

News Release

Embargoed until 0830 PHT (0030 UTC) 2 June 2025

S&P Global Philippines Manufacturing PMI[®]

Filipino manufacturing conditions broadly stall in May

Key findings

Headline PMI index falls close to neutral 50.0 mark

Renewed downturn in production

Rate of job shedding strongest in 11 months

The latest PMI[®] data by S&P Global indicated a setback to growth momentum built in April, with May recording a broadly stagnating picture in the Filipino manufacturing sector. Output fell into contraction territory while new order growth waned, with the downturn in demand from foreign markets also weighing on total new sales.

The drop in production requirements was accompanied by a fresh decline in employment, with panellists often postponing filling open positions following voluntary resignations. The rate of job shedding was marginal, but the strongest in nearly a year.

After April marked a solid revival in the health of the Filipino manufacturing sector, the latest data signalled a notable reversal. The headline S&P Global Philippines Manufacturing PMI – a composite single-figure indicator of manufacturing performance – fell to 50.1 from 53.0 in the previous month, signalling a broad stagnation in operating conditions.

Filipino manufacturers experienced a fresh decline in output in May, marking the second contraction in the last three months. Overall, the downturn was marginal, but companies noted softer demand conditions weighed on production. Despite continuing to signal a rise in new sales, the rate of expansion in new orders was slight and weaker than in April.

Additionally, Filipino manufacturers faced challenges in international markets, with May data indicating a stronger fall in new export orders, following broadly steady export sales in March and April. The rate of contraction was fractional but the strongest since November of last year.

The slowdown in new order growth was reflected in the softer rate of increase in input buying activity. The latest uptick was only slight and the weakest in the current 18-month sequence of expansion.

Manufacturers reported longer lead times for receiving essential materials and supplies. This delay complicated

Philippines Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 12-22 May 2025.

Comment

Maryam Baluch, Economist at S&P Global Market Intelligence, said:

"The promising growth observed at the beginning of the second quarter signalled a notable cooling in May, according to the latest PMI data. While new orders continued to increase, they did so at a slower pace, overshadowed by contractions in other areas. Notably, output, employment, and the inventories of both purchases and finished goods all experienced fresh declines.

"The situation was further exacerbated by a deteriorating demand from foreign markets, with May witnessing a sharper drop in new export orders. As global trade tensions escalate, the outlook for overseas demand appears increasingly precarious.

"On a brighter note, inflationary pressures remain modest and historically subdued, which could play an important role in supporting demand moving forward. The stability of price pressures may also provide a necessary buffer against the challenges posed by a cooldown in new orders and external market uncertainties."

PMI[®]

by S&P Global

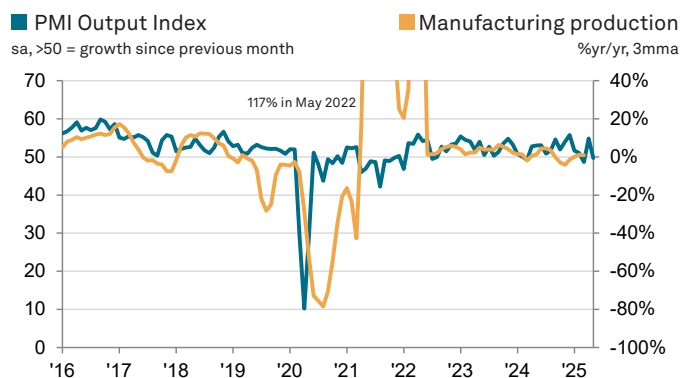
the process of replenishing stocks of inputs, which were depleted for the first time in three months, despite a sustained rise in purchasing activity. Manufacturers in the Philippines also recorded a fresh reduction in holdings finished goods. Sustained growth in new orders led to firms utilising inventories to meet demand requirements, according to panellists.

May data also marked a fresh decline in workforce numbers across the Philippines manufacturing sector, and was the first in four months. The respective seasonally adjusted index fell into contraction territory after holding steady at the neutral mark in March and April. The rate of job shedding, albeit modest, was the strongest in 11 months. Surveyed respondents linked the downturn to voluntary resignations and the non-replacement of those roles.

Limited manpower was also a reason cited for a renewed build-up of backlogs across goods producers based in the Philippines. The rate of accumulation was modest overall.

Inflationary pressures remained historically weak across the Filipino manufacturing sector in May, despite showing signs of slight intensification. Cost burdens and output charges increased to the strongest extents since January, but pace of inflation were relatively modest overall.

Lastly, hopes that new orders will continue to rise supported confidence in the year-ahead outlook for production. Despite strengthening on the month, the level of sentiment was the third-weakest in the series history, with only optimism registered in March 2020 and in April 2025 being more subdued.



Sources: S&P Global, Philippines Federal Reserve.

Contact

Maryam Baluch
Economist
S&P Global Market Intelligence
T: +44-13-4432-7213
maryam.baluch@spglobal.com

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

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

Survey methodology

The S&P Global Philippines 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 January 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.

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.