News Release
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S&P Global Czechia Manufacturing PMI®

Sharpest decline in manufacturing performance since start of 2025 in October

October 2025

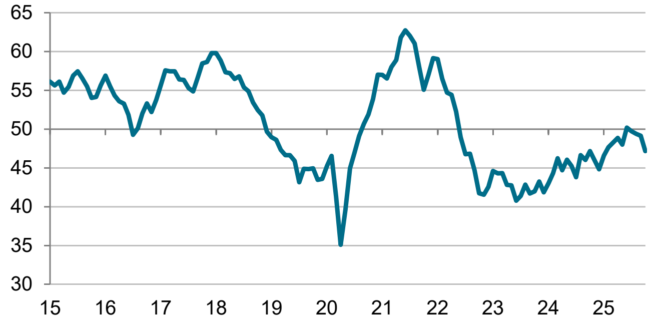
Contractions in output and new orders gather pace

Input cost inflation slowest since February 2024

Rate of job shedding accelerates as business confidence slips

S&P Global Czechia Manufacturing PMI

Index, sa, >50 = improvement m/m



Data were collected 9-23 October 2025.
Source: S&P Global PMI. ©2025 S&P Global.

October data signalled a stronger decline in the health of the Czech manufacturing sector, as operating conditions deteriorated to the greatest extent since January.

The quicker downturn stemmed from steeper contractions in output, new orders, employment and stocks of purchases at the start of the fourth quarter. Demand conditions were muted among domestic and foreign customers, with business confidence dipping to the lowest in 2025 so far. Although backlogs of work rose marginally, companies remained in retrenchment mode and cut both employment and input buying further.

Meanwhile, input price inflation slowed again, and to only a fractional pace. Output charges continued to fall.

At 47.2 in October, the seasonally adjusted S&P Global Czechia Manufacturing Purchasing Managers' Index™ (PMI®) was down from 49.2 in September and signalled the fastest decline in operating conditions since January. The latest data indicated a fourth successive monthly deterioration in the health of the sector.

Lower output levels contributed to the drop in the headline figure, as manufacturers reduced production amid weak customer demand in October. The rate of contraction steepened for the second month running and was the fastest since January.

Driving the fall in output was a sustained drop in new orders at Czech goods producers in October. The pace of contraction accelerated from that seen in September and was the sharpest since the start of the year.

The decrease in new sales was amplified by another contraction in new export orders at the start of the fourth quarter. New sales from abroad have fallen on a continuous monthly basis since March 2022. Moreover, the decline in new export business was the strongest in six months.

At the same time, input prices rose at the slowest pace in 20 months during October. The increase was only fractional overall, as lower costs for oil-derived products and weak

Comment

Siân Jones, Principal Economist at S&P Global Market Intelligence, said:

"Czech manufacturing firms went into the final quarter of the year on less sure footing, amid accelerated contractions in output, new orders and employment in October. Weak external demand conditions continued to weigh on the sector, as companies struggled to kick-start new sales momentum.

"On the price front, input cost inflation slowed again and was the weakest since February 2024. Although strain on margins eased, firms still felt compelled to reduce output charges amid sluggish demand.

"Moreover, a lacklustre sales environment dampened confidence in the year-ahead outlook and led to a sharper drop in employment. The current S&P Global Market Intelligence forecast expects industrial production to rise by 1.0% in 2025."

demand for inputs dampened the uptick.

Muted demand conditions and pressure from competition prompted firms to reduce their selling prices again in October. The fall in output charges was the fifth in as many months but only marginal and little-changed from that seen since July.

Meanwhile, cost-cutting efforts and a drop in new orders led to a further round of job shedding at Czech manufacturers in October. The decline in employment was strong overall and the fastest in seven months.

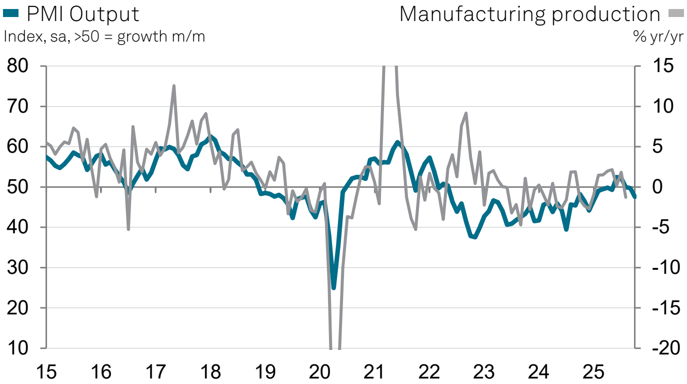
Backlogs of work rose for the second month running in October, albeit at a softer pace.

In line with a sustained drop in new orders, Czech manufacturers registered less upbeat expectations regarding the outlook for output over the coming year in October. Although still optimistic, companies expressed concerns surrounding the longevity of the current downturn in customer demand. Moreover, expectations were the least confident since December 2024.

Extending the current sequence of decline in input buying seen since June 2022, October data signalled a further fall in purchasing activity as firms opted to work through their pre-production inventories.

Although stocks of purchases fell at a quicker pace, post-production inventories returned to growth and expanded at a marginal pace amid efforts to maintain production processes.

Lower demand for inputs, meanwhile, led to reduced pressure on supplier capacity, as lead times lengthened to the least marked degree since July.



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

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Methodology

The S&P Global Czechia Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 300 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in June 2001.

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.