

News Release

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S&P Global Myanmar Manufacturing PMI®

Manufacturing downturn in Myanmar extends into May

Key findings

Strong, albeit softer downturns in output and new orders

Employment falls at fastest pace in three months

Cost inflation weakest in nearly two-and-a-half years

Operating conditions in Myanmar's manufacturing sector deteriorated further in May. Production levels were reduced as producers continued to grapple with worsening demand, which fed through to a further decline in new orders. However, both output and new work experienced softer rates of contraction compared to April's earthquake-related disruption.

Meanwhile, inflationary pressures eased in May. While some firms noted that material shortages and higher transportation costs pushed up expenses, a soft demand environment relieved some upward pressure on input prices to the weakest in nearly two-and-a-half years. This fed through to slower charge inflation.

The headline S&P Global Myanmar Manufacturing PMI® increased from 45.4 in April to 47.6 in May, marking the fifth consecutive month of deterioration in operating conditions. Although the latest data indicated a solid decline in the health of Myanmar's manufacturing sector, the downturn was less severe than that observed at the beginning of the second quarter, when the impact of the earthquake heavily influenced performance and led to widespread factory closures.

That said, the impact of the earthquake lingered, with several panellists citing a decline in customer spending power as a result of the earthquake, which led to fewer orders in May. Nonetheless, the overall rate of contraction softened since April.

Concurrently, manufacturing companies recorded a slower decline in output midway through the second quarter. The rate of contraction was still sharp overall, however.

In fact, both output and new orders have recorded contractions in each month since the turn of the year, signalling ongoing weakness.

Goods producers continued to operate in retrenchment mode, cutting back on purchasing activity and reducing their inventory levels, including both pre- and post-production stocks. Purchasing activity and stock levels were reduced at

S&P Global Myanmar Manufacturing PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.
Data were collected 12-21 May 2025.

Comment

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

"Challenges continue to loom over the sector in May as firms continued to deal with the aftermath of the earthquake that struck the country at the end of March. The latest deterioration in manufacturing conditions was solid overall, although both output and new orders experienced slower contractions than in April."

"The continued fall in demand was reflected in easing cost pressures; however, the weakest in nearly two-and-a-half years and well below the long-run average. As a result, output prices were raised at the slowest rate in 18 months."

PMI®

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rapid rates and the curtailment of finished goods was also substantial. Weak production requirements and material shortages were reasons cited for the latest downticks. However, in all instances, the rates of reduction were less severe than those observed in the previous month.

Manufacturing firms once again struggled to maintain their workforce numbers in May, indicating an porous labour market. Many workers sought better-paying roles, pursued opportunities abroad, or returned to their hometowns. The latest round of job cuts was the strongest in three months, and broadly in line with the long-run survey average.

Manufacturers in Myanmar faced rising cost burdens in May, resulting from material shortages and transportation costs. That said, weak demand and reduced buying activity led to the slowest uptick in cost pressures since December 2022. In turn charges were also raised at a softer pace the weakest in a year-and-a-half.

Lastly, manufacturers across Myanmar continued to express positive sentiment regarding the outlook for production in the year ahead, with the degree of confidence strengthening slightly compared to the previous month. However, the latest reading extended a sequence of below-average confidence, indicating overall caution across the sector.

PMI Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

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Survey methodology

The S&P Global Myanmar 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 December 2015.

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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