

## GLOBAL MANUFACTURING DEMAND REBOUNDS IN JANUARY TO ITS STRONGEST SINCE MAY 2022: GEP GLOBAL SUPPLY CHAIN VOLATILITY INDEX

- **Manufacturers in Asia raise purchasing volumes in response to order book pick up – factories in China, Japan, Korea and India bought materials more aggressively in January**
- **North America’s supply chains at their busiest since May 2024 as US industrial economy shows resilience**
- **Europe remains the laggard, with firms reluctant to restock, although there are tentative signs of recovering demand**

**Clark, N.J., Feb 11, 2026** – [GEP Global Supply Chain Volatility Index](#) — a leading indicator tracking demand conditions, shortages, transportation costs, inventories and backlogs, based on a monthly survey of 27,000 businesses — showed a marked bounce back in procurement activity in January.

Procurement activity in many of the globe’s major economies expanded, driving the strongest rise in worldwide demand for commodities, raw materials and components in almost four years.

Industrial firms in major economies such as China, Japan, Korea, India, as well as across ASEAN markets underpinned the expansion, highlighting broad-based strength across the region.

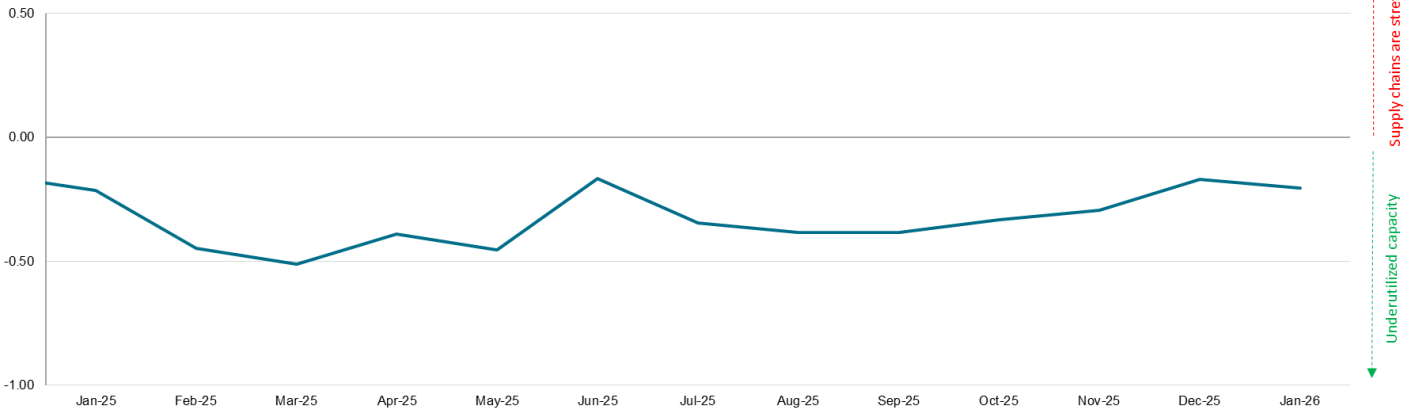
North America, which saw a slowdown through the final quarter of 2025, regained momentum as 2026 kicked off, driven by a pick-up in the US’ manufacturing economy. Factory leaders across the continent also showed a greater appetite for inventory building, suggesting a certain degree of confidence in order pipelines.

Europe’s manufacturing sector was the laggard in January, with firms here still showing nervousness to overstock warehouses. A cooling of the downturn in purchasing activity, however, tentatively points to an improving outlook.

After several months of trading water, January’s data points to a broad-based recovery across U.S. manufacturing, **spanning** sectors,” said John Piatek, Vice President, Consulting, GEP. “Despite tariffs and trade uncertainty, manufacturers are showing real resilience, supported by a declining cost of capital that’s giving procurement teams greater flexibility to adjust sourcing and inventories.”

GEP Global Supply Chain Volatility Index

+ = stretched, - = underutilized capacity



Sources: GEP, S&P Global PMI.

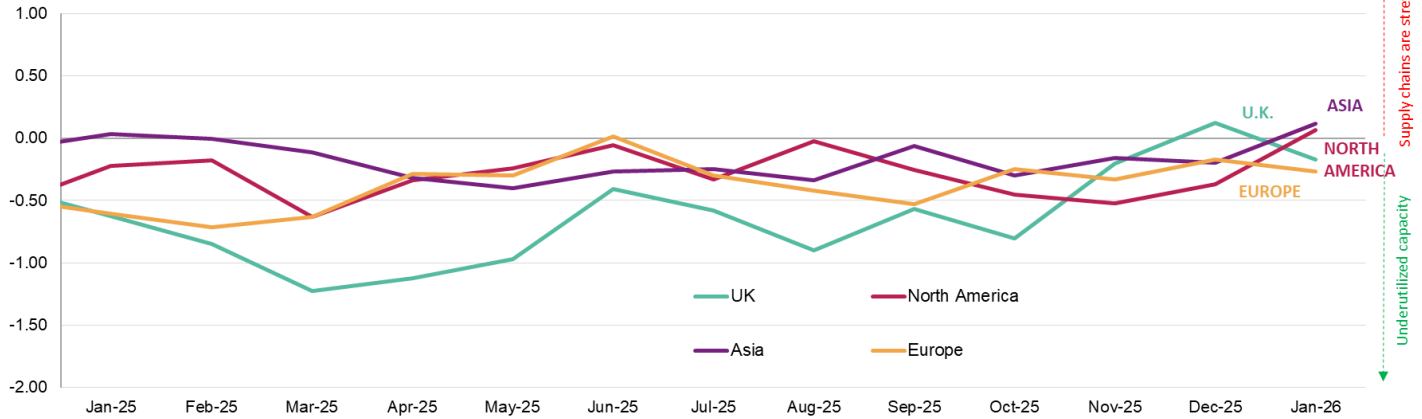
*Interpreting the data:*

*Index > 0, supply chain capacity is being stretched. The further above 0, the more stretched supply chains are.*

*Index < 0, supply chain capacity is being underutilized. The further below 0, the more underutilized supply chains are.*

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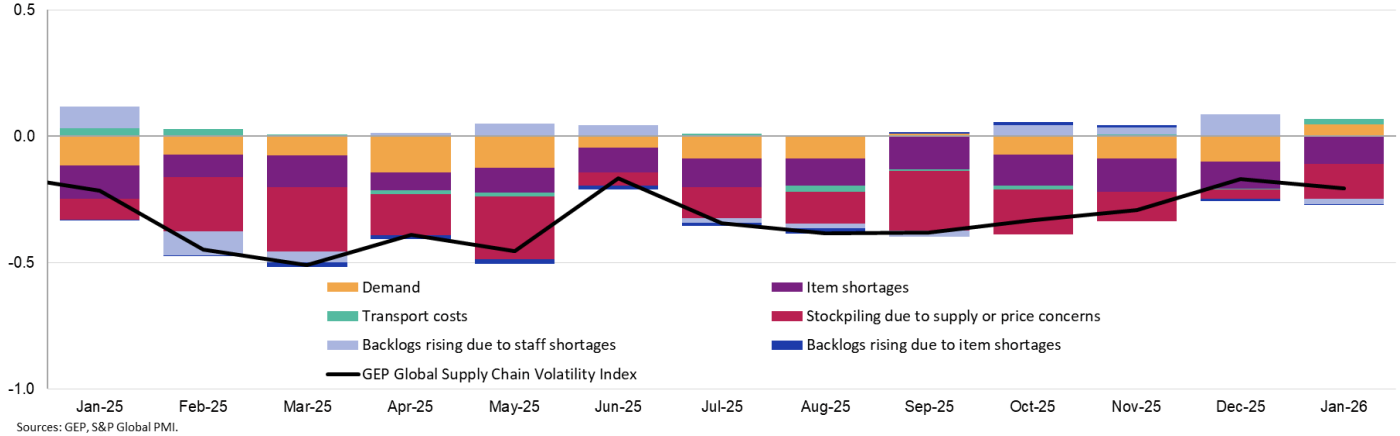
Index < 0, supply chain capacity is being underutilized. The further below 0, the more underutilized supply chains are.

**JANUARY 2026 REGIONAL KEY FINDINGS**

- **ASIA:** Index rises to 0.12, from -0.20, signalling that the supply chains of Asia’s manufacturers were their busiest since November 2024 in January.
- **NORTH AMERICA:** Index rises to 0.06, from -0.37, indicating capacity at North America’s suppliers was the most stretched in just over a year-and-a-half.
- **EUROPE:** Index dropped to -0.27, from -0.17, signaling greater spare capacity at Europe’s suppliers than at the end of 2025.
- **U.K.:** Index fell to -0.17, from 0.12, pointing to a weakening of the U.K.’s manufacturing sector as its supply chains were underutilized at the start of 2026.

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## JANUARY 2026 KEY FINDINGS

- DEMAND:** Global demand for commodities, raw materials and intermediate goods rose by its strongest margin in almost four years during January, as manufacturers in major economies stepped up their purchasing activity at the start of 2026. Asia was a key component of this upturn, with buying growth seen in China, Japan, Korea, India, and across ASEAN, although US manufacturers also expanded procurement.
- INVENTORIES:** Globally, reports of manufacturers intentionally stockpiling due to price or supply worries were muted. This suggests that procurement leaders are not overly concerned about product price inflation or supply. Regional differences emerged, however, with inventory building rising in North America, whereas destocking continued in Europe.
- MATERIAL SHORTAGES:** The global items in short supply indicator stayed below its long-run average, as has been the case for nearly two-and-a-half years. This means that global businesses are experiencing shortages less frequently than normal.
- LABOR SHORTAGES:** Labor is not a limiting factor for global production, as global manufacturers’ reports of backlogs increasing due to a lack of staff were below historically typical levels during January.
- TRANSPORTATION:** With global oil prices rising in January, the latest data pointed to an increase in transportation costs at the start of the year.

For more information, visit [www.gep.com/volatility](http://www.gep.com/volatility).

Note: Full historical data dating back to January 2005 is available for subscription. Please contact [economics@spglobal.com](mailto:economics@spglobal.com).

**The next release of the GEP Global Supply Chain Volatility Index will be 8 a.m. ET, Mar. 11, 2026.**

### **About the GEP Global Supply Chain Volatility Index**

The [GEP Global Supply Chain Volatility Index](#) is produced by S&P Global and GEP. It is derived from S&P Global's PMI® surveys, sent to companies in over 40 countries, totaling around 27,000 companies. The headline figure is a weighted sum of six sub-indices derived from PMI data, PMI Comments Trackers and PMI Commodity Price & Supply Indicators compiled by S&P Global.

- A value above 0 indicates that supply chain capacity is being stretched and supply chain volatility is increasing. The further above 0, the greater the extent to which capacity is being stretched.
- A value below 0 indicates that supply chain capacity is being underutilized, reducing supply chain volatility. The further below 0, the greater the extent to which capacity is being underutilized.

A Supply Chain Volatility Index is also published at a regional level for Europe, Asia, North America and the U.K. For more information about the methodology, click [here](#).

### **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. 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.

### **About GEP**

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**Media Contacts**

Derek Creevey  
Director, Public Relations  
GEP  
Phone: +1 646-276-4579  
Email:  
[derek.creevey@gep.com](mailto:derek.creevey@gep.com)

Joe Hayes  
Principal Economist  
S&P Global Market Intelligence  
Phone: +44-1344-328-099  
Email:  
[joe.hayes@spglobal.com](mailto:joe.hayes@spglobal.com)

S&P Global Market Intelligence  
Corporate Communications  
Email: [Press.mi@spglobal.com](mailto:Press.mi@spglobal.com)