

S&P Global Indonesia Manufacturing PMI[®]

Headline PMI reaches highest in nearly two years

February 2026

Sharper rise in new orders drives marked production growth

Purchasing and employment rise in response

Cost pressures ease slightly

Indonesia's manufacturing sector registered a solid improvement in operating conditions in February.

A sharper increase in new orders contributed to the strongest rise in production levels in nearly two years, while also underpinning a stronger expansion in purchasing activity and a renewed rise in employment. In fact, February's rise in input buying was the steepest recorded since March 2024. On the price front, Indonesian manufacturers signalled a slight softening in the rate of input price inflation. Average cost burdens rose at the softest rate in six months, and at a pace slower than the long-run average. In response, firms raised their charges only modestly.

The headline S&P Global Indonesia Manufacturing Purchasing Managers' Index™ (PMI[®]) rose from 52.6 in January to 53.8 in February, indicating a stronger improvement in the health of the goods-producing sector. The survey's headline measure was indicative of a solid expansion in factory operating conditions that was the most pronounced since March 2024.

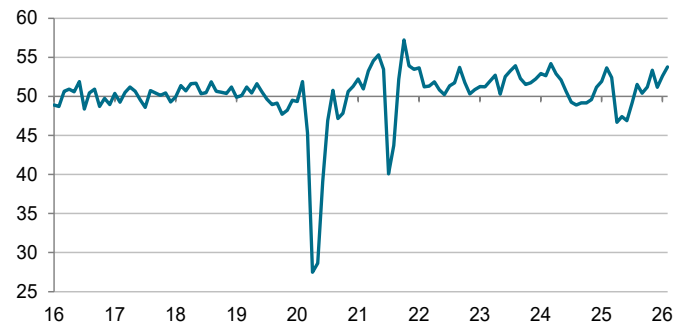
Central to February's upturn was an accelerated expansion in demand for Indonesian goods. New orders increased for the seventh successive month, with the rate of growth at the strongest level since last November. Panel member reports suggested that customer numbers were higher and that client confidence had improved. Data indicated that the expansion in total new orders was broad-based, as Indonesian manufacturers pointed to a renewed increase in new export business, the first for six months. Anecdotal evidence pointed to improved demand in international markets. In fact, the rise in new export orders was the steepest since May 2022.

Positive movements in sales encouraged firms to raise employment for the sixth time in seven months, and at the most prominent rate since last November.

Higher staffing levels helped Indonesian manufacturers to drive up production in February. Output expanded at the fastest pace since April 2024. Where an increase was reported, firms attributed this to rising new orders. Firms also noted that additional production was used to build stocks in preparation for future demand increases. As a result, post-production inventories rose for the fourth month running.

Firms were able to limit the build-up in backlogs of work as February saw the level of outstanding business remain largely unchanged from that seen in the previous survey period.

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



Data were collected 10-20 February 2026.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

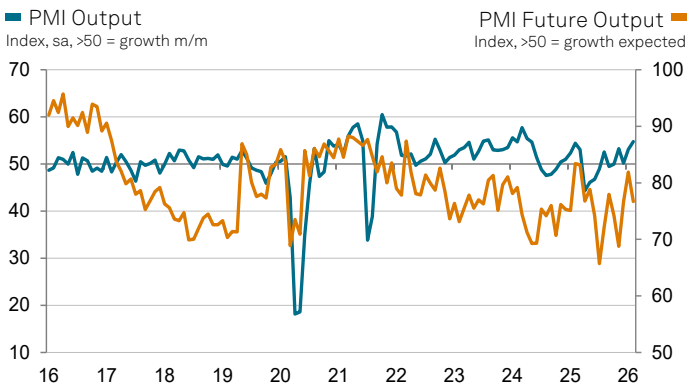
Usamah Bhatti, Economist at S&P Global Market Intelligence said:

"The improvement in the health of the Indonesian manufacturing sector strengthened once again midway through the first quarter, boding well for the coming months.

"Demand conditions were positive, as sales rose solidly, contributing to increases in production, employment and purchasing activity. Moreover, the rise in demand was not limited to domestic clients, as exports rose for the first time in six months.

"Price pressures remained steep however, with goods producers citing another strong uptick in average cost burdens amid reports of higher raw material prices. That said, the rate of inflation was the softest since last August, which translated to a softer rise in factory gate charges."

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Latest data pointed to an acceleration in growth of purchasing activity among Indonesian goods producers. Input buying rose for the seventh successive month, and at the sharpest rate in just under two years. At the same time, pre-production inventories were also raised as some firms pointed to storing inputs in response to improving demand and production requirements. February data also pointed to signs of pressure on suppliers amid reports of shipping delays and the impact of flooding. As such, average lead times lengthened for the fifth time in as many months.

Input cost inflation remained sharp midway through the first quarter. Panellists widely attributed the latest rise in cost burdens to higher raw material prices, though the rate of input price inflation eased to a six-month low. In response, firms raised their selling prices only modestly as part of attempts to keep goods priced competitively.

Looking ahead, the degree of confidence regarding the 12-month outlook dipped from that seen in January and was below the series average. The latest reading of the Future Output Index was still indicative of robust optimism for the coming year, however, underpinned by expectations of stronger demand conditions and more stable prices.

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.

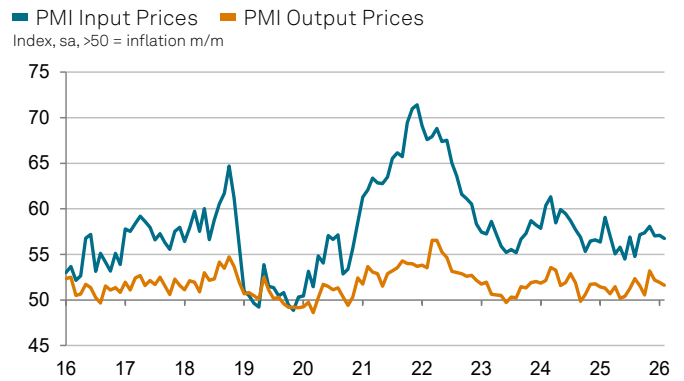
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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

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PMI by S&P Global

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