

S&P Global South Korea Manufacturing PMI[®]

Record increases in cost burdens and charges amid war in the Middle East

April 2026

Input price and output charge inflation surge to highest in 22-year series history

Production and sales volumes continue to rise

Business confidence dips to five-month low

April data indicated that prices surged in the South Korean manufacturing sector, as the war in the Middle East severely disrupted the price and supply of raw materials and other inputs.

Both metrics of inflation covered by the survey - input prices and output charges - were the highest since the survey began in April 2004. That said, output and demand conditions remained relatively resilient, with goods producers seeing a stronger uptick in both output volumes and new order intakes. However, this was partly attributed to efforts by clients to build safety stocks amid rising prices and shipping delays. The war also weighed on business confidence at the start of the second quarter, with overall optimism dipping to the lowest since November 2025 amid uncertainty regarding the length of the conflict.

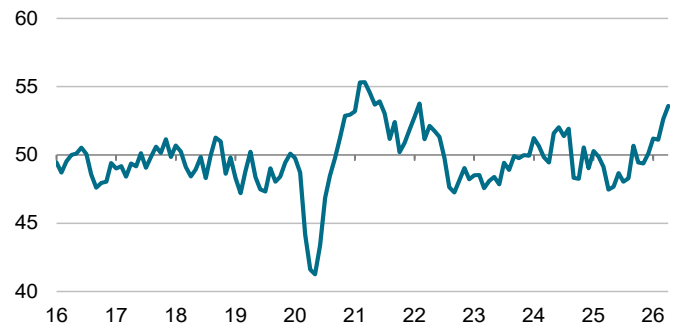
The seasonally adjusted S&P Global South Korea Manufacturing Purchasing Managers' Index™ (PMI[®]) registered 53.6 in April, up from 52.6 in March. The latest reading indicated a solid improvement in the health of the South Korean manufacturing economy. The expansion was the strongest since February 2022.

There was a steeper increase in incoming business inflows during April, with the rate of growth edging up to the highest since February 2022. Firms often cited that new product launches were a key factor behind higher sales, though there were also mentions that clients had placed additional orders as part of efforts to build inventory. New export orders also increased on the month, albeit only modestly. Anecdotal evidence suggested that improved demand in some cases stemmed from the easing of US tariff-related disruption.

In line with the evolution in demand, manufacturers recorded a sustained and solid expansion in production levels in April that was the steepest in 20 months. That said, the increase was partly attributed to efforts to build inventory amid sharply rising costs and material shortages. Despite these efforts, difficulties securing materials meant that the degree to which post-production inventories were exhausted outstripped their replenishment and stocks of finished goods fell at the fastest pace in 2026 so far.

Higher cost burdens were prevalent across the South Korean manufacturing sector at the start of the second quarter. The rate of input price inflation accelerated substantially on the month and reached a series record high. Panellists widely attributed the rise to surging raw material prices, which were exacerbated by delivery delays and supply shortages. Oil and fuel were

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Index, sa, >50 = improvement m/m



Data were collected 9-22 April 2026.

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Comment

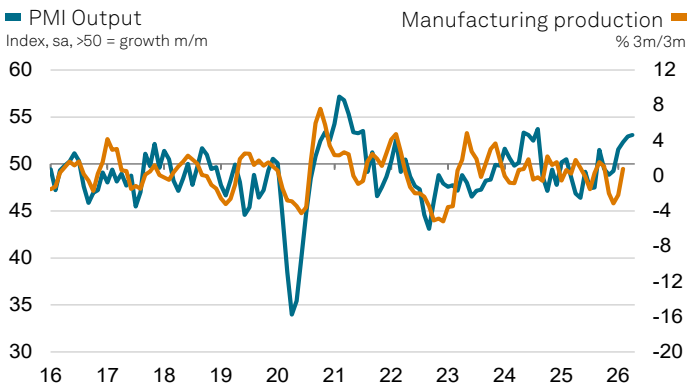
Usamah Bhatti, Economist at S&P Global Market Intelligence:

"The April PMI data paint a detailed picture of the effects of the war in the Middle East on the South Korean manufacturing sector. The largest impact was seen on the price front, where surging raw material prices pushed input cost inflation to the highest since the series began 22 years ago, and drove a similarly unprecedented rise in output charges.

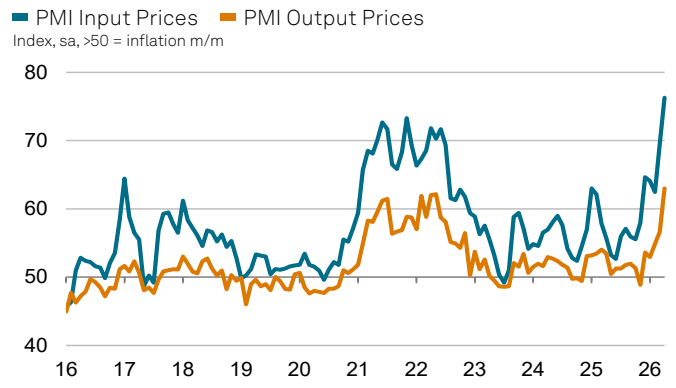
"The wider impact of the war will remain to be seen, but latest PMI data indicated that the conflict had played a part in sustaining demand and production levels, as some firms mentioned that they had received additional orders to help build inventory to protect against further delays and price rises. How sales and output develop once this effect wears off over time will be central to the health of the sector in the months ahead.

"Confidence in the outlook remained solid, but again was hampered by the war. Optimism was at the lowest for five months, as panellists often mentioned uncertainty regarding the potential length of the conflict, and the subsequent impact on prices and supply chains."

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mentioned in particular as being up in price. Higher expenses were passed through to clients, with the rate of charge inflation also the highest on record.

Concurrently, average lead times for input deliveries deteriorated to the greatest extent since June 2022, as the war severely disrupted the timely delivery of raw materials.

Current demand strength and hopes for a swift end to the war in the Middle East helped to maintain a positive outlook among South Korean goods producers in April. That said, the degree of confidence was the softest for five months amid concerns that the conflict may be prolonged.

Nonetheless, the positive outlook and higher capacity requirements encouraged firms to raise employment levels for the second month in a row. At the same time, backlogs of work rose for the fourth month running, indicating sustained pressure on existing capacity.

April data also pointed to an increase in purchasing activity for the fifth month in a row, partly due to efforts to secure inventory ahead of further potential price rises and delivery delays. Despite these efforts, supply disruption meant that stocks of purchased inputs decreased for the fifth time in six months, but only mildly.

Methodology

The S&P Global South Korea 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 2004.

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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