

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

## Fresh growth in Filipino manufacturing output in May

### May 2026

Output rose solidly amid a renewed rise in new orders

Rate of job shedding strongest in two years

Cost pressures intensify further

The latest data signalled a fresh improvement in the health of the Filipino manufacturing sector in May.

The recovery was supported by renewed growth in output and new orders. More encouragingly, goods producers became increasingly confident of production expansions in the coming 12 months.

However, employment and purchasing activity declined further. Supply chains remained taut, and inventories were once again curtailed. Adding to worries was an accelerated and steep rise in operating expenses. In turn, selling prices were raised sharply but at a less marked pace.

Following a sub-50 reading of 48.3 in April, the Philippines Manufacturing Purchasing Managers' Index™ (PMI<sup>®</sup>) posted 50.8 in May, indicating a return to growth territory. While improvements have been noted in five of the last six survey periods, the latest uptick was only modest and historically subdued.

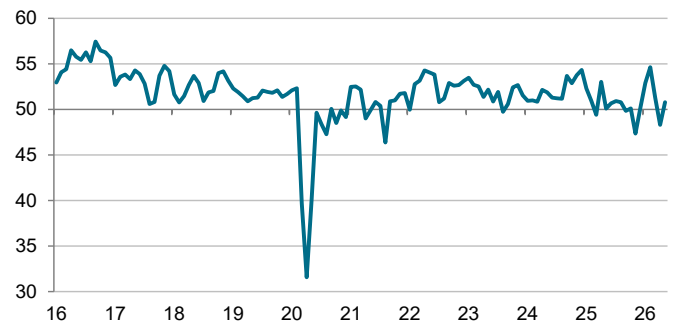
The overall expansion was driven by a fresh rise in new orders, which followed a sharp reduction in April. Improved client demand and new customer wins were said to have driven growth. Underlying data hinted that the upturn stemmed from improved domestic demand as the exports picture remained bleak, with new sales from abroad falling at the sharpest pace since July 2020.

Nonetheless, the uptick in overall new business encouraged firms to raise their production levels at a solid pace in May, after growth had stalled in the survey month prior. The upturn was the most marked in three months and above the series average.

However, supply-chain disruption intensified. Lead times for inputs lengthened to one of the greatest extents in nearly a year-and-a-half amid shipping delays as companies decided to consolidate orders to limit costs.

According to qualitative evidence, the war in the Middle East had driven up fuel and raw material prices further, resulting in manufacturers facing greater cost burdens. The rate of inflation was the fastest since August 2022 and marked overall.

S&P Global Philippines Manufacturing PMI  
Index, sa, >50 = improvement m/m



Source: S&P Global PMI. ©2026 S&P Global.  
Data were collected 12-22 May 2026.

### Comment

Commenting on the latest survey results, Maryam Baluch, Economist at S&P Global Market Intelligence, said:

"The latest PMI data for the Filipino manufacturing sector presented a mixed picture. While manufacturers registered renewed growth in output and new orders, supply-chain disruption and cost pressures worsened as the Middle East conflict entered its third month. Both buying and hiring activity declined. However, firms remained increasingly optimistic about the future, hoping improved demand will support output growth. Indeed, sustaining this growth will depend on how certain customers feel in the economic and geopolitical outlook."

## S&P Global Philippines Manufacturing PMI®

Filipino goods producers raised their selling prices midway through the second quarter. Anecdotal evidence highlighted that many companies passed higher costs to customers, with the rate of increase the second-sharpest in three-and-a-half years, only surpassed by April.

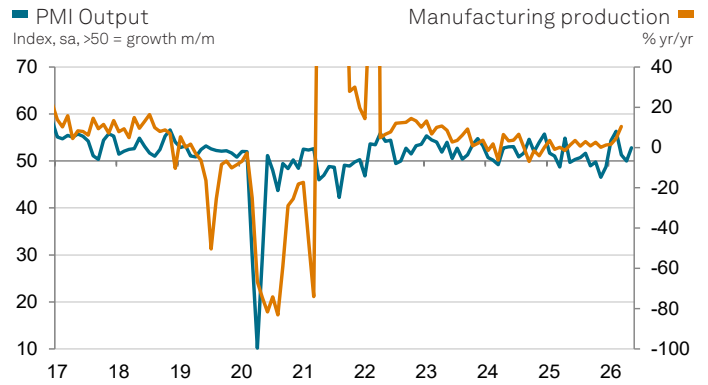
The fresh rise in new orders was insufficient to revive purchasing activity at manufacturers. Additionally, the third monthly decline in buying activity was often attributed to higher prices for raw materials. The pace of decrease was solid and broadly similar to that seen in April.

Instead, companies turned to their inventories to meet production requirements. Filipino goods producers rapidly reduced their stocks of purchases in May. In fact, the downturn was the steepest in six years. Stocks of finished goods were also down for a second month running, albeit to a lesser extent.

Turning to employment, job shedding was recorded in May. According to anecdotal evidence, the drop was linked to a combination of resignations and layoffs. The pace of decrease was the greatest in two years but moderate overall.

Nonetheless, manufacturers were able to lower their backlogs of work in May. The pace of depletion was marginal, however.

Lastly, Filipino manufacturers were more upbeat about the outlook for output in May. The level of positive sentiment was the highest in 18 months, as firms were hopeful that demand conditions will improve.



Sources: S&P Global PMI, Philippines Federal Reserve via S&P Global Market Intelligence. ©2026 S&P Global.

## Contact

Maryam Baluch  
Economist  
S&P Global Market Intelligence  
T: +44 134 4327 213  
[maryam.baluch@spglobal.com](mailto:maryam.baluch@spglobal.com)

Eri Amano  
APAC Senior Communications Manager  
S&P Global Market Intelligence  
Tokyo  
+81(0) 80 3714 7658  
[eri.amano@spglobal.com](mailto:eri.amano@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

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

## Methodology

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).

## 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.