

S&P Global Canada Manufacturing PMI[®]

Strong growth of manufacturing sector in April as stock building supports notable uplift in new orders

April 2026

Production, employment and purchasing all increase

Fears of higher prices and product availability supports demand

War in Middle East leads to heightened supply disruption and steeply rising costs

Canada's manufacturing economy registered a notable upturn in performance during April, with output and new orders rising at rates not seen since the first half of 2022. Employment and purchasing were also raised, whilst firms signalled hopes that growth will be sustained in the year ahead.

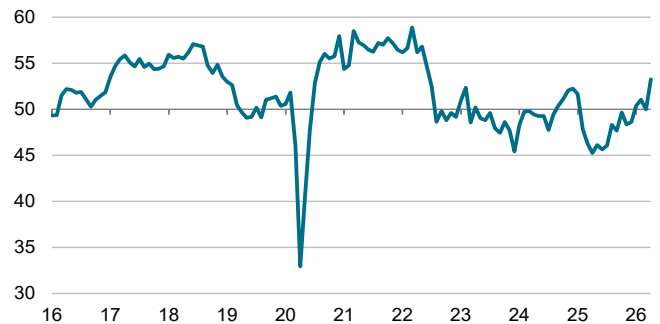
However, anecdotal evidence suggested that April's growth was often driven by stock building. According to panellists, the war in the Middle East led to considerable concerns regarding product availability, supply-chain robustness and the likelihood of higher prices in the months ahead. Moreover, April's survey highlighted the immediate impact of the war: higher fuel and freight prices pushed up overall operating costs to a degree not seen in over three-and-a-half years whilst vendor delivery times lengthened at the greatest rate since March 2025.

The seasonally adjusted S&P Global Canada Manufacturing Purchasing Managers' Index[™] (PMI[®]) – a composite index designed to provide a summary of operating conditions in the manufacturing economy – improved to 53.3 in April, up from 50.0 in March. It was the third time in the past four months that the PMI has posted above the critical 50.0 no-change mark, and the latest reading was the highest since June 2022.

The improvement in the PMI was driven by concurrent increases in production and new orders. Growth in production was the steepest since May 2022, whilst the rise in new work was marked and the greatest in over four years. Latest data showed that new export orders rose solidly and at the fastest rate since the start of 2022.

That said, anecdotal evidence suggested that growth was largely driven by client stockpiling due to worries over product availability arising from the war in the Middle East and associated adverse impacts on supply chains and prices. Supply chain challenges were reflected by the latest data on vendor delivery times, which deteriorated in April for a twenty-second successive month and at the greatest degree for just over a year. Delays were especially apparent on maritime routes, and vendors were noted to be struggling to deal with

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



Data were collected 9-24 April 2026.

Source: S&P Global PMI. ©2026 S&P Global.

Comment

Paul Smith, Economics Director at S&P Global Market Intelligence:

“Ordinarily, a PMI reading of 53.3 would be celebrated, especially in the context of the sector's underperformance since the pandemic. But lifting the lid on the latest headline PMI, whilst also drawing on the qualitative evidence of our respondents, suggests the April number should be treated with some considerable caution.

“Yes, output and (especially) new orders surged since March, but growth appears to be driven by worry rather than any meaningful or permanent uplift in demand: anecdotal evidence pointed towards client stock building amid escalating worries about future product availability and price rises. That's squarely due to the war in the Middle East and the associated energy price and supply shock, the effects of which are now cascading across global markets and leading to a scramble to secure stock and lock in prices with suppliers.

“This is further highlighted by lengthening delivery times and input costs increasing at a rate unseen since the post-pandemic related price surges of 2022. The degree of pass through to clients was also notable, with output price inflation picking up to its strongest since late 2022. Such developments will certainly be noted by central bank policymakers as they look to timely survey data to assess the degree to which inflation expectations are being raised.”

an upturn in demand as firms sought to secure stock given concerns over future product availability.

Similar factors underpinned growth in purchasing activity amongst manufacturers themselves. Overall, input buying rose at the steepest rate since June 2022 and led to a marginal rise in input stocks. Panellists stressed that stock building was in part linked to expected reductions in availability and the likelihood of rising prices in the coming months.

April data highlighted that price pressures have already intensified. Input prices overall rose to the greatest degree in over three-and-a-half years, with fuel and freight transportation costs driven substantially higher by the war in the Middle East. Tariffs were again also reported as a cost inflationary factor. Manufacturers responded by raising their own charges wherever possible with latest data showing the greatest increase in selling prices since late 2022.

The upturn in new orders led some firms to expand their productive capacity in April. Staffing levels overall rose for the third time in the past four months, albeit marginally as some manufacturers chose not to replace leavers. This in part reflected some uncertainty in the outlook, with firms expressing notable worries that rising prices, costs and tariffs will negatively impact production in the coming months. That said, goods producers are more confident about the growth outlook than in March and still expect to see an upturn in demand over the next year. Optimism subsequently improved to a 16-month high in April.

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. Since January 2006 the average difference between final and flash Manufacturing PMI values is 0.1 (0.4 in absolute terms).

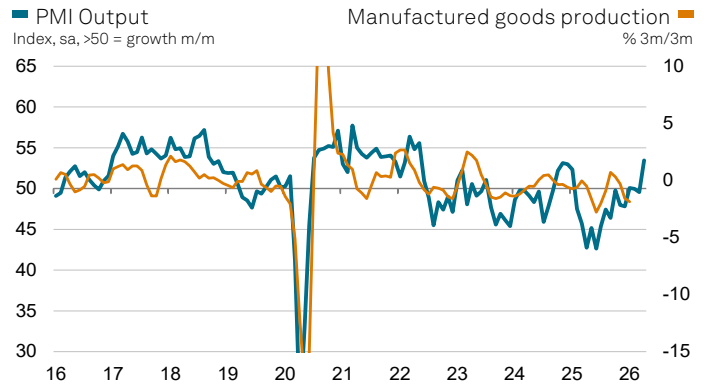
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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PMI by S&P Global

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