

S&P Global US Manufacturing PMI[®]

Surge in production underpins strongest improvement in manufacturing performance since May 2022

August 2025

Stronger output growth linked to higher sales and inventory building

Tariffs again drive strong rises in prices and output charges

Employment up markedly as confidence improves

US manufacturing operating conditions improved to the greatest degree in over three years during August amid a surge in production and solid growth in new order books. Firms also took on workers to a greater degree amid evidence of capacity constraints.

Inventory building in part fueled the upturn in output, with finished goods stocks rising to the greatest degree in over a year amid worries over prices and supply constraints. This was again linked to tariffs, which served to raise input costs steeply during August and, in turn, sharply drive up typical selling prices.

The headline index from the report, the seasonally adjusted **S&P Global US Manufacturing Purchasing Managers' Index™ (PMI[®])**, posted 53.0 in August. That was up from 49.8 in July and marked the strongest improvement in operating conditions since May 2022.

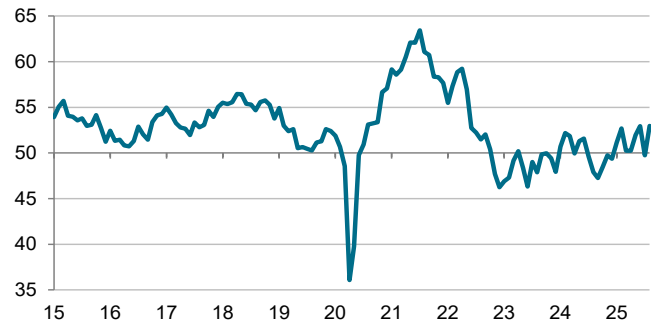
A surge in manufacturing production was signaled during August, with production rising to its steepest degree since May 2022. Growth reflected a combination of higher new orders and inventory building.

On the demand side, new work placed at US manufacturers rose for an eighth successive month, with growth improving noticeably since July, when order book gains broadly stalled. However, the increase in new work was principally domestic focused as international sales declined marginally for a second month in a row. Tariffs and associated trade uncertainty were again reported to have weighed on foreign demand.

With output rising more quickly than new work, firms were subsequently able to build their inventories of finished goods. Growth was solid and the sharpest in 13 months. Inventory accumulation was in part reflective of worries over future price developments and possible supply constraints in the months ahead.

Indeed, on the price front, input cost inflation accelerated in August and was the second-sharpest in the past three years (surpassed only by June). Tariffs were overwhelmingly reported to have pushed up operating expenses over the

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



Data were collected 12-26 August 2025.
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Comment

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

“Purchasing managers reported that the US manufacturing was running hot over the summer.

“The past three months have seen the strongest expansion of production since the first half of 2022, with the upturn gathering pace in August amid rising sales. Hiring also picked up again in August as factories took on more staff to meet an influx of new orders and an accumulation of uncompleted work for waiting customers.

“The manufacturing sector is therefore on course to provide a boost to the US economy in the third quarter.

“The upturn is in part being fueled by inventory building, with factories reporting a further jump in warehouse holdings in August due to concerns over future price rises and potential supply constraints. These concerns are being stoked by uncertainty over the impact of tariffs, fears which were underpinned by a further jump in prices paid for inputs by factories, linked overwhelmingly by purchasing managers to these tariffs.

“Cost increases are being passed on to customers via widespread hikes to factory gate prices. The big question is the degree to which these price rises will then feed through to higher consumer price inflation in the coming months.”

month and, wherever possible, were passed on to clients through an upturn in selling prices. Although still lower than June's near three-year record, output price inflation remained substantial and well above trend.

On the supply-side, average lead times improved marginally in August amid some evidence of increased vendor capacity. Delivery times shortened despite a further increase in demand from US manufacturers, with purchasing activity reported to have risen (albeit slightly) for a fourth month in a row. There remained some evidence of higher buying to help bolster input stocks, which rose in August. Growth was however marginal and noticeably slower than May's survey record increase.

Despite survey respondents commenting on an uncertain business outlook, especially around tariffs, overall confidence about future output improved since July. Demand, especially from domestic markets, was seen as picking up in the year ahead. Plans to invest in new plants and product lines were also noted by some manufacturers.

Some positivity regarding future production, alongside a rise in present sales, led to an increase in staffing levels during August. Growth was solid and not far off June's near three-year high. Nonetheless, capacity remained under some pressure as signaled by the steepest rise in backlogs of work since September 2022.

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.

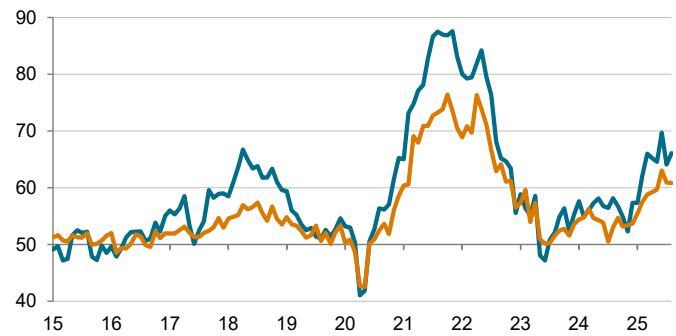
For further information on the PMI survey methodology, please contact economics@spglobal.com.

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■ PMI Input Prices ■ PMI Output Prices
Index, sa, >50 = inflation m/m



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PMI by S&P Global

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