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## Davivienda Colombia Manufacturing PMI<sup>®</sup>

### Firms link historic minimum wage increase to cost pressures and job losses

#### Key findings

Input cost inflation accelerates, driving charges higher

Employment falls for first time in seven months

Slower growth of output and sales

Goods producers in Colombia signalled a notable slowdown in growth of both factory orders and production during January. According to them, upward revisions to selling charges – necessitated by a sharper rise in input costs – dampened demand. Firms indicated that a larger-than-normal increase in the minimum wage not only raised their labour costs but also prompted domestic suppliers to lift input prices.

In turn, cost control efforts prompted companies to stop extending temporary contracts and implement hiring freezes for departing staff. The latest fall in employment occurred in parallel to a renewed reduction in buying levels.

The seasonally adjusted Davivienda Colombia Manufacturing Purchasing Managers' Index<sup>™</sup> (PMI<sup>®</sup>) fell from 52.6 in December to a ten-month low of 50.0 in January. The latest reading signalled no change in business conditions from the month before.

Although new orders remained inside expansion territory, the pace of growth eased to a nine-month low and was only marginal. Companies that signalled higher production volumes remarked on greater sales. Those that reported a decline cited subdued demand for their goods amid hikes to selling prices.

Factory production increased for the tenth straight month in January, albeit only marginally and to the least extent over this period.

After falling in each of the previous three months, prices charged for Colombian goods rose at the start of 2026. The rate of inflation reached a six-month high, but was below its long-run average. Rising cost pressures prompted manufacturers to lift their fees, anecdotal evidence showed.

Not only did input costs increase for the twenty-seventh month in a row, but also to the greatest extent since mid-2025. Businesses reported that suppliers lifted their prices

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



Sources: Davivienda, S&P Global PMI.

Data were collected 12-23 January 2026.

#### Comment

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

*"There were setbacks across Colombia's manufacturing industry in January, as sales growth eased substantially – partly due to inflationary pressures stemming from an unprecedented 23% rise in the minimum wage.*

*"The minimum wage hike prompted suppliers to adjust their pricing upwards, which further added to manufacturers' cost burdens. Hence, they opted to freeze hiring for departing staff and stopped extending temporary contracts. To keep a lid on expenses, firms also reduced purchasing activity for the first time in seven months.*

*"Business optimism was maintained, albeit with a mild loss of confidence amid worries about the potentially detrimental impact of rising labour costs on growth prospects."*

**PMI<sup>®</sup>**

by **S&P Global**

following the unprecedented rise in the minimum wage, with labour costs at their own units likewise up substantially.

Attempts to shield margins from the surge in the minimum wage urged companies to not replace departing staff nor renew temporary contracts. As a result, employment decreased for the first time in seven months.

Similarly, firms lowered purchasing activity in January following six consecutive months of growth. The pace of contraction was moderate, albeit the fastest in close to a year.

Input inventories subsequently fell solidly at the start of the year. Moreover, the pace of contraction was the quickest seen since February 2025. Meanwhile, holdings of finished products decreased for the first time in three months, though only marginally.

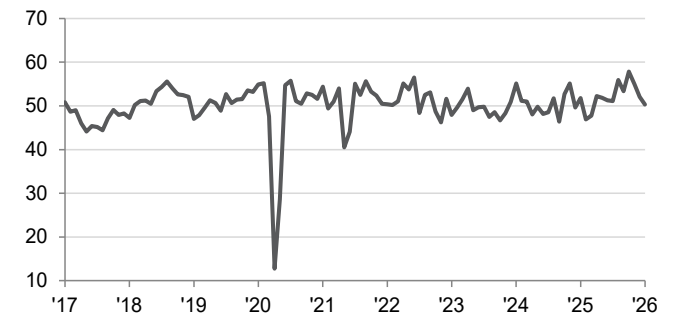
One factor that contributed to lower input stocks among Colombian goods producers was a further deterioration in vendor performance. Panellists often linked delays to traffic jams and understaffed suppliers. That said, average lead times lengthened to the least extent since June 2024.

Capacity pressures at Colombian manufacturers dissipated in January, with firms signalling no change in backlogs of work since December. This reflected subdued sales performances, according to panel member comments.

Looking ahead, efficiency gains, investment, new product releases and marketing campaigns underpinned optimistic projections for output. Despite falling to a three-month low, the level of positive sentiment remained above its long-run average.

### Colombia Manufacturing PMI Output Index

sa, >50 = growth since previous month



Sources: Davivienda, S&P Global PMI.

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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](mailto: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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

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