News Release
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S&P Global Philippines Manufacturing PMI®

Filipino manufacturing conditions broadly stable in October

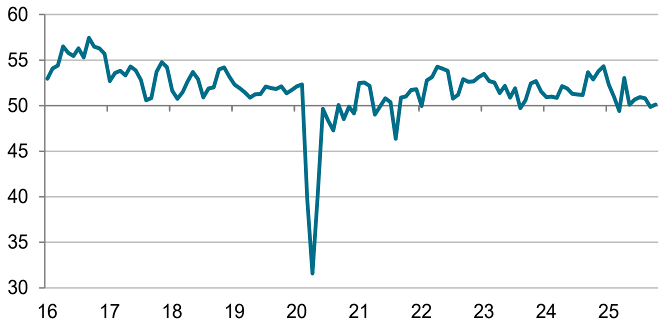
October 2025

Output and new orders record further declines

Input buying cut for the first time since November 2023

Business confidence improves

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



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

October data saw the S&P Global Philippines Manufacturing PMI® post slightly above the neutral mark of 50.0, signalling broadly stable operating conditions, and reversed the slight deterioration seen in the month prior.

That said, tracked subcomponents revealed some diverging trends. A further and stronger fall in new orders was recorded. This was accompanied by a solid and fresh reduction in new export orders. In turn production remained in contraction territory. Indeed, reduced output requirements prompted firms to scale back their purchasing activity for the first time in nearly two years.

There were, however, some encouraging findings in the latest set of data. Manufacturers were more confident about the outlook for output over the next year and continued to raise their staffing numbers.

The headline S&P Global Philippines Manufacturing PMI – a composite single-figure indicator of manufacturing performance – registered 50.1 in October, up fractionally from 49.9 in the month prior, and signalled broadly stable operating conditions across the Filipino manufacturing sector.

The above 50.0 PMI reading masked slight falls in both output and new orders. Both trackers have now failed to record any growth for a second consecutive month, a trend not seen in over four years.

The recent decline in output was closely associated with falling new orders, which panellists linked to adverse weather conditions and the end-of-life status for certain products. Nevertheless, the rate of contraction in production slowed on the month, and was only marginal.

Meanwhile, new factory orders placed with manufacturing firms in the Philippines fell at a stronger rate in October. Surveyed panellists often linked this decline to a sluggish demand climate, with clients often putting orders on hold. In addition, new export orders fell for the first time since May and at a solid pace which was the most pronounced for a year. Companies reported weaker demand from international clients.

The sharper decline in new factory orders led to a renewed

Comment

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

"A closer examination of the Philippines PMI data revealed a mixed picture in October. The two largest segments, new orders and output, indicated further declines. Additionally, fresh contractions were observed in new export orders and purchasing activity, highlighting underlying demand conditions.

"On a more positive note, manufacturers grew more optimistic about their growth prospects for output in the coming year. Companies also continued increasing their workforce numbers, with the latest rise in staffing numbers the strongest in three months. Furthermore, cost pressures remain subdued and ebbed further, providing manufacturers with some flexibility in price setting. In response, several have opted to reduce their selling prices, in an effort to stimulate demand in a currently subdued market environment.

"The sector has now remained in sluggish territory for most of the second half of 2025 so far. Whether it can see a notable recovery in performance in the coming months will depend greatly on efforts to stimulate consumer demand."

decrease in purchasing activity, thereby concluding a 22-month period of growth. However, according to anecdotal evidence, last-minute cancellations of orders meant that both pre- and post-production inventories recorded marginal increases. The latter registered a fresh uptick, marking the first expansion in three months.

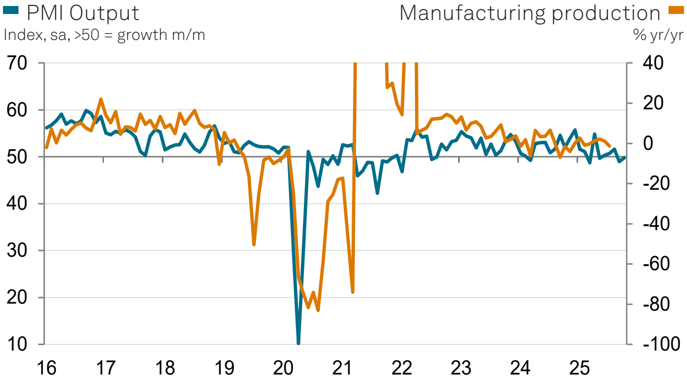
Despite firms cutting back on their buying activity, delivery times for inputs continued to lengthen in October, and to the strongest degree in three months.

Turning to prices, October marked a further alleviation of underlying cost pressures. The rate of input price inflation was modest and the weakest in three months. However, where goods producers reported higher prices, this was attributed to rising supplier and material costs.

Relatively subdued cost pressures and a weak demand environment led Filipino manufacturers to offer discounts. Charges levied for Filipino manufactured goods fell for the first time in 19 months. The rate of decrease was marginal but the strongest since April 2020.

Despite a sustained fall in new orders, Filipino manufactures looked more favourably on the prospect of output levels rising over the coming 12 months. Positive sentiment was close to the recent high observed back in August. Panellists were hopeful that production will bounce back, supported by strengthening demand trends.

Additionally, workforce numbers were raised further in October. Although signalling a slight uptick, the pace of job creation was the strongest in three months as firms reported successful recruitment efforts. Falling new orders and rising workforce numbers meant that Filipino goods producers were able to reduce their backlogs of work for a second straight month in October.



Sources: S&P Global PMI, Philippines Federal Reserve via S&P Global Market Intelligence . ©2025 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.

S&P Global

PMI by S&P Global

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