

S&P Global Germany Manufacturing PMI[®]

Manufacturing sector stalls amid waning demand and soaring costs

May 2026

Headline PMI sinks to four-month low of 50.1 in May

New orders fall for first time in 2026 so far, weighing on output growth

Job cuts deepen as cost pressures reach highest since June 2022

Germany's manufacturing sector stalled in May, according to the latest PMI[®] survey data, as uncertainty and soaring costs associated with the war in the Middle East acted as headwinds to demand.

Goods producers in the eurozone's largest economy recorded a fall in new orders for the first time in 2026 so far, whilst also facing a continued surge in costs that led them to embark on another round of substantial price increases.

With costs spiralling, firms cut workforce numbers to the greatest extent for more than a year. Business expectations meanwhile remained relatively muted, although they did improve slightly from April's recent low.

The headline S&P Global Germany Manufacturing PMI[®] – a gauge of overall business conditions derived from measures of new orders, output, employment, supplier delivery times and stocks of purchases – came in at 50.1 in May, down from 51.4 in April. The latest reading was the lowest for four months and – registering broadly in line with the 50.0 no-change mark – pointed to virtual stagnation in business conditions.

Output growth softened for the second month running in May, easing to only a marginal rate that was the weakest in the current sequence of expansion that stretches back to January. Some firms reported working on backlogged orders, which fell notably after rising in each of the previous three months. Others, however, indicated that weaker demand prompted them to slow down production.

Overall new orders fell modestly at the midway point in the second quarter. Whilst there were some reports from surveyed firms of customers boosting their orders to get ahead of price increases and avoid disruption from the Middle East conflict, heightened levels of geopolitical uncertainty and a hit to demand from already-high prices were said to be offsetting factors. By broad sector, a further rise in new orders in the intermediate goods segment contrasted with slightly weaker demand for investment goods and a slump in orders received by makers of consumer goods. It was a similar pattern for export sales, which overall fell modestly and for the first time since January.

As for prices, the latest data showed a further substantial acceleration in the rate of input cost inflation faced by German

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



Data were collected 12-21 May 2026.

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

Comment

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

"The upturn in the manufacturing sector stalled in May, confirming the warning signs from recent PMI surveys that growth – being driven by the frontloading of orders – was likely to fade.

"The true underlying health of demand appears to be showing itself, with new orders falling for the first time this year amid still-elevated levels of uncertainty and soaring prices.

"Cost pressures have continued to ratchet up across the manufacturing sector, though the rate output change inflation stayed broadly in line with that seen in April as weakness in demand led some manufactures to be more cautious with their price setting.

"With margins under pressure, something had to give, and that 'thing' was employment, with factory jobs losses accelerating to the quickest since early 2025.

"Business expectations have steadied, recovering somewhat from April's low, perhaps on hopes of a deal being reached to end the Middle East war. However, even if a peace agreement is reached and we start to see the Strait of Hormuz open up, there's still going to be disruption and heightened inflationary pressure in the system for some time."

manufacturers to the highest for nearly four years. Anecdotal evidence indicated that the fallout from the Middle East war was the driving factor, with firms remarking on increases in the cost of energy, fuel, transportation and oil-related products, as well as commodities generally. Factory gate charges were raised as a result, although, unlike costs, the rate of inflation stayed close to April's 39-month high as some firms expressed concerns about losing customers.

The effective closure of the Strait of Hormuz continued to have knock-on effects on supply chains, resulting in longer lead times on inputs for a ninth successive month. Delays worsened slightly since April and were the most pronounced since June 2022.

After raising purchasing activity in each of the previous three months in a bid to secure supplies and avoid higher prices, manufacturers scaled back their buying levels in May as they reacted to weaker demand. On the stock front, there were similarly moderate reductions in both pre- and post-production inventories.

Workforce numbers were also reduced, reflecting adjustments to weaker demand and cost-saving measures. The rate of job losses was the quickest since February 2025 and faster than the average recorded over the current sequence of staff retrenchment that began nearly three years ago.

After dropping to an 18-month low and turning pessimistic in April, business expectations for production in the year ahead rebounded slightly and moved back to positive territory in May. Sentiment remained well below the level seen in February before the outbreak of war in the Middle East, owing to concerns about high inflation, customer hesitancy due to uncertainty, and supply shortages.

Methodology

The S&P Global Germany 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 1996.

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.

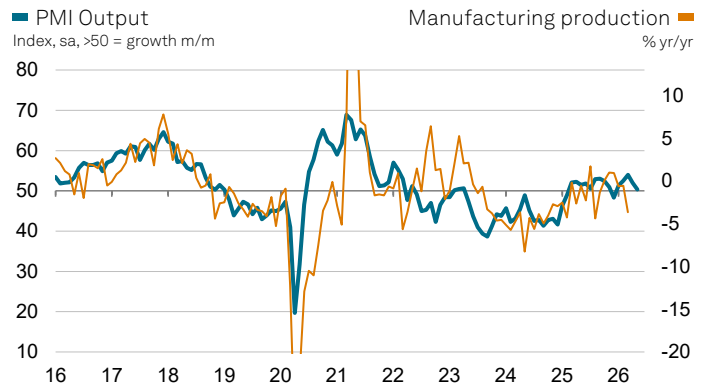
PMI by S&P Global

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

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.



Sources: S&P Global PMI, Destatis via S&P Global Market Intelligence. © 2026 S&P Global

Contact

Phil Smith
Economics Associate Director
S&P Global Market Intelligence
T: +44-1491-461-009
phil.smith@spglobal.com

Hannah Brook
EMEA Corporate Communications
S&P Global Market Intelligence
T: +44-7483-439-812
hannah.brook@spglobal.com
press.mi@spglobal.com

Frank Rösch
Head of Press and
Communications
BME
frank.roesch@bme.de

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](#).

S&P Global

S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

BME

The BME is the German Association for Supply Chain Management, Procurement and Logistics. Founded in 1954 it provides services for around 9750 individual and corporate members, including small and medium-sized businesses as well as Germany's top 200 companies. The BME liaises between businesses and academia, both on the demand and the supply side, by providing the necessary networks for communication and knowledge exchange. The association is open to all company types from any sector (industry, trade, banking/insurance, public sector, service providers, etc.).

Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (BME), Frankfurter Str. 27, 65760, Eschborn, Germany. www.bme.de