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J.P.Morgan Global Manufacturing PMI®

Global manufacturing contracts at end of 2024

Key findings

Output and new orders decrease

International trade declines further

Business optimism falls to three-month low

The global manufacturing sector fell back into contraction at the end of 2024, with output and new orders declining in December following slight increases. Regional variations were again marked, with business conditions affected by the possibility of US tariffs being imposed in the coming year.

The J.P.Morgan Global Manufacturing PMI® – a composite index produced by J.P.Morgan and S&P Global Market Intelligence in association with ISM and IFPSM – posted 49.6 in December, down from 50.0 in November. Although the rate of deterioration signalled by the latest figure was only modest, this was the fifth decline during the past six months.

Four out of five PMI components (output, new orders, employment and stocks of purchases) were at levels consistent with a deterioration in overall operating conditions. Only a lengthening of supplier delivery times had a positive impact on the PMI.

Manufacturing production fell slightly in December. The rate of decline was only modest and, when taken together with the marginal gains seen in October and November, suggested output broadly stagnated over the final quarter as a whole. Production rose in just 13 of the 30 nations for which December PMI data were available.

India reported the strongest expansion of output, followed by the Philippines, Spain, Greece, Taiwan and Canada. The solid performances of Greece and Spain bucked the trend of the wider eurozone manufacturing sector, where the rate of contraction was (on average) the steepest for 14 months. France, Germany and Austria saw the sharpest declines of all the nations covered.

Steep downturns were also registered in the US and the UK, with rates of contraction hitting 18- and 11-month records respectively. Production fell slightly in Japan but registered a mild uptick in China.

Data broken down by sector signalled lower production in the intermediate and investment goods industries. This

J.P.Morgan Global Manufacturing PMI

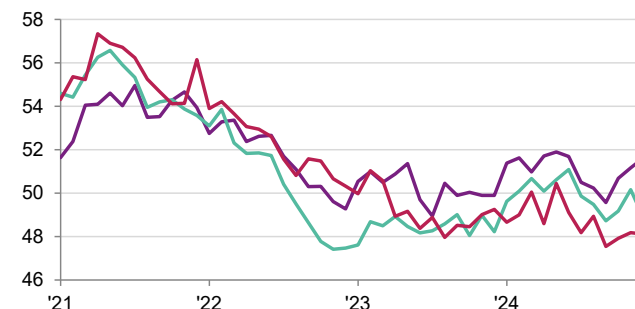
sa, >50 = improvement since previous month



Source: J.P.Morgan, S&P Global PMI.

Consumer Goods PMI
Intermediate Goods PMI
Investment Goods PMI

sa, >50 = improvement since previous month

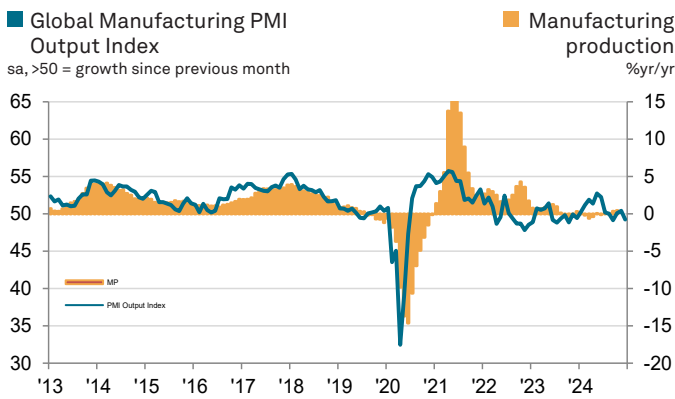


Source: J.P.Morgan, S&P Global PMI.

Index summary

sa, 50 = no change over previous month. *50 = no change over next 12 months.

Index	Nov-24	Dec-24	Interpretation
PMI	50.0	49.6	Deterioration, from no change
Output	50.4	49.2	Decline, from expanding
New Orders	50.2	49.5	Decline, from expanding
New Export Orders	48.6	48.2	Decline, faster rate
Future Output	61.7	59.1	Growth expected, lower sentiment
Employment	49.0	49.4	Decline, slower rate
Input Prices	53.9	54.4	Inflation, faster rate
Output Prices	51.8	51.2	Inflation, slower rate



contrasted with the performance of the consumer goods category, where output rose for the seventeenth month in a row. The same picture was signalled for new orders, with declines at intermediate and investment goods producers only partly offset by growth in the consumer goods sector.

International trade volumes fell for the seventh consecutive month in December. Only eight nations covered saw new export orders increase, namely Spain, Russia, India, Taiwan, South Korea, Indonesia, the Philippines and Greece.

The outlook for global manufacturing also remained subdued in December, with business sentiment dipping to a three-month low. This filtered through to hiring decisions, with employment falling for the fifth month running. Among the major industrial regions covered, job losses were seen in the euro area and China, in contrast to growth in the US and Japan.

Input cost inflation accelerated to a four-month high in December. Selling price inflation meanwhile eased to a nine-month low.



Sources: J.P.Morgan, S&P Global PMI, HCOB, HSBC, Unicredit Bank Austria, Caixin, Davivienda, HPI, AIB, Jibun Bank, NEVI, Istanbul Chamber of Industry.

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Survey methodology

The J.P.Morgan Global Manufacturing PMI® is produced by S&P Global in association ISM and IFPSM.

Global manufacturing PMI indices are compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in survey panels in over 40 countries (see table, right for full coverage), totalling around 13,500 companies. These countries account for 98% of global manufacturing value added*.

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, at the country level. 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.

Indices are calculated for the following variables: output, new orders, new export orders, future output, backlogs of work, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, stocks of finished goods, input prices and output prices.

Global manufacturing indices are calculated by weighting together the country indices. Country weights are calculated from annual manufacturing value added*.

The headline figure is the Global Manufacturing Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five global 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 economic@spglobal.com.

The J.P.Morgan Global Manufacturing PMI provides the first indication each month of world manufacturing business conditions. The data enable decision makers in the financial world and in government to make better judgements much earlier than would otherwise be the case. The wide coverage of the indices, together with their speed of production, accuracy and direct comparability, make them unmatched as economic indicators. They provide truly "must have" information for financial institutions of all kinds and for major corporations world-wide.

* Source: World Bank World Development Indicators.

About J.P.Morgan

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. www.jpmorganchase.com.

About S&P Global

S&P Global (NYSE: SPGI) S&P Global 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.

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About ISM

Institute for Supply Management® (ISM®) serves supply management professionals in more than 90 countries. Its 50,000 members around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 as the first supply management institute in the world, ISM is committed to advancing the practice of supply management to drive value and competitive advantage for its members, contributing to a prosperous and sustainable world. ISM leads the profession through the ISM Report On Business®, its highly regarded certification programs and the ISM Mastery Model®. www.instituteforsupplymanagement.org

About IFPSM

The International Federation of Purchasing and Supply Management (IFPSM) is the union of 48 National and Regional Purchasing Associations worldwide. Within this circle, about 250,000 Purchasing Professionals can be reached. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices. The term procurement is taken to embrace purchasing, materials management, logistics, supply chain management and strategic sourcing. IFPSM is a non-political, independent and non-profit oriented International Organization. www.ifpsm.org

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. www.spglobal.com/marketintelligence/en/mi/products/pmi.html

Data sources

Region	Producer	In association with
Australia	S&P Global	-
Austria	S&P Global	Unicredit Bank Austria / OPWZ
Brazil	S&P Global	-
Canada	S&P Global	-
China (mainland)	S&P Global	Caixin
Colombia	S&P Global	Davivienda
Czech Republic	S&P Global	-
Egypt*	S&P Global	-
Eurozone	S&P Global	HCOB
France	S&P Global	HCOB
Germany	S&P Global	HCOB
Greece	S&P Global	HPI
Hong Kong SAR ^{1*}	S&P Global	-
Hungary	HALPIM	-
India	S&P Global	HSBC
Indonesia	S&P Global	-
Ireland	S&P Global	AIB
Israel	IPLMA	Bank Hapoalim Ltd
Italy	S&P Global	HCOB
Japan	S&P Global	au Jibun Bank
Kazakhstan	S&P Global	Freedom Holding Corp.
Kenya*	S&P Global	Stanbic Bank
Lebanon*	S&P Global	BLOMINVEST Bank
Malaysia	S&P Global	-
Mexico	S&P Global	-
Myanmar	S&P Global	-
Netherlands (The)	S&P Global	Nevi
New Zealand	Business NZ	Bank of New Zealand
Nigeria*	S&P Global	Stanbic IBTC Bank
Philippines (The)	S&P Global	-
Poland	S&P Global	-
Romania	S&P Global	BCR
Russia	S&P Global	-
Saudi Arabia*	S&P Global	Riyad Bank
Singapore*	S&P Global	-
South Africa*	S&P Global	-
South Korea	S&P Global	-
Spain	S&P Global	HCOB
Switzerland	procure.ch	UBS
Taiwan	S&P Global	-
Thailand	S&P Global	-
Turkey	S&P Global	Istanbul Chamber of Industry
UAE*	S&P Global	-
United Kingdom	S&P Global	-
United States ²	S&P Global / ISM	-
Vietnam	S&P Global	-

*Indices calculated from manufacturing responses extracted from survey panels covering the entire private sector economy.

¹Hong Kong is a Special Administrative Region of China.

²US data compiled by ISM pre-February 2010 and by S&P Global post-January 2010.

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