

S&P Global UK Manufacturing PMI[®]

Production falls for first time in six months as input price inflation spikes and supply chain stress grows

March 2026

Manufacturing PMI at 51.0 in March

Input price inflation hits 41-month high

Suppliers' delivery times lengthen to greatest extent since mid-2022

UK manufacturing production fell back into contraction at the end of the opening quarter, as rising uncertainty surrounding geopolitical tensions, the war in the Middle East and direction of domestic economic policy led to a scaling back of output volumes. March also saw a steep rise in input price inflation and a marked increase in supply-chain stress.

The seasonally adjusted S&P Global UK Manufacturing Purchasing Managers' Index™ (PMI[®]) posted 51.0 in March, down from 51.7 in February and below the flash estimate of 51.4. The PMI has remained above the neutral 50.0 mark for five successive months.

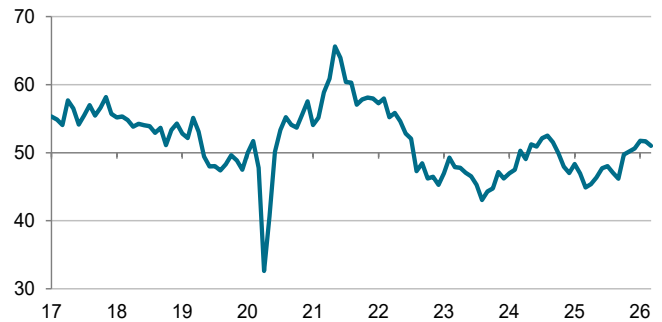
Two of the PMI sub-components - new orders and suppliers' delivery times - were at levels normally consistent with an improvement in operating conditions. That said, longer lead times in March were mainly the result of increased supply-chain stress resulting from the Middle East conflict as opposed to order books driving greater demand for suppliers' services. Production, employment and stocks of purchases all contracted.

Manufacturing output decreased for the first time in six months, as a solid contraction in the intermediate goods industry more than offset mild (but slower) expansions at consumer and investment goods producers. The scaling back of production volumes was linked to rising uncertainty, war in the Middle East, stock management initiatives and lower levels of confidence about the year ahead at manufacturers and their clients alike.

Business optimism regarding the outlook for production volumes dropped to its lowest level September 2025. Moreover, the fall in the Future Output Index since February (5.6 points) was the steepest one-month decline in a year. Rising geopolitical tensions, the war in the Middle East, ongoing uncertainty about domestic government policy and fears about rising price pressures and supply-chain insecurities all weighed on business confidence.

Sentiment decreased across the consumer, intermediate and investment goods sectors and at small-, medium- and large-scale producers. Data broken down by company size suggested small manufacturers had the least positive outlook

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



Data were collected 12-26 March 2026.

Source: S&P Global PMI. ©2026 S&P Global.

Comment

Rob Dobson, Director at S&P Global Market Intelligence

“UK manufacturing output contracted for the first time in six months in March, as the war in the Middle East and ongoing concerns about domestic economic policy led to a scaling back of production.

“The impact of the war also caused noticeable shifts in the cost and supply chain backdrops. Delivery times lengthened to the greatest extent since mid-2022, while the acceleration in input price inflation was the steepest since the aftermath of the UK’s withdrawal from the ERM in 1992. The resulting high-cost environment and shortages of inputs were also factors stymieing production volumes.

“The darker economic and geopolitical backdrop is also weighing on business confidence and hiring trends. Optimism about the year ahead has slumped to a six-month low and the latest round of job cuts is the deepest since last September.

“The one possible positive is that, despite rising at a slower rate, the trend in new order inflows held up better than production. This suggests that the drop in production is currently more of a supply issue than one caused by an outright downturn in demand, though it’s hard to see how demand can prove resilient in the face of current high energy prices and economic uncertainty unless there’s a swift resolution to the war in the Middle East.”

for the year ahead.

The outbreak of war in the Middle East and closure of the strait of Hormuz had a marked impact on supply chains and purchasing costs during March. Average vendor delivery times lengthened to the greatest extent in over four-and-a-half years, with a quarter of panellists reporting an increase in lead times compared to only 2% reporting a decline. A number of firms noted that recent events were exacerbating existing strains on supply chains (for example the Red Sea crisis and post disruptions).

Average input costs rose at the quickest pace since October 2022, mainly reflecting spikes in the prices of energy, oil, gas and other associated costs. Almost half of companies (49%) reported an increase in purchase prices, while only 2% saw a decrease. The seasonally adjusted Input Prices Index rose by 15 points month-on-month, its second-steepest gain since the survey began in January 1992 (beaten only by October 1992 in the aftermath of the UK's withdrawal from the ERM).

March data suggested that demand held up comparatively well in the face of rising market uncertainty. New orders rose for the fourth successive month, albeit at a slower pace than in February, while new export business also continued its recent upturn. There were reports of a rise in new orders from the US, Europe, mainland China, APAC and Brazil.

There were also some reports that margins were squeezed in order to secure new contracts. This was despite a marked rise in selling prices, the steepest since May 2025. Pressure on margins also led to a reluctance to hire staff, leading to further job losses. Employment fell at the quickest pace since September 2025.

Methodology

The S&P Global UK Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 650 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in January 1992.

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. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.1 (0.4 in absolute terms).

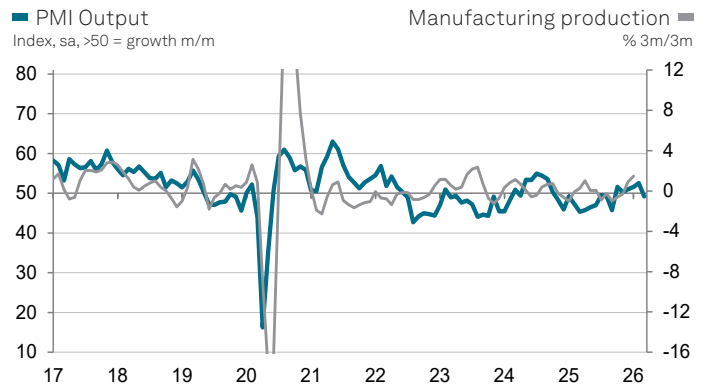
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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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