

# News Release

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## S&P Global South Korea Manufacturing PMI<sup>®</sup>

### Trade uncertainty weighs heavily on South Korea's manufacturing sector

#### Key findings

Sharpest falls in output and new orders since mid-2023

Employment decreases at sharpest rate since September 2020

Business sentiment among weakest in series history

April data indicated a sustained and stronger decline in output amid a renewed reduction in new order intakes, as South Korean manufacturers commented on global trade uncertainty and a subdued domestic economy. This muted picture also led firms to opt for retrenchment, as employment, purchasing and stocks all declined over the month. Moreover, business sentiment turned negative for the first time in 2025, with the degree of pessimism among the weakest recorded since the series began in April 2012.

The seasonally adjusted S&P Global South Korea Manufacturing Purchasing Managers' Index™ (PMI<sup>®</sup>) registered 47.5 in April, down from 49.1 in March, indicating a stronger deterioration in the health of the South Korean manufacturing sector. This contraction marked the third consecutive month of worsening business conditions, and was the most pronounced since September 2022.

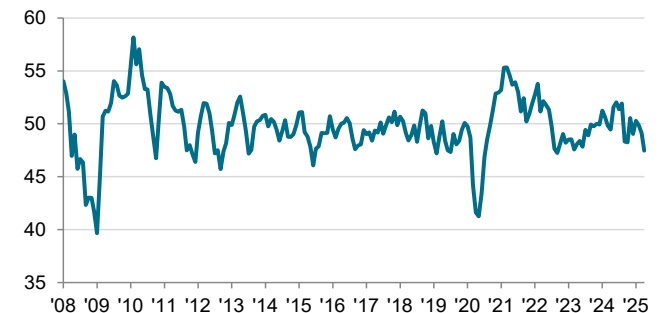
There was a steeper decrease in production levels in April, with output falling solidly at the start of the second quarter. Production declined for the second month in a row, with firms often citing falling new orders and the impact of US trade policy as the main reasons behind the decrease. Consequently, manufacturers reported a renewed contraction in incoming business, commonly linked to a subdued domestic economy and the introduction of US tariffs. The latter also affected foreign markets, as goods producers recorded the first reduction in new export orders in six months.

The outlook for production over the coming year turned negative for only the second time since July 2020 during April, as firms grew increasingly concerned about the potential impact of tariffs and stagnation in the domestic economy. As a result, the overall degree of negative sentiment was the most pronounced since data for future output were first collected in 2012, excluding the COVID-19 pandemic period.

Backlogs of work saw a renewed decrease in the latest

S&P Global South Korea Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 09-22 April 2025.

#### Comment

Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

"April presented a muted picture for the South Korean manufacturing sector. Both output and new orders fell into contraction territory, with both metrics experiencing the steepest decline since June 2023. Moreover, the headline PMI was further constrained by decreases in employment and stocks of purchases.

"According to manufacturers, challenging domestic economic conditions and the impact of US tariffs weighed heavily on the sector, stymieing new product launches and sales in both domestic and external markets.

"At the same time, goods producers expressed pessimism regarding the outlook for the coming year. The degree of negative sentiment was the most pronounced since June 2020 and among the largest on record. Downbeat expectations often stemmed from concerns about the extent of domestic economic malaise, as well as the potential prolonged impact of tariffs."

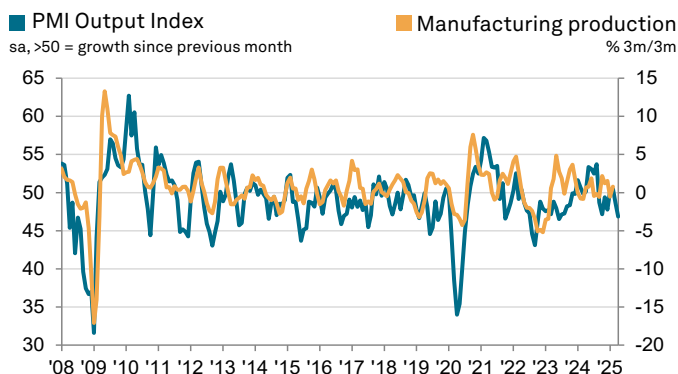
PMI<sup>®</sup>

by S&P Global

survey period, marking the second decline in the past three months. Firms often mentioned that a lack of new orders pushed them to complete existing work instead, with firms reducing outstanding business to the greatest extent since February 2023. At the same time, manufacturing firms chose to reduce their workforce numbers for the sixth consecutive month, amid the non-replacement of voluntary leavers and lower capacity requirements. The rate of job shedding was moderate and the most significant since September 2020.

In line with the trends for output and new orders, a renewed decrease in purchasing activity was recorded in April. This reduction was solid and the strongest seen since September 2022. Meanwhile, holdings of both inputs and finished items were lowered, as firms noted that weak demand conditions had led to existing stocks being used in production and to fulfil orders. Suppliers' delivery times saw a renewed lengthening in April, with the rate of deterioration being the steepest in nine months.

Inflationary pressures eased at the start of the second quarter. The rate of input price inflation was sharp but eased to a five-month low. In turn, output prices were raised at a softer, albeit still solid pace.



Sources: S&P Global PMI, KOSTAT via S&P Global Market Intelligence.

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### Survey methodology

The S&P Global South Korea 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 April 2004.

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).

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