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Davivienda Colombia Manufacturing PMI[®]

PMI data show slight improvement in manufacturing sector conditions

Key findings

Headline PMI edges up to 51.4 in April...

...amid renewed growth of factory orders, production and jobs

Output charge inflation hits two-year high

Colombian manufacturers welcomed a mild improvement in the health of the sector in April, as a marginal uptick in demand underpinned renewed growth of output and employment. There was also a marginal increase in buying levels, but business optimism was dampened by concerns surrounding global trade and inflation.

The gap between rates of inflation for input prices and output charges was the narrowest seen for a year, as an acceleration in the latter contrasted with a softer upturn in cost burdens.

Rising from 49.4 in March to 51.4 in April, the seasonally adjusted Davivienda Colombia Manufacturing PMI[®] – derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases – indicated the first improvement in the health of the sector since January. The pace of growth was only mild, however.

Firms lifted factory production for the first time in three months, amid reports of greater client requirements and tentative signs of improving underlying demand. The rate of expansion in output was moderate.

New orders rose in April following two successive months of reduction. Some panellists noted greater customer interest and the approval of pending quotations, but others cited subdued demand, competitive pressures and challenging economic conditions. Overall, the rate of sales growth was marginal.

Factory employment in Colombia increased during April, though growth was reportedly stymied by the non-replacement of leavers and departing short-term staff. The overall rate of job creation was negligible.

With cost burdens remaining on an upward path, firms felt the need to lift selling prices again at the start of the second quarter. The rate of charge inflation was solid and

Davivienda Colombia Manufacturing PMI
sa, >50 = improvement since previous month



Sources: Davivienda, S&P Global PMI.
Data were collected 9-22 April 2025.

Comment

Andrés Langebaek Rueda, Chief Economist Bolivar Group at Davivienda, said:

“While the April manufacturing PMI data show an improvement in manufacturing activity, the average of the indicator for the first four months of the year shows, overall, a poor performance.

“It is worth asking why manufacturing activity is not recording a solid recovery. In this regard, we believe there are three relevant factors: first, the entry of low-cost Chinese products is notable, which competes with domestic production. Second, we must remember that building production remains in decline, which has a moderate impact on demand for inputs such as iron and cement. Finally, we believe that the lack of a leading role for the industrial sector in the production of durable goods has also had an impact. It should be noted that the recovery in demand in Colombia has been the result of lower interest rates, which has benefited the sale of durable goods such as furniture, appliances, and vehicles. Unfortunately, the imported component in the final sale of these goods is usually very high, so domestic value added does not benefit much.”

the strongest seen for two years.

Input prices continued to increase at a quicker pace than that seen for charges, despite the rate inflation easing to a five-month low. Some companies mentioned that unfavourable exchange rates and shortages of items like wood and recycled products pushed up cost burdens, but others suggested that the oversupply of some materials and bulk-purchase discounts curbed inflation.

Buying levels rose in April, ending a two-month sequence of contraction. Restocking efforts and greater output requirements supported growth, qualitative data showed. The rate of expansion was, however, marginal.

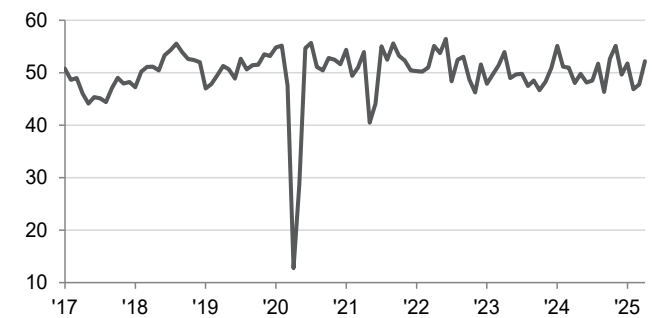
Holdings of both inputs and finished products returned to expansion territory in April. The faster pace of accumulation was seen for the latter. Although anecdotal evidence showed that stocks rose due to rising production volumes, there were also mentions of lower-than-expected sales and delivery issues.

Vendor performance continued to worsen. Companies linked April's delivery delays to road blockades, landslides and the consolidation of aluminium cargo.

When asked to provide their assessments about future output, firms were confident of a rise. Optimism was supported by hopes of better economic conditions, further improvements in demand, investment and the successful launch of new products. Tariff and inflation concerns dampened the overall level of sentiment, however, which was at a seven-month low.

Colombia Manufacturing PMI Output Index

sa, >50 = growth since previous month



Sources: Davivienda, S&P Global PMI.

Contact

Andrés Langebaek Rueda
Chief Economist Bolivar Group
Davivienda
+57 601 3300000
alangebaek@davivienda.com

Carlos E. Torres Prieto
Chief Marketing Officer
Davivienda
+57 601 3300000
ctorres@davivienda.com

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

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

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Survey methodology

The Davivienda Colombia Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 350 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 2011.

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.

About PMI

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

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