

S&P Global South Korea Manufacturing PMI[®]

Stronger uplift in production amid sustained order growth

February 2026

Moderate rise in new orders drives stronger growth in production

Sharpest fall in employment since September 2020

Charge inflation jumps to 39-month high

Firms reported stronger output growth amid a solid uptick in new order volumes. Manufacturers often cited a strengthening semiconductor sector, boosting sales to both domestic and external clients, while also influencing purchasing decisions during February. That said, company restructuring and the non-replacement of resigning employees contributed to the steepest fall in headcounts since September 2020.

Meanwhile, firms signalled a sustained and sharp rise in operating expenses that was commonly linked to higher raw material prices and exchange rate fluctuations. Manufacturers sought to pass higher costs to clients. The rate of output charge inflation was the steepest since November 2022.

The seasonally adjusted S&P Global South Korea Manufacturing Purchasing Managers' Index™ (PMI[®]) was at 51.1 in February, edging down from 51.2 in January to signal another modest improvement in the health of the South Korean manufacturing sector.

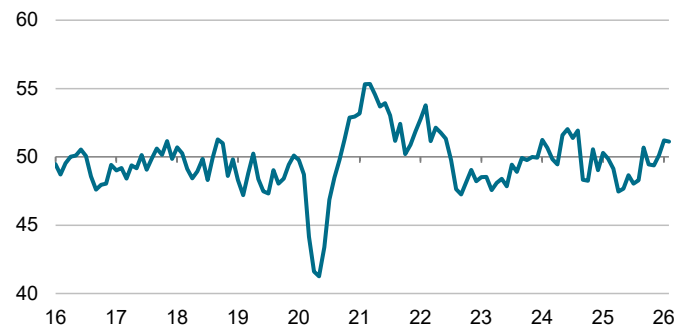
February survey data indicated a second successive monthly increase in production volumes. The rise was moderate, and the most pronounced for a year-and-a-half. Firms attributed higher output to stronger new order volumes, particularly in the semiconductor sector. In some cases, firms opted to use higher production to rebuild inventories of finished items to respond to rising demand, resulting in a first accumulation in stock holdings in 14 months.

New order intakes rose at a moderate pace in February, extending the current growth period to three months. Manufacturers attributed the rise in new business to new product launches and improved international demand. New export orders also increased amid stronger demand in the US and mainland China in particular.

Evidence of capacity pressures building were prevalent in the South Korean goods-producing sector in February, as backlogs accumulated to the largest degree in 13 months.

In line with trends in output and new orders, purchasing activity rose in February, as production requirements strengthened and influenced input buying decisions. There was also evidence that manufacturers sought to purchase and store materials in advance to maintain stocks of inputs, but the use of items to support production meant that stocks of inputs still decreased marginally. Shipping delays and unstable supply influenced supplier performance in February, contributing to the most

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Index, sa, >50 = improvement m/m



Data were collected 6-19 February 2026.
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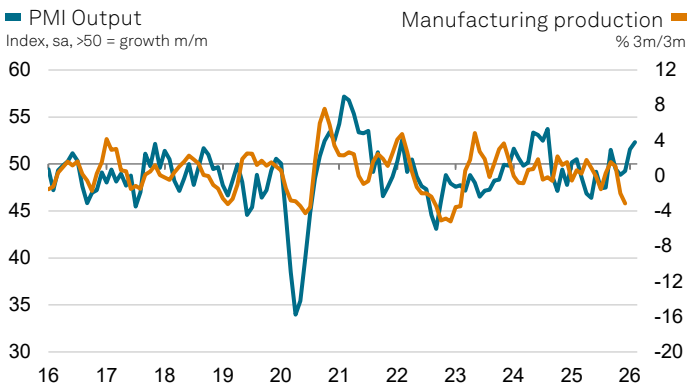
Comment

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

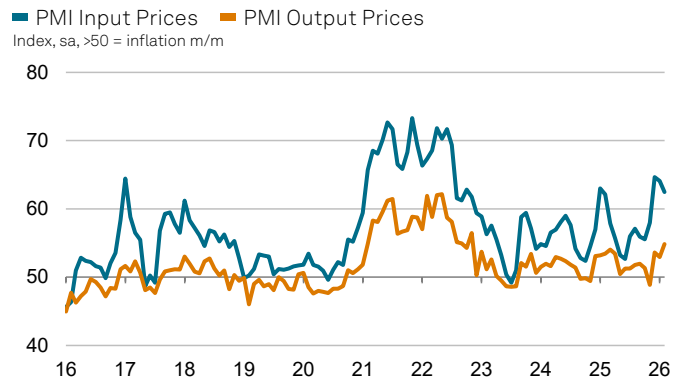
"The positive signals for the South Korean manufacturing economy observed at the start of 2026 were sustained into February, according to the latest PMI data. Output and new orders remained in expansion territory, with firms highlighting strength in the semiconductor market. Moreover, this drove input purchasing higher, while firms also predicted that activity in the near-term would continue to grow amid a stronger rise in backlogs.

"Some concern was flagged from an employment perspective however, as goods producers registered the strongest fall in headcounts in nearly five-and-a-half years. The other point of worry stemmed from prices, as cost inflation remained historically elevated despite easing on the month. Rises in expenses contributed to the steepest uptick in output charges since November 2022."

S&P Global South Korea Manufacturing PMI®



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pronounced lengthening of average lead times in three months.

Firms reduced their employment levels for the second successive month during the latest survey period. The rate of job shedding was solid, and the steepest since September 2020.

On the price front, February data indicated a marked increase in input costs, driven by higher raw material prices. Firms also noted that a weak exchange rate had placed additional price pressures on inputs sourced from abroad. Despite easing on the month, the rate of input cost inflation remained above the series average. As a result, output charges were raised for the third consecutive month, and at the most marked rate since November 2022, with firms citing the need to pass through higher cost burdens to customers.

Lastly, confidence in the year-ahead outlook was positive among South Korean manufacturers midway through the first quarter. The degree of optimism eased slightly from January but remained above the series average. Positive sentiment was linked to the mass production of newly launched products amid further improvements in domestic and international sales.

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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