News Release

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S&P Global Russia Manufacturing PMI®

Sharpest deterioration in operating conditions at Russian manufacturers for almost three years

Key findings

Renewed declines in output and new orders

Rates of input cost and output charge inflation slow notably

Employment growth persists as business confidence strengthens

March data signalled a renewed decline in the health of the Russian manufacturing sector, according to latest PMI® data from S&P Global. Fresh contractions in output and new orders weighed on the overall performance of the goods-producing economy, amid weak domestic and foreign client demand. Meanwhile, manufacturers cut their input buying further and depleted inventory levels despite stronger business confidence in the year-ahead outlook for output. More upbeat expectations for future production buoyed hiring, however, which persisted, albeit at only a marginal pace.

At the same time, rates of input cost and output charge inflation softened notably as more favourable exchange rate movements led to a moderation in imported goods price hikes.

The seasonally adjusted S&P Global Russia Manufacturing Purchasing Managers' Index™ (PMI) posted 48.2 in March, down from 50.2 in February to signal a renewed decline in operating conditions at Russian goods producers. The deterioration in the health of the sector was the first since last September and the strongest since April 2022.

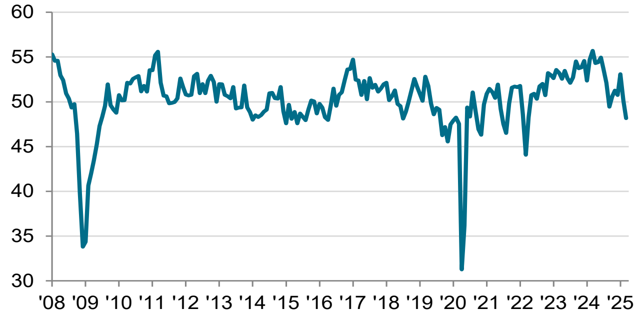
Contributing to the downturn was a fall in production levels at Russian manufacturers in March, thereby ending a four-month sequence of expansion. The decline in output was solid overall and the sharpest since July 2022.

Lower new order inflows were reportedly the key driver of the contraction in production, with new sales decreasing for the first time since last October and at the fastest pace in almost three years. A reduction in new export sales also weighed on total new work, as both domestic and foreign client demand faltered.

Meanwhile, input costs rose at a historically subdued pace, as the rate of inflation slowed notably again in March. The pace of increase has slowed in successive months since November 2024, with the latest rise the weakest since December 2022. Panellists stated that, although raw material costs continued to rise, more favourable exchange rate movements limited hikes in imported goods prices.

Russia Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 12-25 March 2025

Amid challenging demand conditions, manufacturers sought to boost new sales and price their items competitively. Output charges rose further, but at a much softer pace in March. The rate of inflation in selling prices was below the historical series average and the slowest in two years.

Despite weakness in client demand, Russian goods producers expressed greater optimism in the year-ahead outlook for output. Confidence was reportedly driven by planned investment in new product development and advertising. Moreover, the level of positive sentiment was marked and the highest in four months.

In line with anticipations of greater output in the coming months, Russian manufacturers continued to hire additional workers in March. The rate of job creation was only marginal but was the second-fastest since last August amid the employment of more full-time staff.

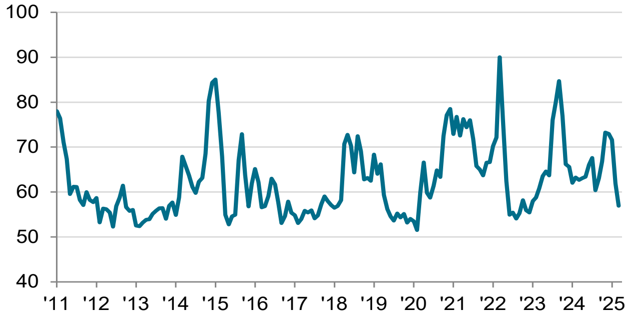
Greater workforce numbers and lower new work intakes led to a sharper decline in backlogs of work at manufacturers in March. The fall was the second in as many months and the joint-steepest since February 2024 (alongside September 2024 data).

Muted client demand sparked a further reduction in input buying during March, as firms opted to utilise their stocks to fulfil order requirements. The decline in purchasing activity was the sharpest since August 2022, with companies noting difficulties replenishing inventories.

Lower demand for inputs eased strain on supply chains somewhat, as vendor performance declined to the least marked extent since May 2024. Nonetheless, longer lead times were commonly linked to logistics and rail transportation delays.

PMI® by S&P Global

PMI Input Prices Index
sa, >50 = inflation since previous month



Sources: S&P Global.

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Survey methodology

The S&P Global Russia Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 250 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in September 1997.

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.

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About PMI

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

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