

S&P Global Philippines Manufacturing PMI[®]

Fresh rise in output recorded in January

January 2026

Output rises for the first time in five months

Employment also returns to growth

Business confidence slumps to second-lowest on record, however

The Filipino manufacturing sector experienced a solid upturn in manufacturing conditions in January, according to latest PMI[®] data by S&P Global.

New orders rose further, with the pace of increase accelerating to indicate a strong uptick. This in turn supported a renewed rise in production. Output rose for the first time in five months with the pace of growth broadly in line with that seen for new factory orders.

However, confidence for the year-ahead outlook deteriorated notably and was the second-weakest in the series history (since January 2016), behind that seen in March 2020.

The Philippines Manufacturing Purchasing Managers' Index[™] (PMI) registered a nine-month high of 52.9 in January, rising from 50.2 in December and indicating a solid overall improvement in operating conditions in the Filipino manufacturing sector.

A renewed and strong uptick in output and faster growth in new orders contributed positively to the increase in the headline figure. According to anecdotal evidence, strengthening underlying demand trends supported the latest uptick in new sales, which then fed through to a renewed rise in production levels.

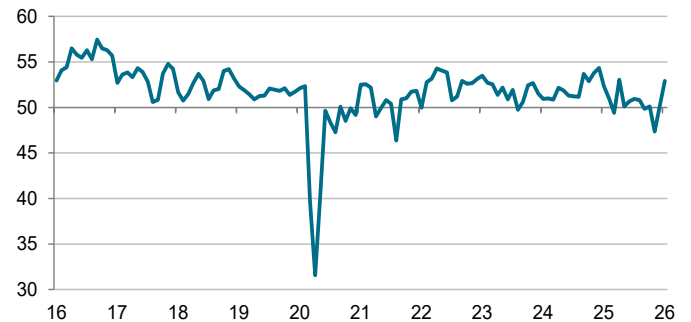
Moreover, growth in overall new orders was aided by a fresh rise in new factory orders received from abroad. The rate of expansion was modest but marked the first month of expansion since last September.

Higher production requirements led to a renewed expansion in workforce numbers in the latest survey period. Job creation was recorded following two consecutive months of shallow declines. Although the pace of expansion was slight, it was the fastest since last June.

The recent uptick in employment allowed Filipino manufacturers to reduce backlogs of work at the start of the year. The rate at which work-in-hand contracted was marginal but marked the first reduction in three months.

The fresh upturn in production requirements led goods producers in the Philippines to increase their purchasing activity again in January. Moreover, the pace of growth was

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



Source: S&P Global PMI. ©2026 S&P Global.
Data were collected 12-23 January 2026.

Comment

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

"After a prolonged period of subdued growth in the second half of 2025, the first PMI data release for 2026 points to a marked shift in momentum. New orders registered a strong and accelerated uptick, supported in part by a renewed rise in export demand. As a result, production returned to expansion territory for the first time in five months.

"Firms responded by stepping up their purchasing activity and increasing their staffing levels in January. The price picture was also subdued, thereby offering continued relief to manufacturers.

"Despite these encouraging developments, January data pointed to a worrying decline in business confidence. Overall sentiment slipped to the second-weakest level on record, surpassing only that seen at the onset of the COVID-19 pandemic. This hesitancy reflects lingering concerns regarding export demand and the sustainability of the latest improvement."

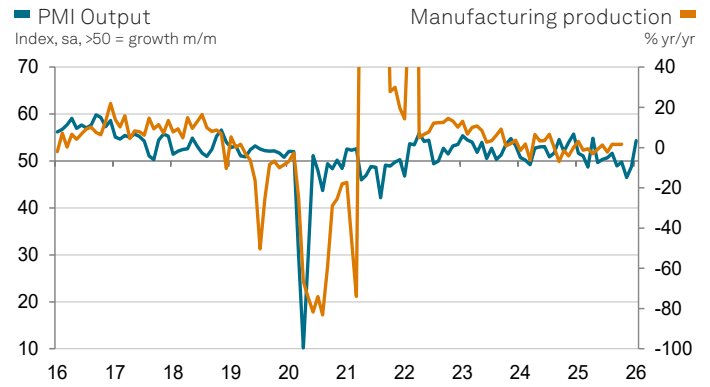
solid and the fastest in 12 months.

Additionally, firms highlighted their preference of stockbuilding in January as holdings of inputs rose for the first time in three months. Meanwhile, post-production inventories were also raised and for a second a straight month.

The prices Filipino goods producers paid on average for inputs rose further in January. This was attributed to higher raw material costs. That said, the pace of input price inflation was broadly unchanged from December's recent low and was only marginal overall. As a result, prices charged for Filipino manufactured goods also rose only slightly in the latest survey period. Moreover, in both cases, the rates of increases were weaker than their respective long-run averages.

January data indicated continued pressure on supply chains as manufacturing companies in the Philippines reported longer lead times for inputs. The extent to which delivery times lengthened was more pronounced than seen in December.

Concerningly, January's survey showed a loss in business confidence towards future output. The level of optimism was the second-weakest on record, only surpassing the survey low observed in March 2020. While overall positive sentiment was led by hopes that demand conditions will improve, expectations were dampened by headwinds from economic uncertainty in key export markets.



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

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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.

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PMI by S&P Global

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