

# News Release

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## S&P Global Philippines Manufacturing PMI<sup>®</sup>

### Filipino manufacturing output and employment return to growth

#### Key findings

Production levels rise, reversing the fall in May

Job creation strongest in seven months

Inflationary pressures wane

Following a notable loss in growth momentum in May, the latest PMI<sup>®</sup> data from S&P Global revealed a slight revival in the Filipino manufacturing sector in June. Production rebounded, effectively reversing the marginal contraction observed in the previous month, while new business rose at a stronger pace.

This improved demand picture and renewed growth in production requirements prompted firms to increase their purchasing activity to a stronger degree. Moreover, June data marked a return to job creation. Payroll numbers rose for the first time in four months.

After signalling a broadly stalled picture in the month prior, the headline S&P Global Philippines Manufacturing PMI – a composite single-figure indicator of manufacturing performance – rose from 50.1 to 50.7 in June to indicate a stronger, albeit still modest improvement in the health of the Philippines manufacturing sector. Improvements across the goods-producing economy were signalled for a third month running.

New orders received in the Filipino manufacturing sector rose further in June. The pace of growth was slightly stronger than that recorded in the previous month, although it remained below the long-run survey average. Anecdotal evidence attributed this latest uptick to successful customer acquisitions, improving underlying demand trends, and effective promotional efforts.

This upswing in new orders was sufficiently robust to push production levels back into expansion territory, albeit only fractionally. The rate of output growth lagged the increase in incoming new business.

In response to the uptick in demand, firms elevated their purchasing activity. Nevertheless, longer delivery times and material shortages led firms to reduce their inventories of purchases, as companies sought to meet demand requirements. Delivery times for inputs were extended for

Philippines Manufacturing PMI  
sa, >50 = growth since previous month



Source: S&P Global PMI.  
Data were collected 12-23 June 2025.

#### Comment

*Maryam Baluch, Economist at S&P Global Market Intelligence, said:*

*"The overall performance of the Filipino manufacturing sector remained relatively subdued as the first half of the year concluded. That said, the overall PMI figure masked some pockets of strength, such as the revival in employment, which was the first in four months. Output was also raised, thereby reversing the fall in May.*

*"However, while new orders continue to rise, they do so at a historically muted pace, weighed down by a stalled exports picture. Additionally supply-side challenges, such as delayed delivery times for inputs and material shortages impacted production capacity.*

*"The next couple of months will be important to gauge if the sector is able to return to growth rates seen in much of last year. Lower inflationary pressures and sustained demand will in part help Filipino manufacturers to achieve this through scope for improved pricing power. However, historically muted business confidence suggests a more subdued path for the year ahead."*

PMI<sup>®</sup>

by S&P Global

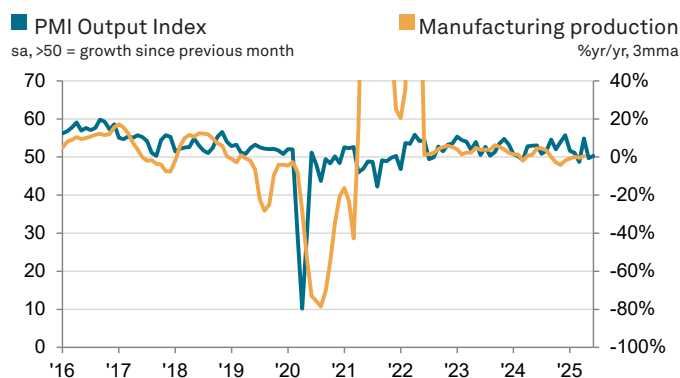
a fourteenth straight month, albeit the latest incidence of delay was slight and the least pronounced since May 2024.

Delayed delivery times for inputs and material shortages also meant that goods-producing firms in the Philippines were unable to replenish their post-production inventories effectively, reflecting the challenges faced by manufacturers in effectively expanding production amid growing demand. The rate of depletion was modest overall.

June data also marked a revival in manufacturing employment, which rose for the first time in four months. The rate of job creation was the strongest since November last year, with panellists linking the upturn to greater demand needs.

Turning to prices, inflationary pressures remained historically subdued. Rates of both input price and output charge inflation were slightly slower than seen in May. Where input prices were raised, this was primarily linked by panellists to higher material costs.

Forward-looking projections for output strengthened compared to May. Factors contributing to increased confidence included a rise in customer numbers, the realisation of ongoing projects, stable local market demand, and effective promotional campaigns. That said, the degree of confidence was significantly below historical levels.



Sources: S&P Global, Philippines Federal Reserve.

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The S&P Global Philippines 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 January 2016.

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](mailto:economics@spglobal.com).

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