

MARKET SENSITIVE INFORMATION  
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## S&P Global ASEAN Manufacturing PMI®

### ASEAN manufacturing sector downturn deepens at midway point of 2025

#### Key findings:

Headline PMI lowest since August 2021

Downturn in new orders intensifies

Job shedding strongest in 44 months

Data were collected 12-24 June

The ASEAN manufacturing sector slipped into contraction at the start of the second quarter, with the following months signalling further deteriorations in operating conditions. In fact, June marked the most marked worsening in the health of the sector since August 2021. A sharper decrease in new orders was accompanied by more substantial cuts to staffing levels and purchasing activity. Although production was also reduced, this was only marginal.

Furthermore, despite a strongly optimistic outlook for output in the year ahead, confidence slightly waned since May, and was historically subdued. This suggests a continuation of the lacklustre performance of the ASEAN manufacturing sector.

The S&P Global ASEAN Manufacturing Purchasing Managers' Index™ (PMI®) posted below the neutral mark of 50.0 for a third straight month in June. At 48.6 down from 49.2 in May, the index signalled a modest, yet the most pronounced worsening in operating conditions since August 2021.

Both new orders and output remained in contraction territory since April. Recent figures revealed a sharper decline in incoming new orders for ASEAN goods producers, marking the most significant drop since August 2021. The overall new orders landscape was once again hampered by declining foreign demand for ASEAN goods, which continued to worsen. In fact, the rate of decrease in new export orders was solid and the most pronounced in eight months. Meanwhile, the downturn in production remained shallow, with the rate of decrease consistent with that observed in May.

Manufacturing companies across ASEAN aligned their purchasing of inputs and employment in line with the deteriorating demand picture. Both measures recorded steeper contractions, with payroll numbers being reduced to the greatest extent since October 2021.

S&P Global ASEAN Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

The latest ASEAN manufacturing performance was coupled with historically muted inflationary pressures. The rate of input price inflation softened further since May, to indicate only a modest increase in cost burdens, which was the slowest in just over five years. Although the pace of charge inflation accelerated during the month, manufacturers raised their prices only marginally.

While goods producers were optimistic about an increase in output over the coming year, the overall degree of optimism diminished and was historically subdued. Sentiment is currently the second-least optimistic since July 2020, suggesting a muted manufacturing performance in the year ahead.

Commenting on the ASEAN Manufacturing PMI data, Maryam Baluch, Economist at S&P Global Market Intelligence said:

*"The ASEAN manufacturing sector concluded the first half of the year on a worrying note, with the headline index dropping to a 46-month low. Production continued to contract, and new orders, purchasing activity, and employment all experienced sharper declines. Although subdued inflationary pressures may partially assist the sector in reviving sales, the current downside risks stemming from ongoing international tensions and tariff-related announcements inject uncertainty into the outlook for the year ahead."*

# News Release

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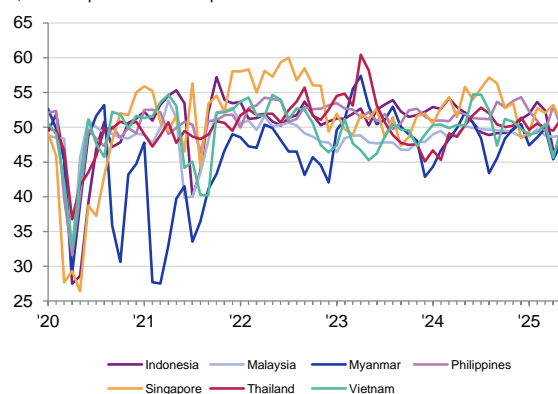
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## Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

## Methodology

The S&P Global ASEAN Manufacturing PMI® is compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in panels of manufacturers in Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam, totalling around 2,100 manufacturers. These countries account for 98% of ASEAN manufacturing value added\*. The panels are stratified by detailed sector and company workforce size, based on contributions to GDP.

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 national 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. ASEAN indices are calculated by weighting together the national indices. Country weights are calculated from annual manufacturing value added\*.

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).

\*Source: World Bank World Development Indicators.

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## 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. To learn more go to [www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi).

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