

# News Release

Embargoed until 0830 PHT (0030 UTC) 1 August 2025

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

### Filipino manufacturing conditions improve but remain subdued in July

#### Key findings

Output rises further, but growth remains slight

Upturn in incoming new orders cools

Business confidence strengthens to four-month high

The start of the second half of 2025 pointed to a relatively subdued Filipino manufacturing performance. While output and new orders continued to rise, they did so at modest and historically muted rates. Additionally, growth in hiring and purchasing activity recorded lost momentum.

Meanwhile, inflationary pressures were historically subdued. More encouragingly, sentiment regarding the year-ahead outlook improved to a four-month high, with companies' hopeful of growth in production levels.

Ticking up for a second straight month, the headline S&P Global Philippines Manufacturing PMI<sup>®</sup> – a composite single-figure indicator of manufacturing performance – posted at 50.9 in July, from 50.7 in June. Despite signalling only a modest improvement in the health of the Filipino manufacturing sector, it pointed to returning growth momentum. The latest improvement in operating conditions was the strongest since April.

Production levels rose for a second successive month, as the respective seasonally adjusted index rose to a three-month high. Anecdotal evidence highlighted that an increase in incoming orders spurred production. Output was also partly directed to a renewed rise in finished goods inventories, which were accumulated in anticipation of future sales, particularly in relation to front-loading orders from the US ahead of the impending tariff hikes. In fact, post-production inventories were expanded at the strongest pace in in eight months.

Demand for Filipino manufactured goods improved for a fourth month running in July, spurring a further rise in new order intakes. Foreign sales also contributed to growth in total new work, albeit only at to a fractional degree. New export orders increased for the first time in five months. Nonetheless, the rate of increase for overall new orders softened slightly over the month. The latest uptick was modest and weaker than the long-run series average.

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



Source: S&P Global PMI.  
Data were collected 10-25 July 2025.

#### Comment

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

*"While signalling further improvement across the Filipino manufacturing sector, PMI data from the opening month of the third quarter, still painted a picture of a muted overall performance. Output and new orders continued to rise, but paces of expansion remained historically subdued. Purchasing and employment also rose at slower rates, reflecting underlying caution among manufacturers.*

*"Inflationary pressures were notably muted, providing a silver lining to the otherwise cautious landscape. At the same time, optimism regarding future production levels surged to a four-month high, as firms strategically prepared for anticipated demand. While challenges remain, growing positive sentiment hints at a more hopeful outlook for the sector."*

PMI<sup>®</sup>

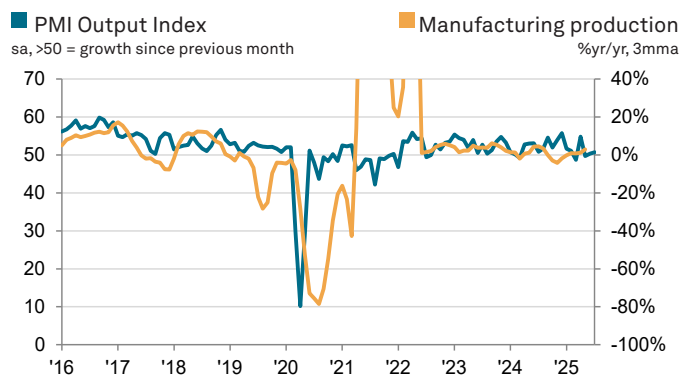
by S&P Global

The softening sales landscape was reflected in firms' purchasing and hiring decisions. Both measures recorded a slowdown in the pace of growth over the month. The rates of expansion observed were broadly similar and only marginal overall.

Turning to prices, inflationary pressures across the Philippines manufacturing sector remained subdued in July. Moreover, the rate of input price inflation was the slowest in the current 14-month period of rising cost burdens. Where firms reported higher operating expenses, this was linked to higher prices for raw materials. However, strategic efforts in bulk buying enabled other firms to spread their costs.

Meanwhile, the rate of charge inflation remained steady on the month. The rate of charge inflation was marginal, underscoring the need for firms to limit price hikes amid a muted demand climate.

July marked a further strengthening of confidence regarding output for the year ahead among Filipino manufacturing firms. Optimism reached its highest level in four months. Firms relied on hopes of improved demand conditions and cited plans for marketing initiatives. However, positive sentiment remained well below the series average.



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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