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S&P Global Manufacturing PMI®

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Reshoring Special Report

Andrew Harker, Director, andrew.harker@spglobal.com

Pollyanna De Lima, Associate Director, pollyanna.delima@spglobal.com

Cassandra Pagán, Principal Analyst, cassandra.pagan@spglobal.com

Natasha McSwiggan, Principal Analyst, natasha.mcswiggan@spglobal.com

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As uncertainty becomes the new certainty for global trade, this report provides key insights direct from companies on the changing landscape of supply chains in key reshoring destinations. The report analyses the evolution of trends following the introduction of US tariffs, key challenges reported by firms, and reviews which markets are the most upbeat around reshoring gains to come in the next 12 months - to support corporate decision makers with adapting to changing trade dynamics and identifying opportunities.

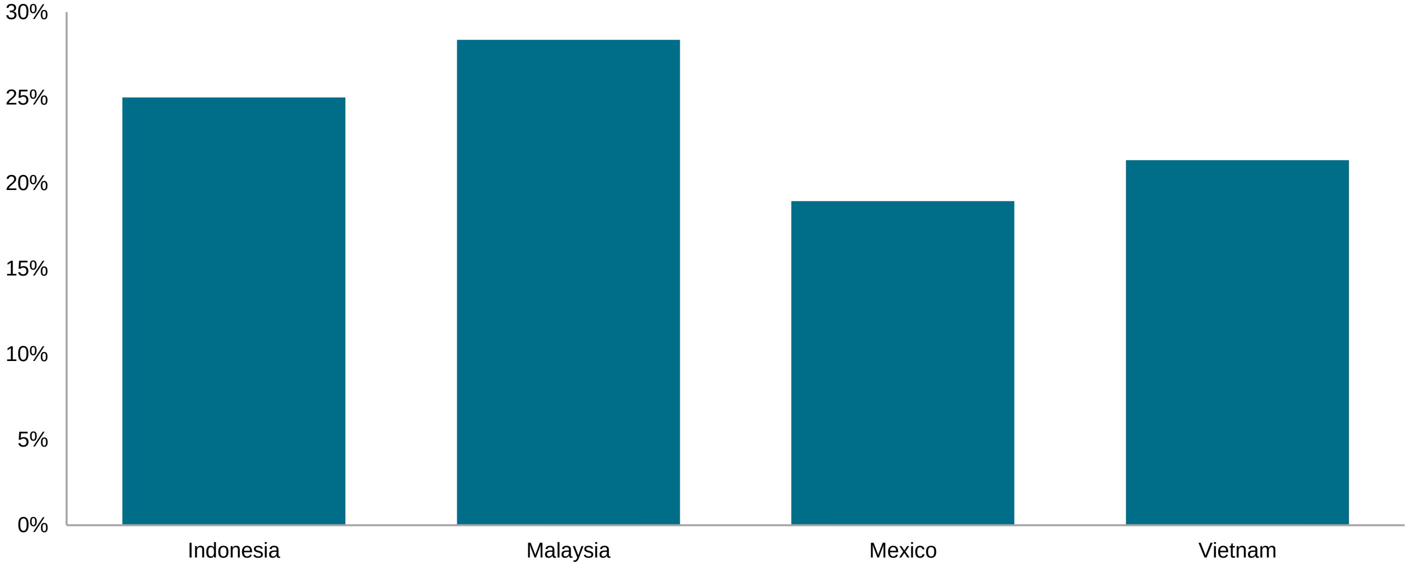
Malaysian manufacturers lead reshoring gains in 2025, while Indonesian firms are the most upbeat for the year ahead

The 2025 installment of the special reshoring survey for S&P Global's Purchasing Managers' Index™ (PMI®) panel members showed that only Malaysia recorded an improvement in reshoring optimism since 2024, with sentiment fading in Mexico and Vietnam. Indonesia, where the survey was conducted for the first time, registered the highest proportion of goods producers forecasting gains from reshoring in the year ahead.

The cost and availability of capital was identified as the most significant concern across all countries surveyed except for Vietnam, where access to required technology was expected to be the main challenge. In Mexico, firms specifically pointed to US tariffs as a critical risk to future reshoring prospects, with competitive conditions widely mentioned elsewhere.

Additionally, the data revealed varying trends in reshoring sentiment by company size, with medium-sized firms in Malaysia and Mexico exhibiting greater optimism than their larger and smaller counterparts, a shift from the previous year's outlook.

Proportion of companies reporting improved total demand over the past 12 months as a result of reshoring



Data compiled September 2025.
Source: S&P Global's PMI®.

Malaysian manufacturers report greater reshoring gains in 2025

Of the four manufacturing sectors covered, Malaysia was the most likely to report an improvement in demand linked to reshoring in the 2025 survey. At 28% of firms, the proportion reporting gains was much higher than the 20% recorded in the 2024 survey. One-quarter of Indonesian manufacturers signaled new order growth as a result of reshoring opportunities, whereas improvements were less pronounced in Mexico (19%) and Vietnam (21%). Vietnam registered a much lower share of firms reporting reshoring gains compared with 2024 (37%).

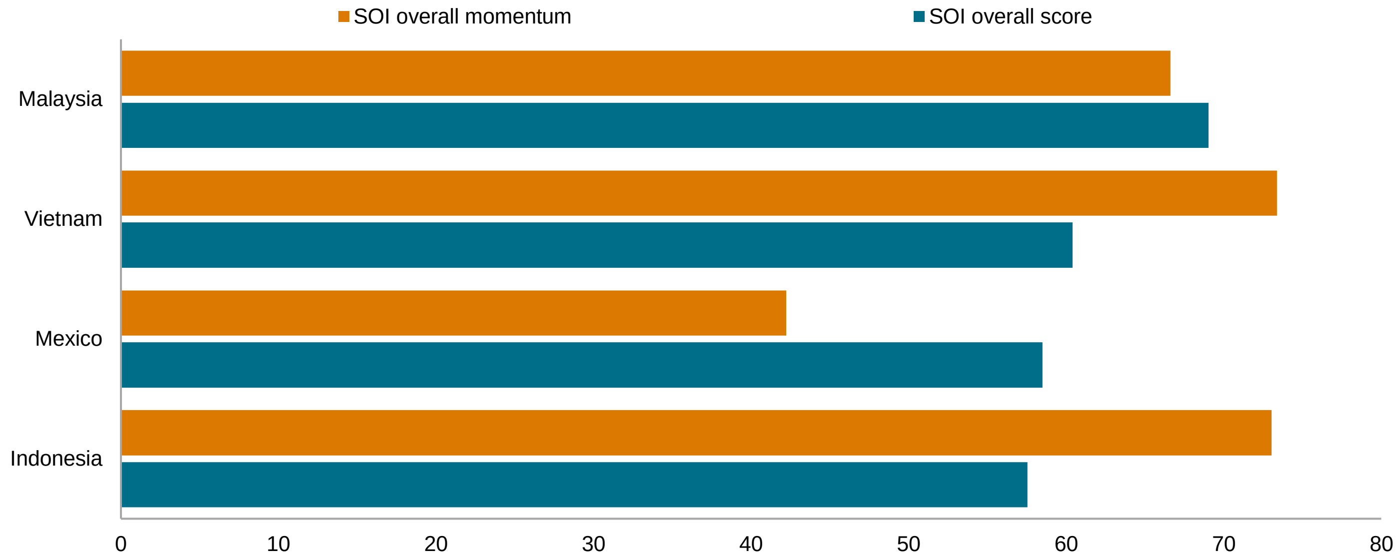
Reshoring sentiment falls sharply in Mexico and Vietnam

Manufacturers in both Mexico and Vietnam were much less confident about reshoring opportunities in 2025 than they had been in 2024, with the shares expressing optimism falling to 31% and 23%, respectively, down from 47% and 46% in May last year.

As was the case with improvements over the past year, Malaysian firms also recorded a pick-up in optimism regarding reshoring versus the position in 2024.

The growing optimism in Malaysia is reflected in its impressive performance on the Strategic Opportunity Index® (SOI®), a measure of market conditions and potential to generate opportunities for enterprise. In 2025, Malaysia ranked among the top 10 out of more than 100 markets assessed. This strong position is primarily driven by exceptional scores in policy favorability (80.1 out of 100) and logistics efficiency (80.0 out of 100). Furthermore, Malaysia demonstrated a robust momentum score, indicating consistent growth on the index from 2015 to 2025, with expectations for continued advancement.

SOI overall and momentum scores



As of Oct. 30, 2025.
Source: S&P Global Market Intelligence.

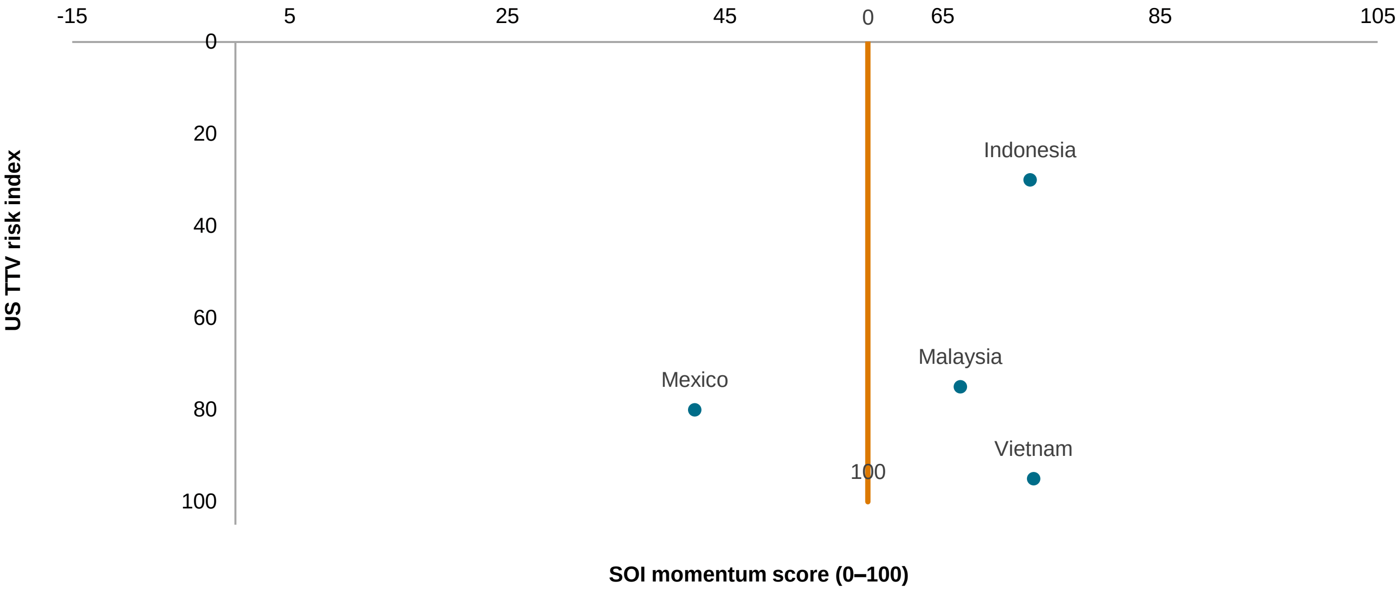
Overall, the strongest expectations for growth opportunities as a result of reshoring were seen in Indonesia, where 37% of respondents predicted growth opportunities.

These findings are aligned with the SOI and US Trade and Tariff Vulnerability Index (TTV) data, which we could juxtapose to pinpoint markets that not only present substantial growth opportunities, but also exhibit resilience to the effects of US trade policies.

Indonesia stood out among the markets covered in the reshoring analysis, boasting a relatively high SOI momentum score that signals expanding opportunities. In contrast, its TTV risk score was comparatively low (signaling a relatively low impact of tariffs), especially when compared with the higher risk scores of Mexico (80, highest risk band), Malaysia (75, highest risk band) and Vietnam (95, highest risk band).

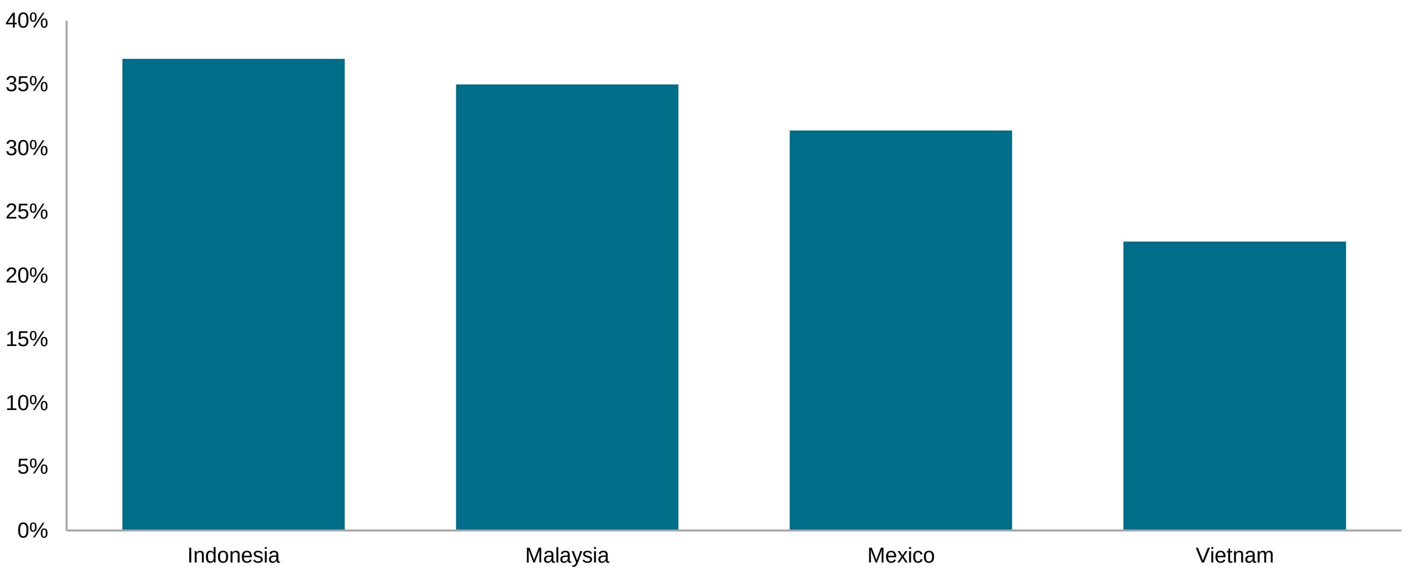
Indonesia's relatively low exports to the US, as a proportion of GDP, is the main reason that firms are considered to be less vulnerable to US tariffs compared to those in other economies.

TTV versus SOI momentum



As of Sept. 30, 2025.
Source: S&P Global Market Intelligence.

Proportion of companies expecting growth opportunities as a result of reshoring over the next 12 months

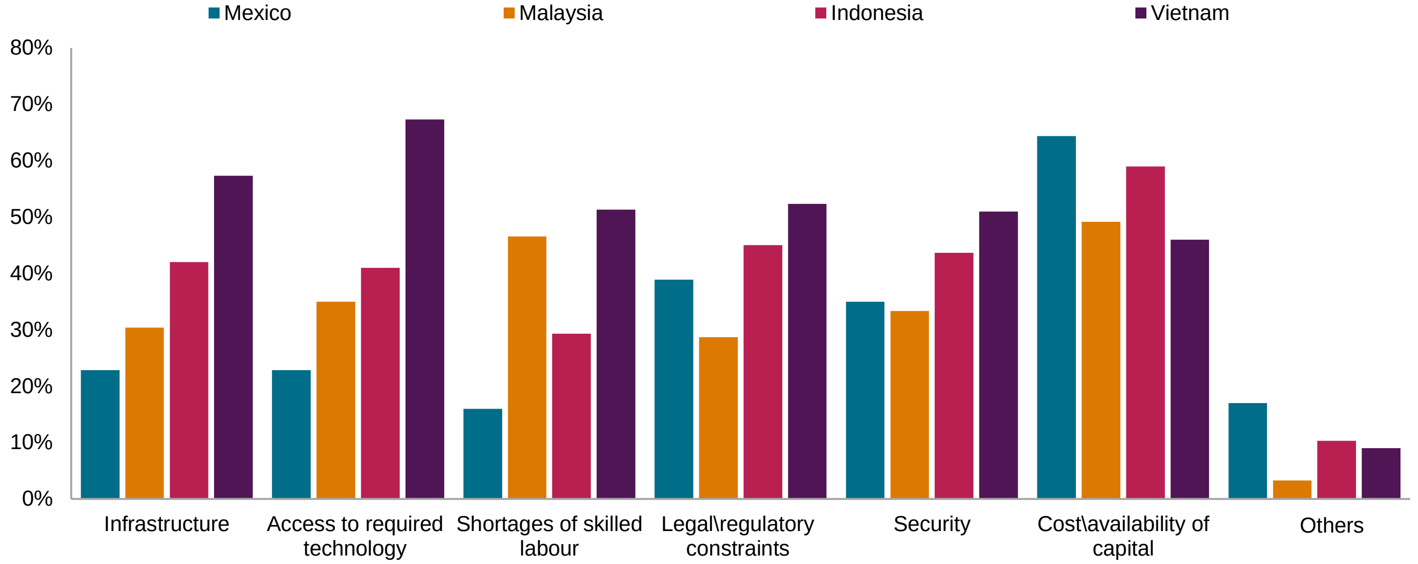


Data compiled September 2025.
Source: S&P Global's PMI®.

Mexican firms highlight tariffs as key risk to future reshoring opportunities

As was the case in 2024, this year's survey highlighted that the cost and availability of capital is set to be an important challenge to firms' ability to fully benefit from reshoring opportunities. This was the top factor in Indonesia (59% of firms), Malaysia (49%) and Mexico (64%), while close to half of manufacturers in Vietnam also reported worries in this area. The top risk factor in Vietnam was having access to the required technology, as was also the case in 2024.

Challenges preventing firms from capitalising fully on reshoring growth opportunities over next 12 months



Data compiled September 2025.
Source: S&P Global's PMI®.

Firms were also provided with space to report any other factors that could prevent them from fully realizing reshoring gains, and manufacturers in Mexico often used this opportunity to highlight the risks of US tariffs.

"Tariffs have limited the sales of projected industrial premises and are holding back investment."

Chemicals and pharmaceuticals, 50-249 employees, Mexico

Source: S&P Global PMI

Manufacturers across the monitored surveys mentioned that competition from other companies and markets is a risk, as economies around the world look to benefit from reshoring opportunities.

"With many competitors, business risks are higher in today's market."

Rubber and plastics, more than 250 employees, Malaysia

Source: S&P Global PMI

In Vietnam, firms noted not only potential challenges, but also pointed out that the economy maintains an abundance of reasonably priced labor, stable political conditions and good access to raw materials.

"Labor market is low cost. Raw materials in Vietnam are still cheap."

Food, drink and tobacco, 1-49 employees, Vietnam

Source: S&P Global PMI

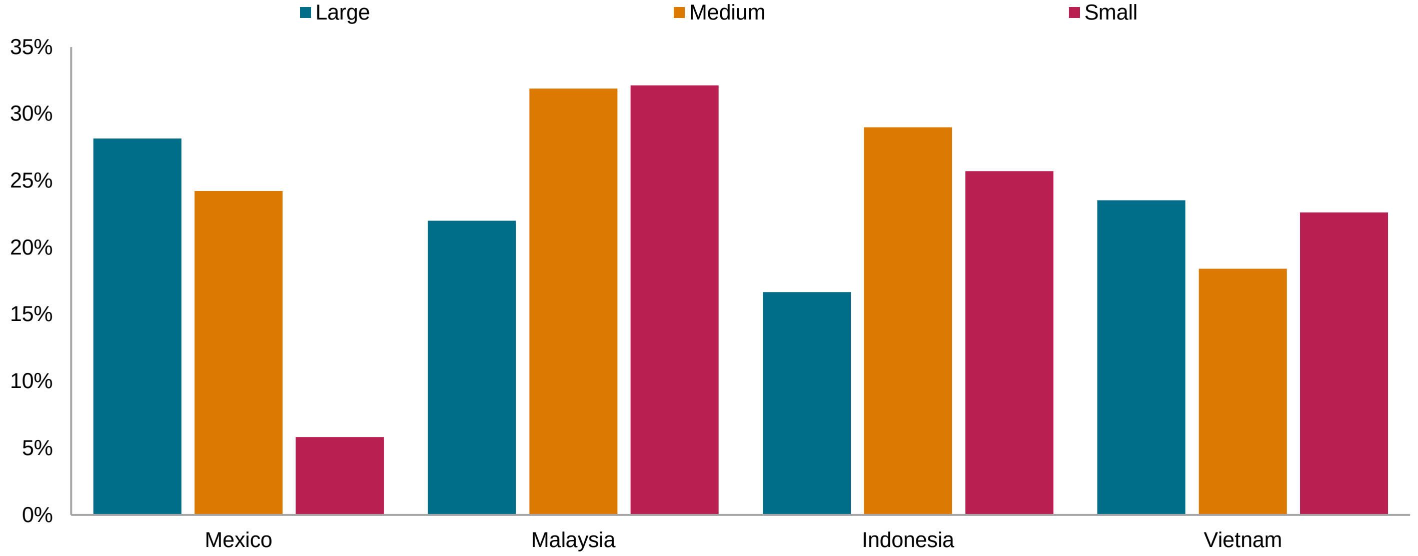
Reshoring trends and sentiment vary by company size across monitored nations

Looking at the data by company size, trends varied across the four nations for which comparable data were available. Materialized gains from reshoring in Mexico and Vietnam were more prevalent across large manufacturers, while the proportion of medium and small firms signaling growth in Malaysia was equal and above that seen for large enterprises. In Indonesia, medium-sized companies topped the rankings.

In terms of year-ahead sentiment toward reshoring-related growth opportunities, medium-sized companies in Malaysia and Mexico were more optimistic than their large and small counterparts, contrasting with the picture seen in 2024 when large firms were the most upbeat. Interestingly, small firms in Indonesia led in terms of confidence, with sentiment levels equal among large and small Vietnamese manufacturers.

Notably, when considering potential headwinds that could prevent firms from fully capitalizing on reshoring growth opportunities, the cost/availability of capital was identified as the main threat by a relatively large proportion of small companies in Mexico (77%) and Indonesia (65%), where they were more likely to list this as a risk than medium- or large-sized firms.

Proportion of companies reporting improved total demand over the past 12 months as a result of reshoring



Data compiled September 2025.
Source: S&P Global's PMI®.

Capitals and major cities lead reshoring optimism

Breaking the survey responses down by region suggested that manufacturers based in capitals and other major cities tended to be more optimistic regarding reshoring opportunities than those in other parts of the country. For Indonesia, almost half of firms in Jakarta were optimistic about the potential for growth linked to reshoring, while in the central region of Malaysia, which includes Kuala Lumpur, topped the rankings. In Vietnam, healthy proportions of 31% and 25% of respondents in Hanoi and Ho Chi Minh City, respectively, expressed a positive outlook for reshoring.

Mexico bucked this wider trend, with firms in the Northern region (38%) and Gulf Coast (36%) the most optimistic, albeit with Mexico City still seeing a solid outlook (30%). This likely reflects the specific geography of Mexico, with the Northern region and Gulf Coast sharing a border with the US.

National breakdowns

The following section delves into some of the details of the national data for each of the countries covered, looking into specifics around sector, company size and regional trends.

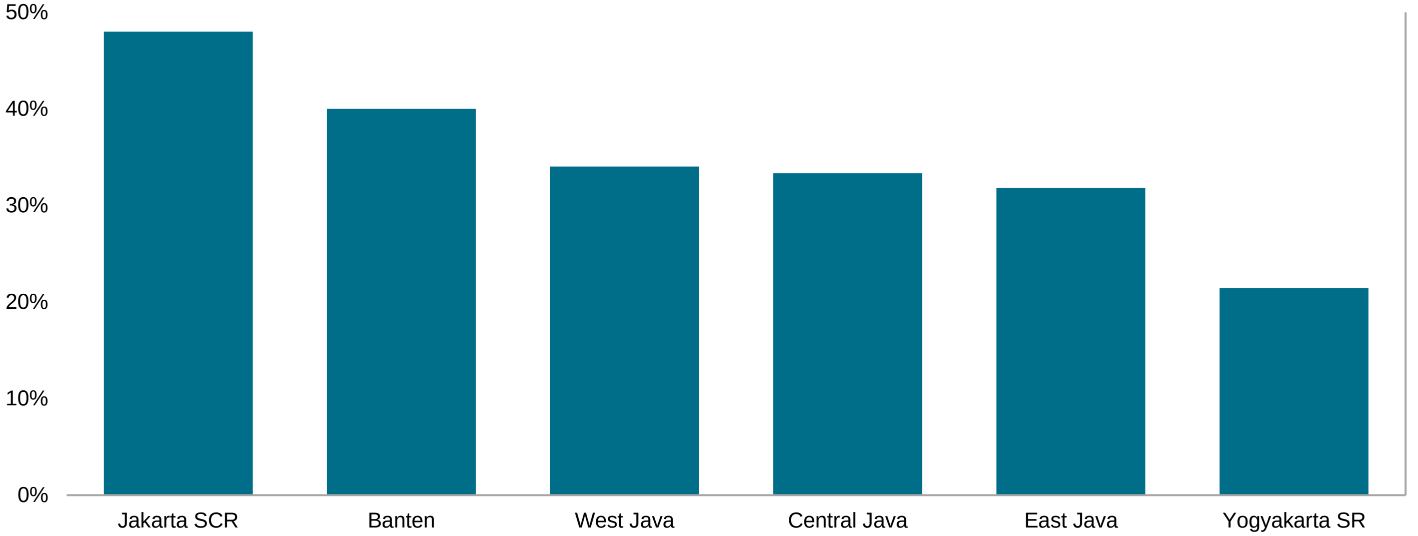
Indonesia: Almost half of manufacturers in Jakarta register increased reshoring opportunities

Demand improvements linked to reshoring over the past 12 months were evenly spread across the main economic regions in Indonesia. Between 25% and 30% of firms in the Banten, Central Java, Jakarta Special Capital Region (SCR) and West Java regions reported increased demand as a result of reshoring in the past year.

There was more variance in terms of future expectations of reshoring, with Jakarta leading the way. Close to half (48%) of respondents in Jakarta predicted growth opportunities over the next 12 months. Behind Jakarta were Banten (40%), West Java (34%), Central Java (33%) and East Java (32%). The lowest sentiment of the main regions covered was in the Yogyakarta Special Region (SR) (21%).

Does your company expect increased growth opportunities as a result of nearshoring?

Respondents (%)



Data compiled: September 2025
Source: S&P Global's PMI®.

Analyzing the data by sector, the transport equipment category led the way in terms of demand over the past 12 months, with 38% of respondents in the sector reporting growth. This was fractionally above the textiles and clothing sector (37%). In the all-important food, drink and tobacco category, 22% of firms recorded an improvement in demand over the past year as a result of reshoring. Toward the bottom of the rankings were wood and wood products (6%) and metals and metal products (14%).

However, metals and metal products manufacturers were the most optimistic regarding future gains from reshoring, with 57% predicting increased opportunities. Transport equipment firms expected continued improvements (52%), while half of electrical and electronic equipment companies predicted growth linked to reshoring. Exactly 37% of food, drink and tobacco manufacturers were optimistic around reshoring opportunities.

Breaking the results down by company size, around 17% of large manufacturers in Indonesia reported having benefited from reshoring opportunities over the past year, lower than the proportions of either small (26%) or medium-sized firms (29%).

Optimism around future opportunities from reshoring was most pronounced at small companies, with 42% of respondents predicting growth. Medium-sized companies followed closely behind, with more than one-third of respondents optimistic of demand being supported by reshoring. As with the picture over demand in the past year, large firms were the least optimistic regarding future reshoring opportunities. Just over 28% of large manufacturers predicted gains owing to reshoring.

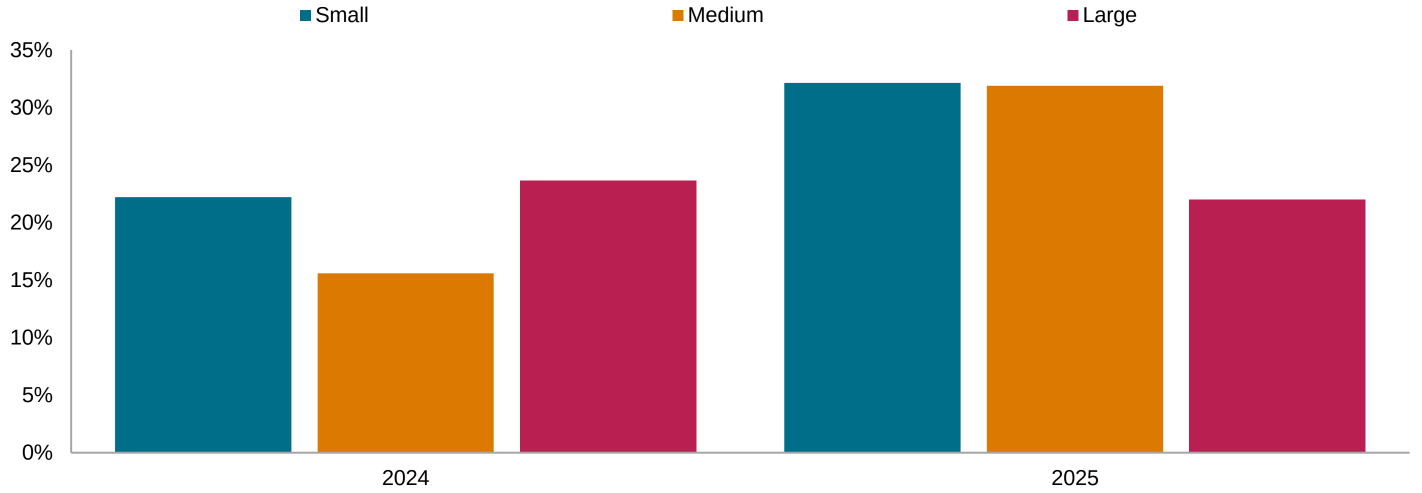
Malaysia: Growth linked to reshoring much higher at small and medium-sized enterprises than in 2024

Just under one-third of both small and medium companies reported an improvement in demand as a result of reshoring in the September survey, up strongly from 2024, when the proportions were 22% and 16%, respectively.

Meanwhile, large firms went from being the most likely to report gains linked to reshoring last year to the least likely this year, although the proportion seeing an improvement ticked down only slightly from 24% to 22%.

Has total demand (domestic and export) for your company's goods improved over the past 12 months as a result of reshoring?

Respondents (%)



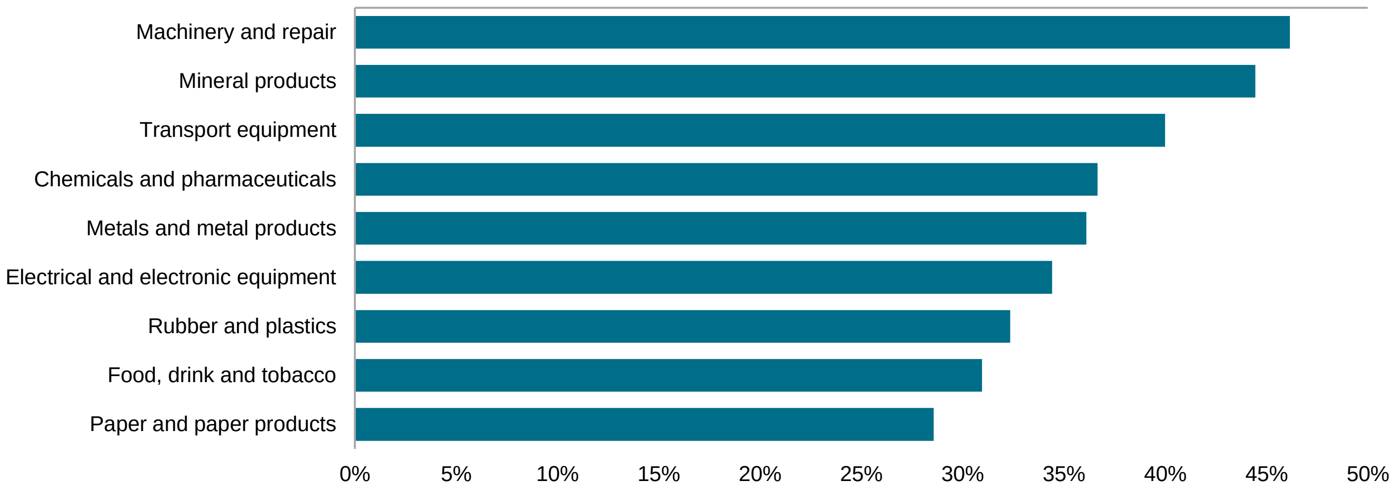
Data compiled September 2025.
Source: S&P Global's PMI®.

The overall improvement in sentiment among Malaysian manufacturers was largely centered on medium-sized firms, with confidence regarding reshoring at large and small companies broadly in line with that seen in 2024. About 37% of medium-sized companies predicted growth opportunities as a result of reshoring in the 2025 survey, up from 30% in last year's survey.

On a sectoral basis, the machinery and repair sector posted the highest proportion of companies that had experienced increased growth opportunities as a result of reshoring over the past 12 months (38%), just above metals and metal products and paper and paper products, each posting 36%. This reflected a marked improvement for the metals and metal products category, after having been toward the bottom of the rankings in 2024. The food, drink and tobacco sector had the lowest share of firms reporting gains from reshoring over the past year (21%) in 2025.

Machinery and repair was also the most optimistic sector in terms of opportunities from reshoring over the coming year (46% of companies), just ahead of mineral products (44%). The two most optimistic categories from the previous year's survey — Chemicals and pharmaceuticals, and transport equipment — remained near the top of the rankings in 2025, despite seeing their sentiment levels dip slightly from 2024.

Does your company expect increased growth opportunities as a result of nearshoring over the next 12 months?
Respondents (%)



Data compiled September 2025.
Source: S&P Global's PMI®.

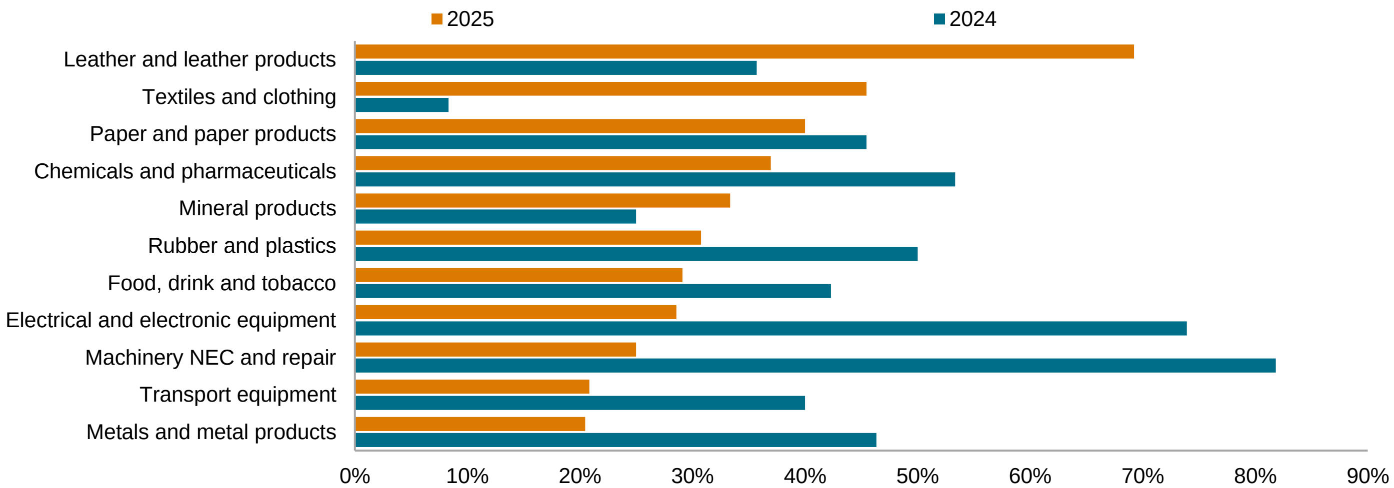
Regionally, the strongest optimism regarding the impact of reshoring over the coming year was in the Central region, which includes Selangor and Kuala Lumpur. Here, 41% of respondents predicted growth opportunities, up from 32% in 2024. After having been the most optimistic last year, the Southern region signaled a dip in confidence in 2025 (29% from 39%).

Looking at the boost to demand from reshoring over the past year, the Central region also recorded a brighter picture, with the proportion of respondents signaling gains rising to 32% from 17% last year. Instances of growth linked to reshoring in the Southern region were the same as in 2024, while companies in the Northern region were the least likely to report gains.

Mexico: Reshoring confidence fades across majority of 11 monitored subsectors

Except for the leather and leather products, mineral products, and textiles and clothing sectors, sentiment weakened across all broad areas of the manufacturing economy relative to last year.

Does your company expect increased growth opportunities as a result of nearshoring over the next 12 months?
% of respondents



Data compiled September 2025.
NEC = not elsewhere clarified.
Source: S&P Global's PMI®.

The most significant decline in confidence was observed in machinery and repair, where the proportion of respondents forecasting growth opportunities fell from 82% last year to 25%, pushing this category from top to ninth in the sentiment rankings. Another substantial fall was noted in electrical and electronic equipment, where only 29% of goods producers were optimistic, compared with 74% in 2024. The weakest levels of positivity were registered in the transport equipment (21%) –which includes manufacturers of motor vehicles, railways, aircraft and motorcycles, — and metal and metal products (20%) categories.

Similarly, confidence faded across all three groupings of company size. Approximately 42% of medium-sized firms predicted growth opportunities in the year ahead as a result of reshoring, above the readings for large (38%) and small (14%) companies. In 2024, the proportion of medium, large and small businesses predicting gains stood at 48%, 64% and 34%, respectively.

The theme of diminishing reshoring optimism was also widespread across the six monitored regions. Northern Mexico recorded the highest proportion of companies expressing positive sentiment toward reshoring opportunities (38%), albeit one that was lower than in 2024 (46%). The Gulf Coast occupied the second spot in the rankings, with 36% of survey respondents in this area forecasting gains (versus 73% in 2024).

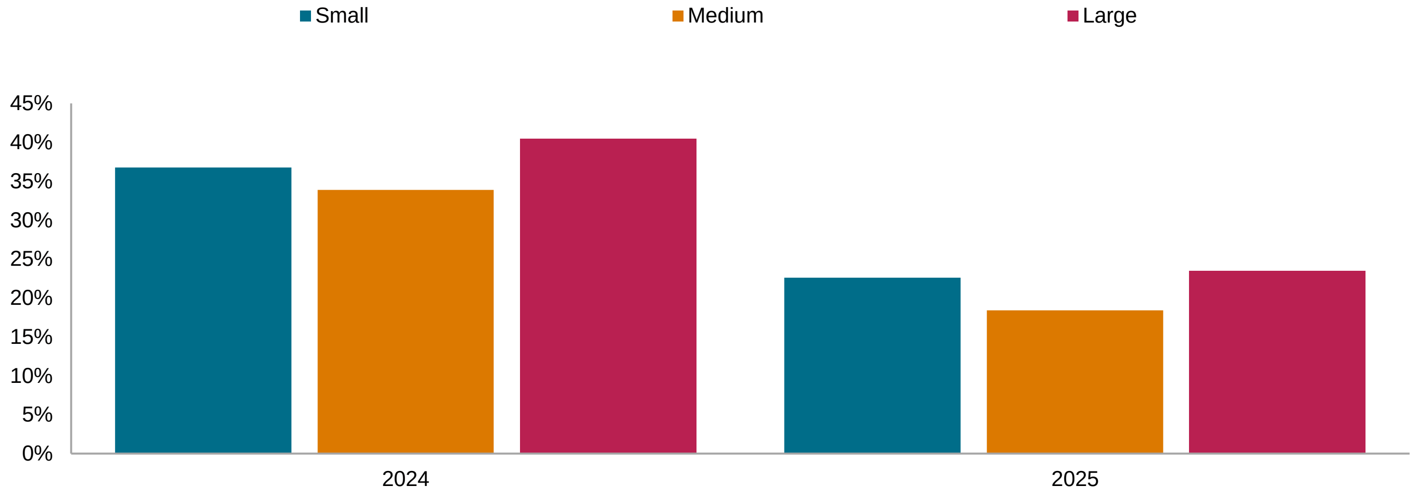
In Western Mexico, third in the confidence rankings, the proportion of companies signaling optimism was down from 42% last year to 31% in 2025. In Mexico City, exactly 30% of survey participants were confident about benefiting from reshoring in the year ahead, compared with 43% in 2024.The Central region ranked fifth for growth opportunities (28%), with Eastern Mexico coming last (19%).

Vietnam: Large firms most likely to have benefited from reshoring again

As was the case in the 2024 survey, large manufacturers in Vietnam were more likely to have benefited from reshoring over the past year than small and medium-sized enterprises. This was despite the proportion of large firms linking new order growth to reshoring falling to 24% from 40%. Small and medium-sized companies were also less likely to report gains from reshoring than in 2024.

Has total demand (domestic and export) for your company's goods improved over the past 12 months as a result of reshoring?

Respondents (%)



Data compiled September 2025.
Source S&P Global's PMI®.

Expectations regarding the future benefits from reshoring also moderated across the three different company sizes. Both the large and small categories posted a score of 24%, down from 54% and 39%, respectively, in the 2024 survey. Meanwhile, 21% of medium-sized manufacturers expected reshoring to lead to growth opportunities over the coming year, after nearly half were optimistic in May 2024.

For Vietnam, we were able to split the data over 13 sectors. Of these, the leather and leather products category has seen the largest benefits from reshoring over the past year, with 42% of respondents in the sector reporting gains.

In 2024, the top performers were machinery and repair and transport equipment, but by September 2025 both had seen a marked reduction in the share of firms signaling gains from reshoring, leaving them in the middle of the pack. Overall, the lowest ranked sector was paper and paper products, with just 13% of firms seeing a rise in new orders as a result of reshoring.

Looking to the future, wood and wood products manufacturers were the most optimistic about reshoring opportunities over the coming year. Around 35% of firms predicted gains, slightly higher than the 32% seen in the 2024 survey. As with the question on demand improvements over the past 12 months, optimism waned at last year's leader machinery and repair, with the share of companies predicting growth declining from 71% to 19%.

Focusing on the two largest cities in Vietnam, one-in-three manufacturers in Hanoi indicated that their new orders had strengthened as a result of reshoring over the past year, a higher figure than the national average of 21%. That said, the reading was down from 46% in 2024. Similarly, Ho Chi Minh City also posted a lower instance of reshoring supporting demand than in the previous survey (21% in 2025 versus 29% in 2024).

The forward-looking question from the survey indicated that 31% of manufacturers in Hanoi expected reshoring to support growth over the next 12 months. Meanwhile, the corresponding figure was 25% in Ho Chi Minh City.

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