News Release
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S&P Global Czechia Manufacturing PMI®

New order growth sharpest since February 2022

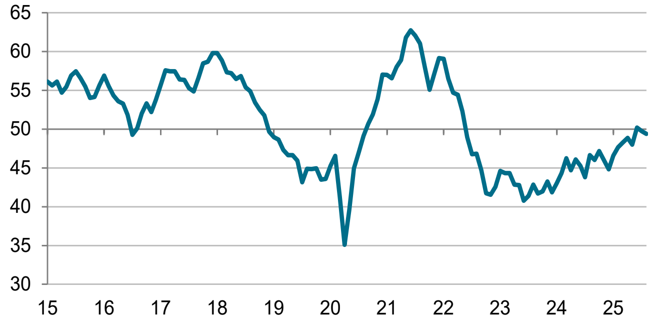
August 2025

Expansion in new sales quickens

Output levels broadly stagnate amid logistics issues

Input costs rise at slowest pace in 2025 so far

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



Data were collected 12-20 August 2025.
Source: S&P Global PMI. ©2025 S&P Global.

August data signalled a more challenging month for Czech goods producers as output levels were hampered by logistics issues.

The headline PMI® signalled a further decline in the health of the manufacturing sector, despite a faster rise in new orders. Amid broadly unchanged production levels, firms cut their workforce numbers again and input buying was reduced at a sharper pace in a bid to lower costs. As a result, companies prioritised the depletion of stocks to fulfil new orders.

Nonetheless, business confidence ticked higher amid relatively soft input price pressures. Cost burdens rose at the slowest rate in the year-to-date, but efforts to boost new sales underpinned a third successive monthly decline in selling prices.

At 49.4 in August, the seasonally adjusted S&P Global Czechia Manufacturing Purchasing Managers' Index™ (PMI) was down slightly from 49.7 in July. Although only marginal, the downturn in operating conditions contrasted with the long-run series average which indicates a modest improvement.

Weighing on the headline figure was a broad stagnation in output levels midway through the third quarter, following two successive expansions. According to panellists, production was dampened by logistics issues, delayed deliveries of materials and the impact of US tariff policy.

Congested ports, transportation delays and technology issues at suppliers reportedly drove the latest deterioration in vendor performance. Moreover, the extent to which lead times lengthened was the greatest since November 2024.

Meanwhile, new orders increased at the quickest rate since February 2022. Panellists stated that client demand had strengthened, especially for machinery and construction materials. The rate of growth was only slight, however, and subdued in the context of the series history.

Total new sales were again dampened by a reduction in new export orders during August. New business from abroad fell at a modest pace amid US tariff policy, geopolitical uncertainty

Comment

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

"Supply chain issues hampered febrile improvements in the Czech manufacturing sector during August. Where growth had been seen previously, output levels were broadly stagnant amid longer lead times for inputs and the impact of US tariffs.

"Although new orders rose at a quicker pace and business confidence ticked higher, optimism was insufficient to reverse a mentality of retrenchment at goods producers, as employment and input buying fell further.

"On a more positive note, an appreciation in the koruna led to less marked inflationary pressures from imported materials. Despite input prices rising at the slowest pace in the year-to-date, strain on margins remained as discounting continued, with firms prioritising boosts to new sales."

and weak demand from customers in Germany.

Average cost burdens at Czech goods producers continued to increase, but the pace of inflation slowed again to the weakest since last December. Where a rise in input prices was noted, this was linked to greater foodstuff and metals costs. That said, firms indicated that an appreciation of the koruna against the US dollar led to softer upticks in imported material prices.

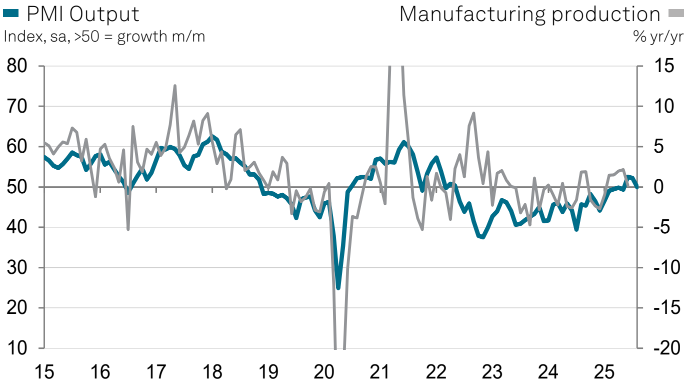
Nevertheless, companies struggled to gain pricing power amid continued efforts to drive new sales. Output charges fell for the third month running, albeit at only a marginal pace.

At the same time, retrenchment at manufacturing firms led to reductions in both employment and purchasing activity in August. Rates of contraction were solid overall, with the fall in input buying accelerating to the fastest since March.

Moreover, goods producers chose to utilise their pre- and post-production stocks to fulfil new orders rather than purchase new items. As a result, stocks of inputs and finished goods fell during August, and at the steepest rates since January and February respectively.

The support of stocks to ensure a timely fulfilment of new orders, and relatively muted new sales growth, led to a renewed drop in backlogs of work midway through the third quarter, according to panellists. The pace of depletion was only slight, however.

August data indicated continued optimism in the year-ahead outlook for output at Czech manufacturing firms. The degree of confidence picked up to the second-highest since February 2022 (behind June 2025), as firms were buoyed by greater investment spending and new product launches.



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.

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PMI by S&P Global

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