News Release
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# S&P Global Indonesia Manufacturing PMI®

## Marked inflationary pressures weigh on Indonesian manufacturing sector in April

### April 2026

War in Middle East pushes input cost inflation to four-year high

Output falls at fastest pace since May 2025

Business confidence eases to lowest since last November

There was a deterioration in the health of Indonesia's manufacturing economy at the start of the second quarter of 2026, latest PMI data from S&P Global showed.

Firms registered a solid contraction in production volumes that was the strongest for just under a year, despite a marginal rise in new orders. Anecdotal evidence suggested that the war in the Middle East placed strain on prices and supply. In fact, the increase in cost burdens during April was the most pronounced since April 2022, driving the fastest rise in selling prices for 12-and-a-half years. Firms also saw confidence dip on the month, with optimism easing to a five-month low.

The headline S&P Global Indonesia Manufacturing Purchasing Managers' Index™ (PMI®) fell below the neutral 50.0 mark in April, signalling a deterioration in the health of the manufacturing sector for the first time in nine months. The seasonally adjusted PMI fell from 50.1 in March to 49.1 in April, indicating a marginal decline in operating conditions at the start of the second quarter.

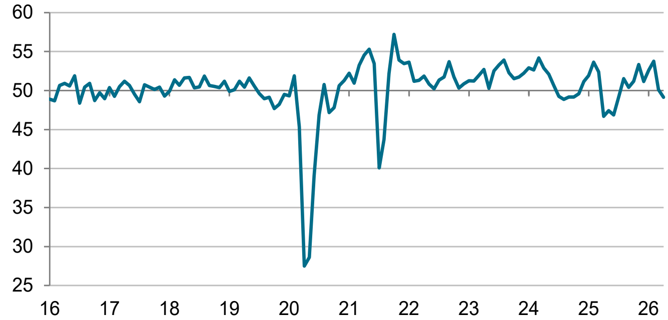
Underpinning the contraction was a sustained fall in production volumes. The reduction was the second in as many months, and the pace of decrease quickened from March to reach the fastest since May last year. Firms often mentioned rising raw material prices, supply shortages and weaker customer purchasing power as factors behind the fall.

On a more positive note, Indonesian manufacturers pointed to a slight uptick in new order intakes, though this was largely attributed to advanced orders being placed to protect against further price rises and supply disruption. Data suggested that the improvement was led by the domestic market as new export orders were reduced solidly.

Cost pressures intensified on the month, as the rate of input cost inflation reached the highest in exactly four years. Panel member comments widely attributed increased input costs to rising raw material prices and material scarcity. Firms responded to higher input costs by raising charges at the start of the second quarter, and to the greatest extent since October 2013.

Goods producers also lowered purchasing activity marginally in response to softening output requirements, while delivery delays and supply shortfalls meant firms utilised existing pre-production inventories to support production. At the same time, stocks of finished goods increased as manufacturers placed unsold goods into stock.

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




Data were collected 9-23 April 2026.
Source: S&P Global PMI. ©2026 S&P Global.

### Comment

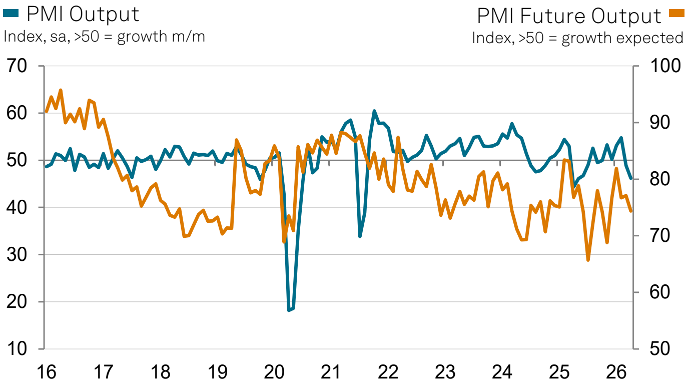
Usamah Bhatti, Economist at S&P Global Market Intelligence said:

"Indonesia's manufacturing sector saw intensifying inflationary pressures start to bite in the midst of the war in the Middle East. Firms recorded a solid contraction in output in April, with anecdotal evidence largely pointing to the impact of higher raw material prices and supply shortages on production. In response, firms also saw employment and purchasing reduce on the month, while pre-production inventories also fell as firms dipped into reserves of inputs amid difficulty sourcing and receiving materials.

"Price pressures surged in April, with the rate of cost inflation jumping to the highest since April 2022. Higher expenses were increasingly passed on to clients, resulting in the steepest rise in selling prices for 12-and-a-half years. Firms widely attributed price inflation to the impact of the war and the subsequent pressure on supply.

"A positive sign was a slight uptick in new orders. However, survey evidence suggested that this was often due to clients making advanced purchases ahead of further potential disruption from the conflict. Moreover, optimism eased to a five-month low amid uncertainty regarding the length of the war."

PMI by S&P Global

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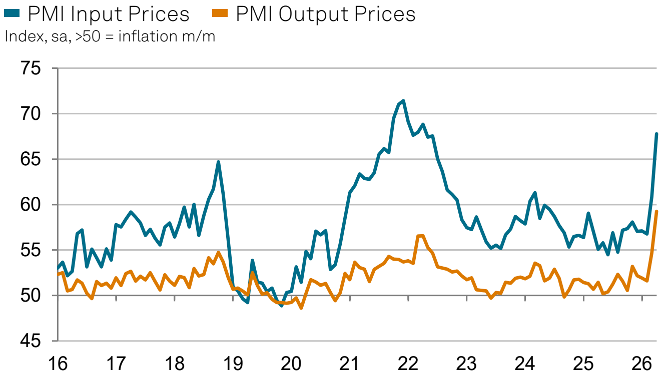


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Companies noted that delivery delays and material shortages due to the war weighed on vendor performance during April. As a result, suppliers' delivery times lengthened at a solid rate and for the seventh month in a row.

In line with production requirements, manufacturers lowered employment levels at the start of the second quarter. The rate of job shedding was modest, but the steepest seen in ten months. At the same time, evidence of easing capacity pressures was prevalent in the April data, with firms posting a further reduction in backlogs of work.

Looking ahead, Indonesian manufacturers remained optimistic that production volumes would increase over the next 12 months. The degree of confidence eased however to the least pronounced for five months. Optimism was underpinned by new product launches and hopes for an end to the conflict in the Middle East, though there were concerns regarding the potential for the war to be prolonged.

## Contact

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## Methodology

The S&P Global Indonesia 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 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.



## 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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