

S&P Global Brazil Manufacturing PMI[®]

Prices fall further as manufacturing downturn intensifies

December 2025

Demand for goods worsens to one of greatest extents since mid-2023

Output and input buying contract at quicker rates

Cost savings support fastest drop in output charges in 29 months

In line with the trend seen on average during 2025, Brazilian factory orders and production decreased in December. Rates of contraction quickened in both cases, prompting companies to make deeper cuts to input purchasing volumes.

Subdued demand for materials sparked back-to-back declines in average cost burdens. This, coupled with efforts to shift inventories, encouraged manufacturers to reduce selling charges to the greatest degree since July 2023.

Down to 47.6 in December, from 48.8 in November, the S&P Global Brazil Manufacturing Purchasing Managers' Index[™] (PMI[®]) – a single-figure indicator of manufacturing performance – signalled the steepest deterioration in the health of the sector since September. All of the five sub-components of the PMI had a negative directional influence on the latest print.

Intakes of new business decreased at one of the fastest rates in two-and-a-half years at the end of the fourth quarter. Demand retrenchment was identified by panel members as the main determinant of lower sales.

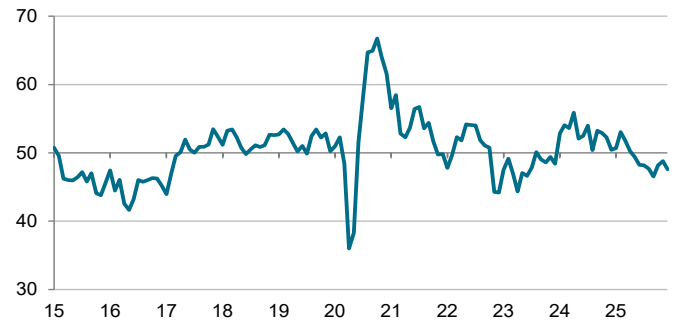
Although international demand for Brazilian goods continued to worsen, the rate of reduction in external sales moderated from November.

Dwindling volumes of new work triggered a further contraction in factory production. December's drop was solid and the quickest since last September.

Sustained contractions in new orders prompted goods producers to trim buying levels in December. Input purchases decreased for the ninth consecutive month and to the greatest degree since April 2023.

Manufacturers in Brazil signalled a second successive monthly decline in average input costs at the end of 2025. The rate of discounting was moderate and the fastest in 27 months. Companies reported lower fees for energy, foodstuff, freight, metals, plastics and resin.

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



Data were collected 4-16 December 2025.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said:

"Brazil's manufacturing industry was severely impacted by demand retrenchment, with firms signalling more pronounced contractions in new orders, output and input purchasing as 2025 came to an end.

"New orders failed to revive even with companies lowering their selling prices to the greatest extent in just under two-and-a-half years.

"There was very little in the data to point to any immediate recovery in the near-term. In fact, the only encouraging forward-looking reading was business confidence. The improvement in sentiment was, however, mostly pinned on hopes of better demand trends and interest rate cuts.

"In an indication that any rebound is only expected to take place later in 2026, goods producers focused on depleting their inventories and cutting costs via a combination of job shedding and the minimal acquisition of raw materials."

The combination of cost savings and efforts to stimulate sales reportedly drove down prices charged for Brazilian goods, which fell for the fourth consecutive month and at the fastest rate since July 2023.

The marginal increase in factory employment registered in November was reversed in December, as companies cut payroll numbers for the fourth time in seven months. Cost control initiatives and spare capacity caused job shedding, anecdotal evidence showed.

Indeed, outstanding business levels decreased for the ninth month in a row at the end of the year. The rate of depletion was sharp and faster than that recorded midway through the fourth quarter. Panellists cited a lack of pressure on their schedules due to shortages of new orders.

In terms of supplier capacity, the latest survey results showed a general lack of pressure. Average input delivery times still lengthened, but did so only fractionally. This was also the case in October and November.

Stocks of both pre- and post-production items decreased solidly during December, after expanding marginally in the previous month. Manufacturing firms generally commented on a better alignment of inventories with current demand conditions.

Finally, goods producers foresee an increase in output during 2026 compared to present levels. Optimism was pinned on hopes of better demand conditions, lower interest rates, tech investment and a greater focus on enhancing productivity.

Methodology

The S&P Global Brazil Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in February 2006.

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.

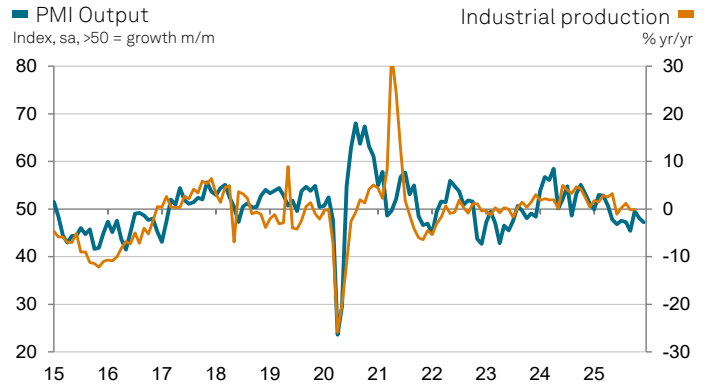
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

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Contact

Pollyanna De Lima
Economics Associate Director
S&P Global Market Intelligence
T: +44-1491-461-075
pollyanna.delima@spglobal.com

Diego Bucio
Latam Communication Manager
S&P Global Market Intelligence
T: +52 55 5081 4543
diego.bucio@spglobal.com
press.mi@spglobal.com

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PMI by S&P Global

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