News Release
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S&P Global Australia Manufacturing PMI®

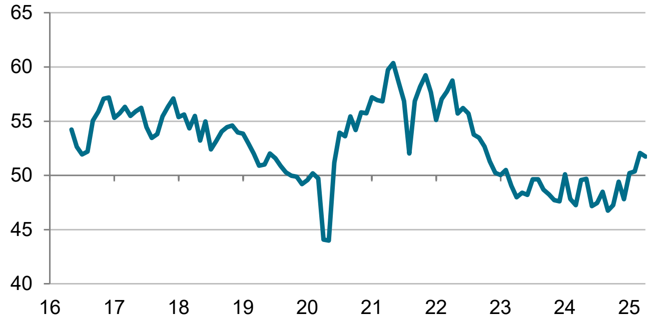
New orders rise at fastest pace since November 2022

Manufacturing output growth extends into April

Stocks of purchases increase with strongest purchasing activity growth in almost three years

Output price inflation highest since February 2023

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



Data were collected 9-24 April 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Australia's manufacturing sector expansion continued in April, according to PMI® data. Greater inflows of new work contributed to higher production. Purchasing activity and inventory levels also rose in tandem, while backlogs of work accumulated for the first time since November 2022. That said, optimism slipped to the lowest level in six months, while the improvement in demand was restricted to the domestic sector amid another fall in export orders.

On the price front, selling prices increased at the most pronounced pace in over two years as goods producers shared their rising cost burdens with clients.

The headline seasonally adjusted S&P Global Australia Manufacturing Purchasing Manager's Index™ (PMI) posted 51.7 in April, down from 52.1 in March. Posting above the 50.0 neutral mark for the fourth successive month, the latest data signalled that manufacturing sector conditions continued to improve at the start of the second quarter. The rate of growth softened from March's 29-month high and was modest overall - but remained among the fastest over the period.

Manufacturing output in Australia grew for the third time this year with greater new work inflows. According to panellists, higher new orders were attributed to business development plans bearing fruit and stockpiling at clients. Good producers also mentioned an expanded workforce capacity supporting growth in operations.

Indeed, staffing levels increased for a second straight month in April. The rate of job creation in April was broadly similar to March, which was the fastest in two years.

Despite rising headcounts, manufacturers accumulated outstanding workloads in April. This was also the first rise in backlogs of work since November 2022. Where unfinished orders increased, panellists mentioned greater new work inflows and supply delays as reasons. April data revealed that lead times lengthened for a twenty-second successive month amidst both supply shortages and transportation delays.

Meanwhile, expansions in new orders and production drove a second monthly rise in purchasing activity. The rate of growth was solid and the quickest since June 2022. Panellists also indicated acquiring more raw materials and semi-finished goods for stockpiling. Consequently, holdings of pre-production inventories increased for a second successive month in April.

Likewise for stocks of finished goods, efforts among

Comment

Jingyi Pan, Economics Associate Director at S&P Global Market Intelligence

"Australia's manufacturing sector continued to expand at the start of the second quarter, extending the sequence of growth that commenced at the start of 2025, according to PMI data. A positive demand trend was observed with new orders rising at the fastest pace in nearly two-and-a-half years. Rising new work inflows also contributed to greater hiring and purchasing activity.

"That said, taking a holistic look at the latest data, traces of stockpiling contributed to the rise in domestic demand. This was triggered partly by uncertainty relating to global trade. Concurrently, sentiment and export performance showed further signs of being dented by trade policy updates in April.

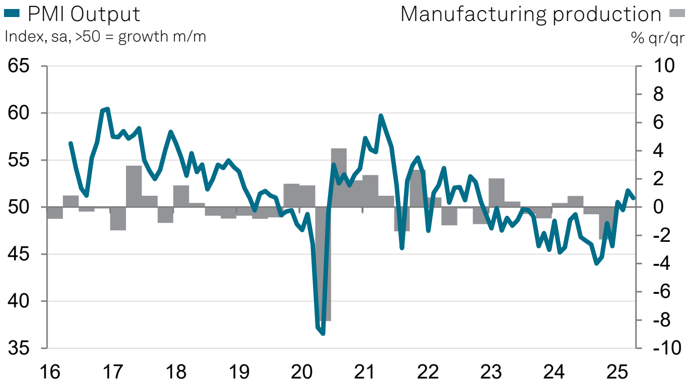
"At the same time, foreign exchange volatility led to higher costs, which manufacturers opted to share with clients. The intensification of output price inflation will be a trend to watch as a possible source of downstream price increases in Australia."

PMI® by S&P Global

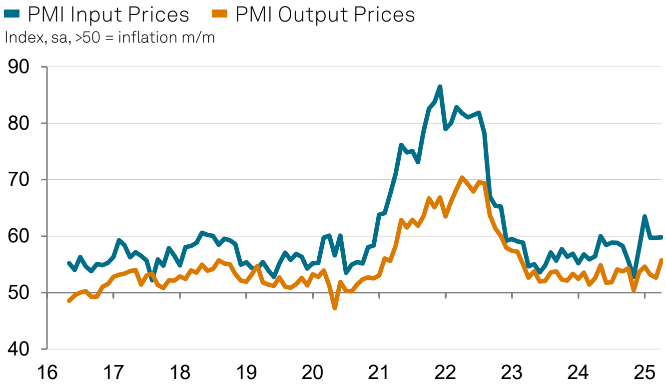
manufacturers to build buffer stocks resulted in the fastest accumulation in nearly a year.

Although demand improved in April, optimism levels slipped among Australian goods producers. The level of business confidence was the lowest in six months, sliding further below the long-run average. Firms were generally hopeful that improvements in economic conditions, new product launches and marketing promotions can help to drive sales in the next 12 months. However, concerns over the negative impact of trade uncertainty heightened in April - and these factors helped to explain why present export orders fell for a second successive month in the latest survey period.

Finally, input cost inflation was sustained at the start of the second quarter of the year. Higher purchasing and shipping costs contributed to a further increase in average input prices. On the back of another sharp rise in cost burdens, Australian manufacturers raised their selling prices at the fastest pace since February 2023, and to a degree that was notably above the series average.



Sources: S&P Global PMI, Australian Bureau of Statistics via S&P Global Market Intelligence. ©2025 S&P Global.



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Methodology

The S&P Global Australia 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 May 2016.

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.

PMI by S&P Global

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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