

News Release

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S&P Global Brazil Manufacturing PMI®

Manufacturing economy nearly stagnates in April

Key findings

PMI at 16-month low of 50.3

New orders and exports back in contraction

Output expands only slightly

The Brazilian manufacturing sector nearly stagnated in April, according to PMI® data, with production levels expanding only marginally amid a renewed decline in new orders. Job creation retreated to the weakest in four months, as backlogs decreased solidly. Moreover, business confidence regarding output prospects dropped to its lowest level in five years. Meanwhile, input prices rose at the slowest pace since May 2024 as output charge inflation eased to a 13-month low.

The S&P Global Brazil Manufacturing PMI – a single-figure indicator of manufacturing performance – fell to 50.3 in April, down from March's 51.8, indicating a near standstill in the sector's health. The headline figure was at its lowest mark since December 2023.

A renewed decline in new orders weighed on the overall index in April. The fall in new work was the first in 16 months, but the rate of contraction was only marginal. Qualitative data highlighted demand weakness on the domestic and international markets. Some panellists attributed the reduction in sales to rising output charges and market uncertainty.

New export sales decreased for the fifth time in six months, with anecdotal evidence pointing to lower demand from Mercosur and the US.

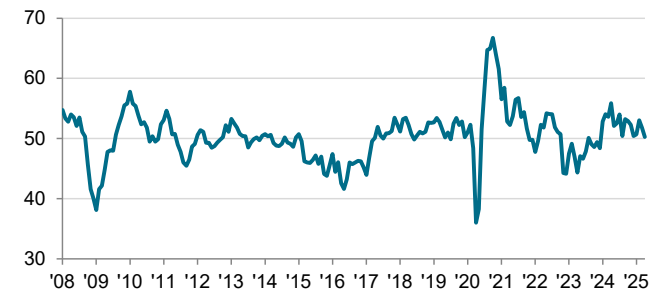
Brazilian factory production rose for the third straight month in April. The rate of expansion was marginal, however, and the slowest over this period. Growth was reportedly constrained by order cancellations, subdued sales and skill shortages.

Data by market groups revealed some variations in performance across the manufacturing sector. While the investment goods segment sustained growth of new orders and output, consumer and intermediate goods makers recorded contractions.

Workforce numbers across the manufacturing industry rose further in April, though the rate of job creation was slight and

Brazil Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 9-23 April 2025.

Comment

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

"The headline PMI posted just inside growth territory, signalling broadly stagnant manufacturing conditions and masking somewhat concerning developments that suggest the sector could be gradually entering a phase of contraction.

"Purchasing activity was scaled back, job creation slowed and warehoused inputs fell as firms aimed to cut operating costs amid growing worries about the future health and direction of the economy. The sector grappled with a difficult landscape, marked by ongoing global trade uncertainty, political issues and high borrowing costs.

"This environment led to a decline in new order and export volumes, prompting goods producers to downgrade year-ahead forecasts. Business confidence fell to its lowest level since the onset of COVID-19 in early 2020.

"Output may have risen slightly, but the sector hung by a thread and if this subdued trend continues, we could see the manufacturing sector weighing on overall economic performance."

PMI®

by S&P Global

the weakest seen in four months. Cost-cutting efforts and a lack of new work reportedly stymied growth.

Companies managed to keep their workloads manageable, as indicated by a renewed decrease in backlogs. The solid rate of depletion was the fastest recorded for seven months.

Goods producers opted to cut back on purchasing activity during April in response to the emerging weaknesses in order books. Instead, they relied on existing stock levels to supplement production. Input inventories decreased for the second straight month and at a quicker pace than in March.

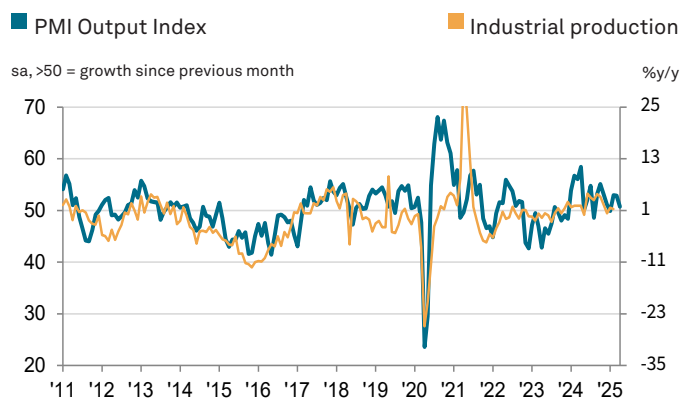
Conversely, finished goods inventories rose for the third month in a row, amid lower-than-expected sales. The rate of stock accumulation was marginal and the weakest over this period, however.

Price data indicated that overall cost inflation remained sharp, despite easing to an 11-month low. There were reports of higher prices for bearings, freight, natural gas and steel as well as lower fees for oil, textiles and some commodities.

Charge inflation likewise receded, reaching its lowest mark since March 2024. Although some firms shared part of their additional cost burden with clients, others offered discounts in attempts to boost sales.

Confidence regarding future output reached its lowest level in five years during April, amid growing concerns about US tariff policy and domestic economic conditions.

Finally, input lead times lengthened again in April as companies noted slow logistics and material shortages at vendors. The deterioration was, however, only slight.



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

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Survey methodology

The S&P Global Brazil 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 February 2006.

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.

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