

S&P Global Australia Manufacturing PMI[®]

Manufacturing PMI climbs to near three-year high

August 2025

Production expands at fastest pace since April 2022...

...driven by the quickest rise in new orders in almost three years

Stocks of purchases record sharpest growth since June 2022

Australia's manufacturing sector expansion further accelerated midway through the third quarter, according to PMI[®] data. Higher new orders, supported by a renewed rise in exports, led to a solid rise in production. This occurred as confidence soared to the highest level since February 2022. In turn, manufacturers hired additional staff and raised their purchasing and inventory levels. Meanwhile price pressures remained historically subdued.

The headline seasonally adjusted S&P Global Australia Manufacturing Purchasing Manager's Index™ (PMI) rose to 53.0 in August, up from 51.3 in July. Posting above the 50.0 no-change mark for an eighth consecutive month, the latest reading signalled that manufacturing sector conditions continued to improve and at the fastest pace since September 2022.

Manufacturing production expanded at a solid rate in August in response to greater inflows of new work. Better underlying demand conditions and rising client interests drove the latest rise in new orders, according to panellists. New export orders also returned to growth for the first time since May, albeit only marginally.

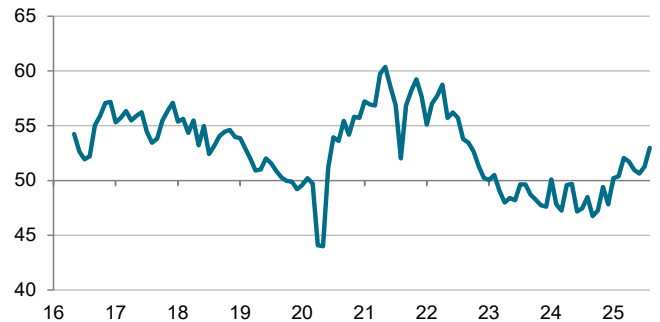
To cope with rising workloads, Australian goods producers hired additional staff on both a full- and part-time basis. The rate of job creation was marginal but nevertheless extended the sequence of jobs growth to six months. Higher workforce capacity thereby enabled companies to lower their level of outstanding orders for a fourth successive month in August.

Purchasing activity also increased in response to rising new work inflows. This marked the first rise in buying activity since April, with some manufacturers also reporting raising purchasing levels with the intention to build safety stock as lead times lengthened. Indeed, shipment delays and supply shortages underpinned another worsening of vendor performance in the latest survey period.

Reflective of the expansion in buying activity, stocks of purchases rose. Similarly for stocks of finished goods, higher production supported an accumulation of manufactured items. The rate at which pre- and post-production inventories accumulated at Australian

S&P Global Australia Manufacturing PMI

Index, sa, >50 = improvement m/m



Data were collected 12-22 August 2025.

Source: S&P Global PMI. ©2025 S&P Global.

Comment

Jingyi Pan, Economics Associate Director at S&P Global Market Intelligence

“Australia's Manufacturing PMI data showed a further improvement in business conditions at the goods producing sector midway through the third quarter of 2025. The rates at which new orders and output rose were both solid and supported by a renewed rise in new export orders during the latest survey period. Not only has this reflected improving domestic conditions, as interest rates were lowered, but also nascent improvements in external conditions as trade uncertainty somewhat eased with lower-than-expected US tariffs for regional economies.

“Overall, the latest data are also pointing to the likelihood of continued output growth in the near term both directly through the uplift of the Future Output Index and indirectly through higher purchasing and hiring activity. Price pressures also remained subdued in August despite stronger demand, boding well for further sales growth in the near-term.”

goods producers were the fastest in 38 and 46 months respectively.

Turning to prices, input cost inflation rose slightly from July on the back of higher input material and shipping costs. Manufacturers opted to share their additional cost burdens with clients, resulting in a further rise in output prices in August. The rates of input cost and output price inflation remained below their respective series averages, however.

Finally, business confidence among Australian manufacturers improved in August to the highest level in three-and-a-half years. Firms expressed hopes for new product launches, business promotion plans and a broad improvement in economic conditions to spur sales in the year ahead. The level of optimism was also above its long-run average.

Contact

Jingyi Pan
Economics Associate Director
S&P Global Market Intelligence
T: +65 6439 6022
jingyi.pan@spglobal.com

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

Methodology

The S&P Global Australia 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 May 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.

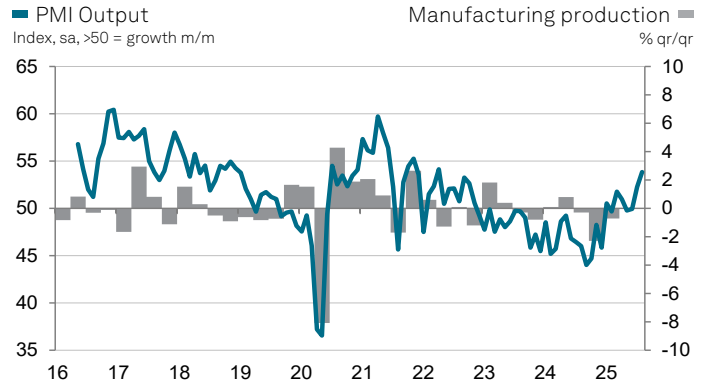
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

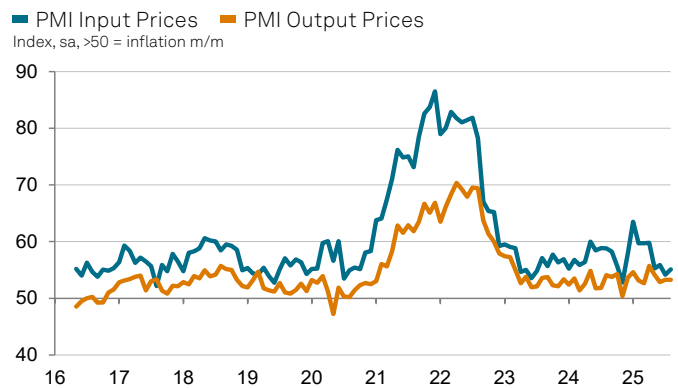
Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.



Sources: S&P Global PMI, Australian Bureau of Statistics via S&P Global Market Intelligence. ©2025 S&P Global.



Source: S&P Global PMI. ©2025 S&P Global.

S&P Global

S&P Global (NYSE: SPGI) 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. www.spglobal.com

PMI by S&P Global

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