

HBL Pakistan Manufacturing PMI[®]

New order growth reaches nine-month high at the end of 2025

Headline PMI reaches highest since February

Output rises solidly amid stronger demand conditions

Business confidence for the coming year strengthens

Pakistan's manufacturing sector saw operating conditions improve to a greater extent at the end of 2025.

Firms noted that production levels rose solidly amid the steepest expansion in new order intakes since March. Demand conditions were also buoyed by a renewed uptick in export sales—the first in six months. In response to greater production requirements, firms raised purchasing activity and both pre- and post-production inventories in December. Meanwhile, employment levels increased for the second successive month as manufacturing companies registered stronger optimism regarding the outlook for output over the coming year. On the price front, goods producers in Pakistan recorded a softer, yet still sharp, rise in cost burdens in December, but nonetheless opted to protect profit margins by raising output charges to the greatest extent since July.

The seasonally adjusted HBL Pakistan Manufacturing Purchasing Managers' Index™ (PMI[®]), compiled by S&P Global, rose from 52.3 in November to 52.8 in December. The latest index reading indicated the most pronounced improvement in the health of the manufacturing sector since February.

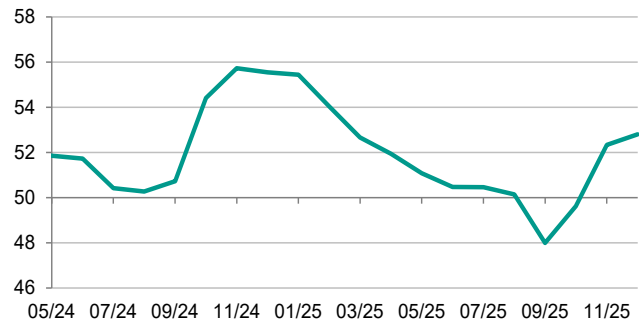
For the second month in a row, manufacturing production rose in December. The rate of growth remained solid, despite having softened from that seen in the month prior. The expansion in output was partly sustained by the completion of outstanding business, with the rate of backlog depletion among the most severe in the series' history (since May 2024).

Positively, new orders received by Pakistani manufacturers increased for the second successive month at the end of 2025, and at a pace not exceeded since March. Where sales rose, firms mentioned that improved product quality and business expansion had boosted demand during December. The former was also cited as a factor behind a renewed expansion in international sales, with the latest data signalling the end of a five-month sequence of decline.

Companies expressed confidence that improvements in demand conditions would be maintained over the coming year and drive higher customer numbers and output volumes. As a result, the degree of business optimism strengthened to the most marked since July, with more favourable economic and inflationary conditions also cited as factors behind the positive outlook.

In response to higher production requirements, Pakistani manufacturers recorded a rise in input buying during December. According to respondents, greater purchasing activity was also linked to efforts to protect against increases in raw material prices. In fact, additional purchases were also held in stock in the latest survey period, with holdings of pre-production inventories rising to the greatest extent since the opening month of data collection in May 2024. There were also reports that completed items were

HBL Pakistan Manufacturing PMI
Index, sa, >50 = improvement m/m



Data compiled 4-17 December 2025.

Sources: HBL, S&P Global PMI. ©2026 S&P Global.

Comment

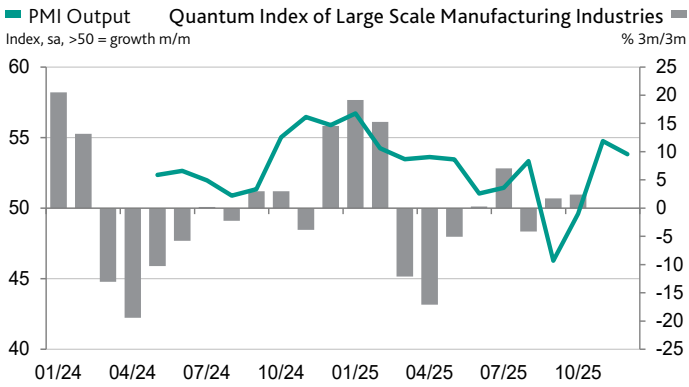
Humaira Qamar at HBL:

"The HBL Pakistan Manufacturing PMI edged up to 52.8 in December from 52.3 in November, marking the highest print since February. Firms reported a solid rise in production alongside a further pick-up in demand, with new orders growing at the fastest pace since March. Respondents linked the uptick to business expansion and improved product quality. Encouragingly, new export orders registered growth for the first time in six months with businesses attributing the uplift to stronger international demand & better product quality.

"Despite higher output, capacity pressures remained subdued as work backlogs declined at one of the sharpest rates on record. Employment levels ticked higher for the second consecutive month, as firms cited greater workloads and extended hours in anticipation of stronger order inflows. Input purchases rose once again, with manufacturers stockpiling to hedge against potential price hikes. Consequently, raw material inventories posted their steepest increase since the survey began.

"Business confidence strengthened to its highest level since July, supported by expectations of improved economic & inflationary conditions. This optimism was shared by the State Bank in its latest MPC decision when it surprised markets with a 50bps rate cut, signaling greater confidence in inflation averaging within the 5-7% range and meeting its June 2026 FX reserve targets."

HBL Pakistan Manufacturing PMI[®]



Sources: HBL, S&P Global PMI, Pakistan Bureau of Statistics. ©2026 S&P Global.

held in stock to prepare for anticipated improvements in sales in the coming months. Post-production inventories rose at the sharpest rate in three months as a result.

Higher input buying and stock holdings were registered despite a stronger deterioration in average vendor performance in December. Anecdotal evidence suggested that the decline in supplier quality was often the result of higher fuel and transportation costs which placed additional strain on suppliers, as well as poor road conditions.

With regards to prices, manufacturers noted cost burdens rose again in the Pakistani manufacturing economy. Input prices increased at a strong rate, with survey members suggesting that greater raw material prices were a key factor behind higher expenses. Despite the rate of input price inflation softening from that seen in November, goods producers increased selling prices at a steeper rate as part of efforts to protect profit margins. As a result, the rate of charge inflation accelerated to the highest in five months.

Methodology

The HBL Pakistan 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 May 2024.

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 surveys with short data histories, particularly less than three years, revisions to seasonally adjusted indices are more likely as more information on seasonal trends becomes available.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

PMI by S&P Global

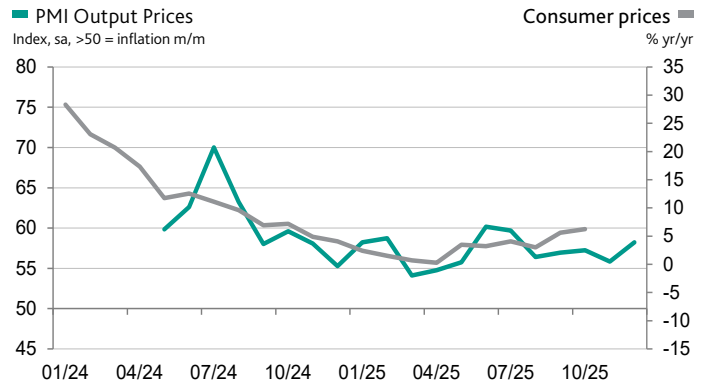
Purchasing Managers' Index™ (PMI[®]) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

www.spglobal.com/marketintelligence/en/mi/products/pmi

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI[®] are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.



Sources: HBL, S&P Global PMI, Pakistan Bureau of Statistics. ©2026 S&P Global.

Contact

Humaira Qamar
Head, Equities & Research
HBL
T: +92 21 3245 6298
humaira.qamar@hbl.com

Usamah Bhatti
Economist
S&P Global Market Intelligence
T: +44 1344 328 370
usamah.bhatti@spglobal.com

Shan Shaikh
Research Analyst
Treasury & Global Markets
HBL
T: +92 21 3718 6332
shan.shaikh1@hbl.com

Eri Amano
APAC Senior Communications Manager
S&P Global Market Intelligence
+81 (0) 80 3714 7658
eri.amano@spglobal.com
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

HBL

HBL was the first Pakistani commercial bank to be established in Pakistan in 1947. Over the years, HBL has maintained its position as the leading private sector bank in Pakistan through its 128,00+ touchpoints, including 1,700+ branches, 2,300+ ATMs, 45,500+ Connect by HBL agents (branchless banking platform), 37,600+ QR locations, 40,000+ POS Terminals and 728 IPG Merchants serving over 37 million clients worldwide. With a presence across major trade zones in the world, the Bank is recognized as the leading financial institution of the country for its client-centric innovation in financial services.

www.hbl.com

S&P Global

S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

www.spglobal.com