

News Release

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S&P Global Canada Manufacturing PMI[®]

Downturn in operating conditions continues in November

Key findings

Quicker declines in both output and new orders recorded

Job numbers cut as confidence in outlook remains subdued

Price indices point to slower inflation

Canada's manufacturing economy experienced a modest contraction in operating conditions during November amid quicker contractions in both output and new orders. Market uncertainty and subdued demand were widely reported, and this continued to weigh on confidence and workforce numbers, which fell again in November.

Some relatively positive news was, however, seen on the price front, with input cost inflation dropping to its lowest level for over a year. Selling charge inflation similarly softened.

The **S&P Global Canada Manufacturing Purchasing Managers' Index™ (PMI[®])**, a composite index designed to provide an overview of the health of the manufacturing sector, came in at 48.4 in November, down from October's 49.6. Below the critical 50.0 no-change mark for a tenth successive month, the index has signalled a sustained downturn in operating conditions throughout much of 2025, although the latest contraction was relatively modest and much weaker than seen earlier in the year.

Similar trends were observed for both production and new orders. Firms continued to note a general air of uncertainty in product markets, which resulted in subdued demand and modest contractions in both output and new work. This was again especially the case for new export trade, which fell for a tenth successive month in November. Tariffs remained a factor weighing on international demand.

The general lack of demand and falling production requirements tended to discourage firms from hiring additional workers in November. On the contrary, firms typically chose not to replace any leavers, with the net impact being a modest overall fall in staffing levels. It was the tenth successive month in which employment has overall declined.

Firms nonetheless had sufficient capacity to deal with overall workloads at their plants as evidenced by another steep and accelerated decline in backlogs of work. The rate

Canada Manufacturing PMI
sa, >50 = growth since previous month



Source: S&P Global PMI
Data were collected 12-24 November 2025

Comment

Commenting on the latest survey results, Paul Smith, Economics Director at S&P Global Market Intelligence said:

"Canada's manufacturing sector remained in the doldrums during November, experiencing concurrent – and accelerated – drops in output and new orders. Market uncertainty, again linked to tariffs especially in relation to international trade, was again noted by panellists as leading to subdued performance."

"Firms were subsequently keen to utilise existing capacity to deal with current workloads and generally refrained from purchasing inputs or replacing any leavers at their plants. Workforce numbers subsequently fell further."

"However, there is some hope that the worst is behind the sector. The contraction in November was relatively shallow (despite accelerating since October), whilst the impact of tariffs on prices is fading with input price inflation dropping to its lowest level in over a year. With selling charges also rising at a below-trend pace, inflationary pressures appear increasingly well contained heading into the end of 2025."

PMI[®]

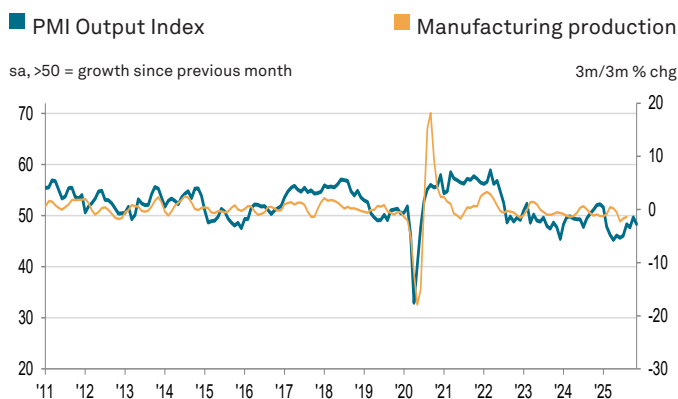
by **S&P Global**

of contraction was the sharpest since July.

Confidence in the outlook meanwhile remained positive amid some hopes amongst firms that new product launches will help them to secure new clients. But confidence overall remained historically subdued as some uncertainty in the outlook persisted, especially in relation to tariffs.

Although production requirements were set to rise, limited growth expectations meant firms continued to reduce purchasing activity, instead focusing on utilising existing stocks wherever possible. Both buying activity and stocks of purchases declined to the greatest degrees since July. Lengthening supplier delivery times also encouraged firms to use their existing inventory. A lack of available inputs at vendors was noted.

Finally, tariffs and higher supplier charges pushed up overall input costs in November, but inflation overall was the weakest for over a year. This helped to explain a slower increase in overall output charges. Competitive pressures were also noted to have limited the scope to which firms could increase their selling prices over the month.



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

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Survey methodology

The S&P Global Canada 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 October 2010.

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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About PMI

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. ihsmarkit.com/products/pmi.html