factory employment across Brazil. The rate of job shedding was solid and the strongest in two-and-a-half years. In some instances, however, monitored companies cited shortages of skilled labour when attempting to fill existing vacancies.

Goods producers also tightened the purse strings when it came to input purchasing. Although the softest since June,

S&P Global Brazil 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

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence said:

"There was a combination of positive and negative takeaways from the latest PMI results. Among the prominent hurdles was the adverse impact of US tariffs, which manifested in a notable acceleration of the contraction in international orders. Also, Brazilian manufacturers slashed employment numbers to the greatest extent seen in two-and-a half years, indicating a lack of expectation for an immediate resurgence in demand.

"However, when looking ahead over the next year, there was a cautious optimism among companies that output would increase in tandem with an anticipated recovery in demand, alongside potential acquisitions, investments and the planned launch of new products.

"Despite the continued decline in new orders and output, it was encouraging to at least see the downturn retreating in October. Furthermore, companies found some respite from a general absence of cost pressures, which allowed them to reduce output charges in a bid to stimulate demand.

"For the time being, Brazilian manufacturers remained focused on managing their expenses, a strategy reflected in job cuts, reduced input purchasing and efforts to utilise existing inventories without the immediate need for replenishment."

the rate of contraction in buying levels was marked. A lack of new orders and US tariffs were identified by panellists as the main aspects behind the current drop.

Subsequently, holdings of raw materials and semi-finished items decreased for the eighth straight month in October. Furthermore, the pace of reduction was marked and the fastest since the end of 2023.

Finished goods inventories likewise fell, but here the rate of depletion was moderate and slower than in September.

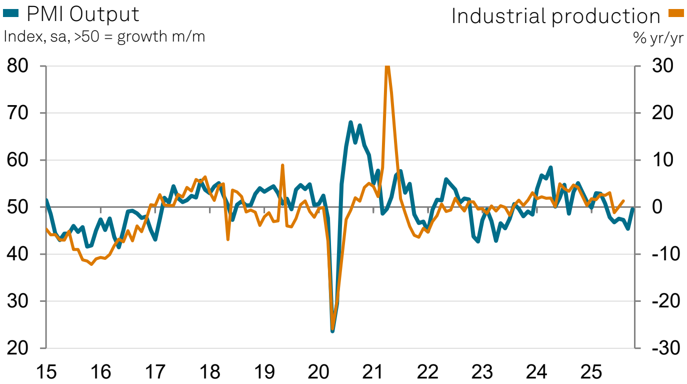
October data highlighted an increasing degree of spare capacity among goods producers in Brazil. This was signalled by the second-steepest contraction in outstanding business volumes since February 2023.

As for supply chains, the survey data showed a general absence of pressure on vendors as delivery times were broadly stable.

Input costs rose only marginally in October, after falling for the first time in nearly two years during September. Some panellists reported higher commodity prices, while others noted more favourable exchange rates.

This absence of meaningful cost pressures supported firms' efforts to stimulate demand via price cuts. Output charges were lowered for the second month in a row in October, but the rate of discounting was slight and softer than that seen at the end of the third quarter.

Looking ahead, manufacturers were confident of a rise in output over the coming 12 months. Upbeat projections were pinned on hopes of better demand trends, acquisitions, investment and the planned launch of new products. The overall level of positive sentiment was at a four-month high and above its long-run average.



Sources: S&P Global PMI, IBGE via S&P Global Market Intelligence. ©2025 S&P Global.

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Methodology

The S&P Global Brazil 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 February 2006.

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.