

S&P Global Czechia Manufacturing PMI[®]

Output and new orders continue to rise at Czech manufacturers

July 2025

Stronger fall in employment weighs on headline PMI...

...but production levels increase further

Input costs rise at slowest pace in six months

Czech manufacturers registered further growth in output and new orders at the start of the third quarter, but overall operating conditions declined amid a sharper drop in employment.

The headline PMI[®] signalled a renewed deterioration in the health of the Czech manufacturing sector as headcounts fell at a stronger pace and new orders rose only slightly. Manufacturers expanded production, however, amid greater backlogs of work stemming from supplier shortages and greater client demand. Nonetheless, input buying and stocks of purchases fell as firms prioritised inventory optimisation and cost-cutting initiatives. Although still historically elevated in their expectations for output over the coming year, goods producers recorded a dip in optimism.

At the same time, input prices rose at the slowest pace in six months. Output charges decreased again in July, as firms sought to remain competitive.

The seasonally adjusted S&P Global Czechia Manufacturing Purchasing Managers' Index™ (PMI) posted at 49.7 in July, down from 50.2 in June. The headline figure signalled a fresh decline in operating conditions at goods producers, following a fractional improvement in June. The downturn was only slight, however, and much slower than any seen in the period of contraction between June 2022 and May 2025.

Contributing to the drop in the headline index was a sharper fall in employment at Czech manufacturing firms in July. The rate of job shedding accelerated notably from June and was the fastest since April. Lower headcounts were often attributed to cost-cutting initiatives which prioritised the non-replacement of voluntary leavers, amid historically subdued demand conditions.

Nevertheless, output and new orders continued to rise at the start of the third quarter. Production levels grew at a modest pace which was only slightly weaker than June's 40-month high, as new sales supported output.

New orders, meanwhile, expanded for a second month running, albeit at only a marginal pace. The rate of increase

S&P Global Czechia Manufacturing PMI

Index, sa, >50 = improvement m/m



Data were collected 10-23 July 2025.

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

Comment

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

"July PMI data signalled further growth in output and new sales at Czech manufacturers, albeit the expansion in the latter was only slight overall.

"Challenges regarding a lack of momentum in client demand, often dampened by weak economic conditions in external markets, resulted in a sharper cut to employment. Despite difficulties sourcing raw materials, new order intakes were insufficient to trump cost-cutting initiatives as firms shed staff, driving an overall decline in operating conditions.

"Meanwhile, cost pressures softened again, in a reprieve for manufacturers. Strain on margins remained, however, as firms opted to cut selling prices further in a bid to boost competitiveness and meet client requests for discounts.

"Confidence in the outlook for output was still elevated, but firms were more cautious as geopolitical and economic uncertainty heightened. S&P Global Market Intelligence currently forecast a 1.9% rise in industrial production in 2025 on the year."

was broadly in line with that seen in June. Panellists stated that growth stemmed from greater client demand and the acquisition of new customers.

That said, international demand conditions – especially from Germany – remained muted in July. Subsequently, new export orders contracted further. The pace of decline was the second-weakest in the near three-and-a-half-year sequence of decrease, however (faster only than in March 2025).

At the same time, supplier delivery times lengthened again. The deterioration in vendor performance was reportedly due to shortages of some items and logistics issues. Consequently, firms faced challenges working through their backlogs. The level of work-in-hand rose for the fourth month running and at a modest rate.

Although input prices at Czech manufacturers increased further in July, the pace of inflation softened to the weakest since January. Higher cost burdens were linked to greater raw material and energy prices, but some firms noted lower fees for some items.

A historically muted rise in input prices led firms to cut their output charges again in July, in a bid to boost sales and amid pressure from competition. The fall in selling prices was the second in as many months, but only fractional overall.

Meanwhile, firms remained relatively upbeat in their expectations for output over the coming year. Hopes of a sustained rebound in demand underpinned confidence. The degree of optimism slipped to the lowest for three months, however, amid geopolitical uncertainty.

Finally, firms continued to prioritise stock optimisation in July, as pre-production inventories dwindled further through the use of materials to fulfil order requirements. Input buying fell at the sharpest pace for four months, meanwhile. In contrast, stocks of finished goods rose at a marginal pace as cancelled orders were stored for future use.

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.

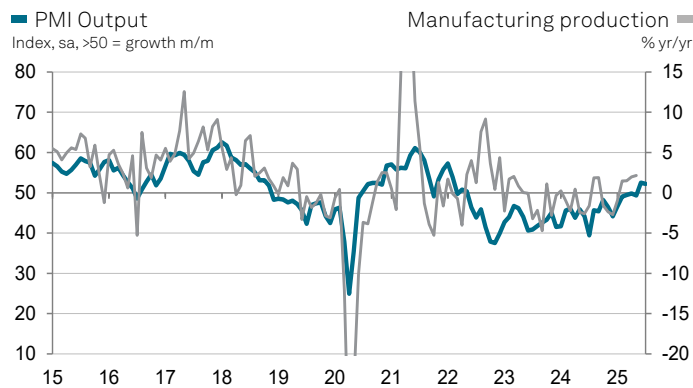
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

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

Contact

Siân Jones
Principal Economist
S&P Global Market Intelligence
T: +44-1491-461-017
sian.jones@spglobal.com

Hannah Brook
EMEA Communications Manager
S&P Global Market Intelligence
T: +44-7483-439-812
hannah.brook@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](#).

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