

S&P Global Flash Australia PMI[®]

Softest expansion in private sector output in seven months

December 2025

Flash Australia Composite PMI Output Index: 51.1 (Nov: 52.6)

Flash Australia Services PMI Business Activity Index: 51.0 (Nov: 52.8)

Flash Australia Manufacturing PMI: 52.2 (Nov: 51.6)

Flash Australia Manufacturing PMI Output Index: 51.2 (Nov: 51.4)

Australia's business activity continued to rise in the final month of the year, according to the latest flash PMI[®] data by S&P Global. A solid expansion in new orders led to higher output, though the rates of growth in both eased from November. Businesses raised their staffing levels to cope with greater workloads and clear outstanding work. This was amidst improved confidence regarding future output.

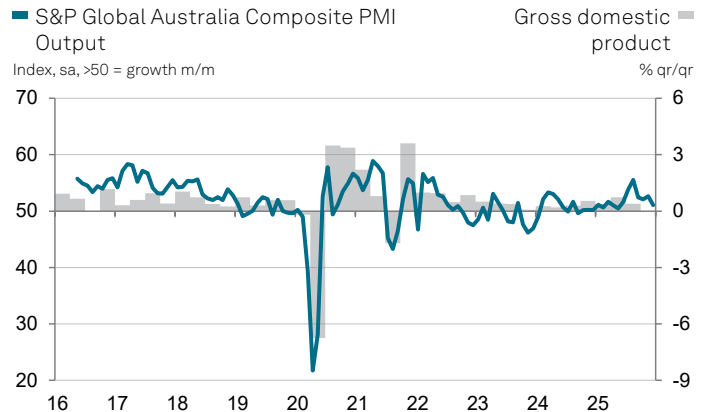
Meanwhile, cost pressures intensified, leading to further increases in charges at the end of 2025.

The headline seasonally adjusted S&P Global Flash Australia PMI Composite Output Index posted above the 50.0 no-change mark for the fifteenth consecutive month in December to signal another expansion in business activity. At 51.1, down from 52.6 in November, the latest reading was the lowest in seven months, however, as growth in both manufacturing output and services activity softened.

Higher new business inflows underpinned the latest rise in business activity. While solid, the rate at which new orders rose was slower than in November. This was mainly due to a deceleration in the rate of services new business growth amid heightened competition and with a more modest rise in services new export business. Overall, new export business grew at an unchanged rate from November, as a fresh increase in new export orders for goods helped offset the softening growth in services exports.

As a result of continued new business growth, Australian businesses hired additional staff to cope with ongoing workloads. Some firms also indicated that they have raised their staffing levels in anticipation of higher future output.

Indeed, the Future Output Index reached its highest level since June, reflecting improved sentiment regarding output over the next 12 months. Where higher future activity was forecasted, survey respondents indicated hopes for business expansion plans, new product launches and better economic conditions to drive output growth in 2026.



Data were collected 04-12 December 2025.

Sources: S&P Global PMI, Australian Bureau of Statistics via S&P Global Market Intelligence. © 2025 S&P Global.

Comment

Jingyi Pan, Economics Associate Director at S&P Global Market Intelligence

“December’s S&P Global Flash Australia PMI data indicated that business activity remained in expansion in the final month of the year, reflecting continued growth through the fourth quarter of 2025. However, the rate of output growth was the softest in seven months, falling below the long-run trend in the latest survey period.

“While the deceleration in the pace of output growth will be worth monitoring, it was positive to see that new orders continued to increase at a solid pace, accompanied by rising business confidence in December. Moreover, job creation sustained at quicker rates across both the manufacturing and service sectors in the final month of the year.

“Cost pressures meanwhile intensified for Australian businesses, resulting in a quicker rise in average output charges as companies attempted to defend their margins. This brought the rate of output price inflation to a level matching the long-run average after two consecutive months of muted price increases.”

Higher employment and better efficiency meanwhile contributed to the eighth consecutive monthly depletion of outstanding workloads in December. This was driven mainly by a renewed fall in outstanding business in the service sector while manufacturing backlogs rose for the first time in eight months.

Finally, on prices, average input costs rose again in the final month of 2025. The rate of inflation was higher than in November as cost pressures intensified across both the manufacturing and service sectors. In particular, goods input costs increased at the fastest pace in eight months as manufacturers raised their purchases in response to higher demand and with suppliers' delivery times extending to the largest degree in 14 months.

Australian private sector firms opted to share their rising cost burdens with clients in December in a bid to maintain margins. The rate of output price inflation rose to a three-month high and matched the long-run average. In contrast to the trend in November, manufacturers reported a higher rate of selling price inflation at the end of 2025.

Methodology

Final December data are published on 2 January for manufacturing and 6 January for services and composite indicators.

The S&P Global Flash Australia PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

Manufacturing: Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

Services: Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

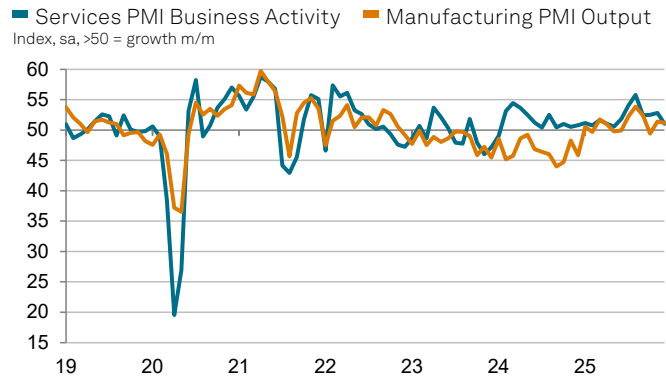
The headline manufacturing figure is the Manufacturing Purchasing Managers' Index™ (PMI®). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing 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.



Source: S&P Global PMI. ©2025 S&P Global.

Contact

Jingyi Pan
Economics Associate Director
S&P Global Market Intelligence
T: +65 6439 6022
jingyi.pan@spglobal.com

Eri Amano
APAC Senior Communications Manager
S&P Global Market Intelligence
T: +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](#).

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = 0.1 (absolute difference 0.5)

Services Business Activity Index = 0.1 (absolute difference 0.6)

Manufacturing PMI = 0.1 (absolute difference 0.3)

S&P Global do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from S&P Global.

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

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