

S&P Global US Manufacturing PMI[®]

Production growth slows in September amid ongoing tariff disruptions

September 2025

Output and new order books expand at softer rates

Tariffs continue to hit exports and drive costs higher

Selling price inflation drops to lowest level since January

A solid, but nonetheless slower, improvement in US manufacturing sector operating conditions was signaled by September's S&P Global PMI[®] data.

The latest survey showed a weaker gain in production, whilst new order book growth softened as tariffs continued to weigh on exports. Tariffs and broader policy uncertainty also dampened firms' assessment of the business outlook, but expectations of manufacturing production reshoring and hopes of better demand in the year ahead meant sentiment remained positive overall.

Cost pressures meanwhile were again elevated, with tariffs reportedly the dominant factor pushing up overall purchase prices. Whilst firms sought to pass on higher supplier costs to clients, competitive pressures and signs of faltering demand meant output charge inflation softened to an eight-month low.

The headline index from the report, the seasonally adjusted S&P Global US Manufacturing Purchasing Managers' Index[™] (PMI[®]), recorded 52.0 in September. That was down from 53.0 in the previous month and therefore signaled a weaker rate of expansion of the manufacturing economy.

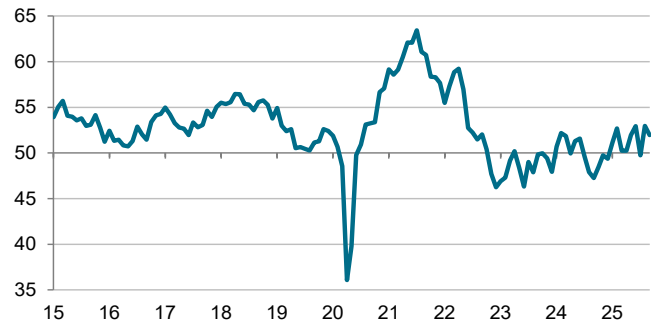
Weaker growth emanated from a slowdown in new order book gains. Although up for a ninth successive month, new orders rose only modestly and at a pace below the survey average. Exports were a source of demand weakness, falling overall for a third month in a row. Tariffs were reported to have weighed on export sales especially to Canada and Mexico.

A slowdown in demand growth led to weaker output gains in September. Overall output increased at a much weaker pace than August's recent high. However, rising to a faster degree than new orders, production increased sufficiently for firms to add to their stocks of finished goods for a second month in succession.

Work outstanding declined at the fastest pace for five months, in part due to an expansion of labor capacity. September's survey showed that employment rose solidly as firms filled vacancies and as part of business expansion

S&P Global US Manufacturing PMI

Index, sa, >50 = improvement m/m



Data were collected 11-25 September 2025.

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Comment

Chris Williamson, Chief Business Economist at S&P Global Market Intelligence

"US manufacturing production rose for a fourth successive month in September, but the upturn lost momentum as companies reported a drop in order book growth alongside a buildup of unsold finished goods inventories.

"Despite a slowing in demand growth, many factories produced more goods, using up raw materials that had been stockpiled ahead of tariff implementation. This poses a downside risk to future production in the absence of a pickup in demand, though also hints at some alleviation of price pressures: there is already evidence of companies offering excess stock to customers at reduced rates.

"A growing uncertainty, however, relates to supply chains, with September seeing an increase in tariff-related vendor delays, which threaten to curb production and push up prices if these difficulties persist or intensify."

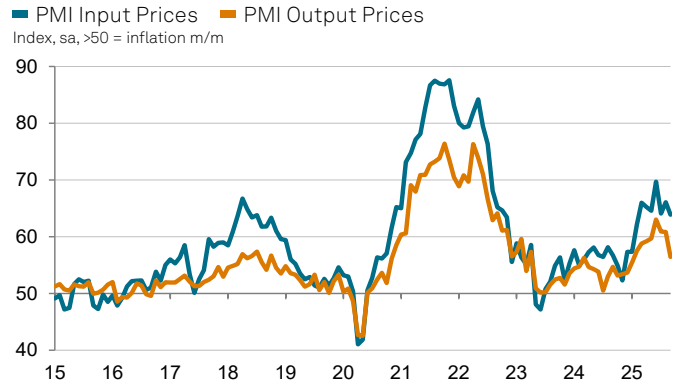
plans.

A positive outlook also helped encourage manufacturers to take on additional staff, with several anticipating an increase in sales over the next 12 months. In some instances, tariffs were seen as driving an expansion of domestic focused industrial output. Overall business activity expectations subsequently improved slightly compared to August. That was despite some ongoing uncertainty amongst the panel related to trade and wider federal government policies.

Meanwhile, tariffs continued to push up input prices during September, with vendors reportedly raising their charges. Although input cost inflation weakened since August, it remained elevated in the context of the survey history.

High prices discouraged purchasing activity in September, which overall rose only slightly on the month. Where buying rose, this was linked to a desire to bolster inventories, in part due to tariff and supply-side uncertainty. Difficulties importing goods and stock shortages were again noted as driving average vendor delivery times higher in September.

Regarding manufacturers' own selling prices, these rose at a noticeably slower pace in September as competitive pressures and slower demand growth weighed on company pricing power. Although still rising at a historically strong pace, output price inflation softened in September to its lowest level since January.



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

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Methodology

The S&P Global US Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 600 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in May 2007.

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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