

Global manufacturing

Manufacturing PMI data hint at shifting global growth trajectories in 2026

Worldwide manufacturing business survey data showed ASEAN factories reporting the strongest output growth in 2025 on average, while eurozone producers reported the weakest expansion. However, forward-looking sentiment data put eurozone producers on the best footing for growth in 2026 of the major regions, contrasting with below-average sentiment in North America and Asia, albeit with some important divergences within these regions.

While India reported by far the largest output gain in 2025, Thailand enters 2026 with the strongest tailwind of optimism.

PMI signals weaker production growth in December, rounding off another tepid year for manufacturing

Global manufacturing output rose for a fifth successive month in December, according to PMI data sponsored by J.P. Morgan and compiled by S&P Global Market Intelligence, though the rate of growth was the weakest recorded over this period. The sluggish closing month of 2025 rounds off a second year of only marginal manufacturing production growth on average, albeit representing an improvement on the marginal declines recorded in 2022 and 2023.

Since the strong expansion seen in 2021, during the COVID-19 pandemic upswing in demand for goods, the PMI has signalled a largely unchanged global production run on average, as some brief periods of upturns have been countered by downturns.

Global manufacturing output

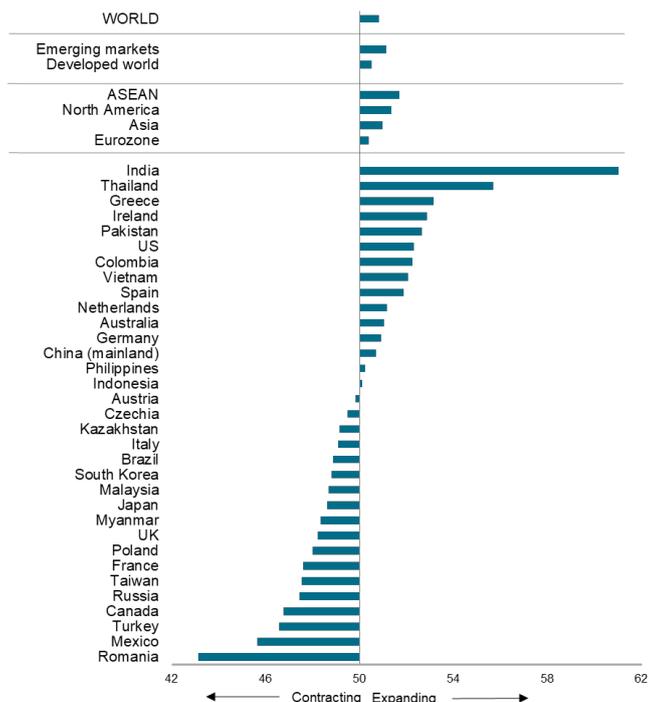


Data compiled January 2026 using PMI data updated to December 2025. PMI (Purchasing Managers' Index) value of 50 = no change on prior month. Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence. © 2026 S&P Global.

India led the 2025 manufacturing expansion

There were very mixed performances on average in 2025. By far the greatest expansion was recorded by India, followed by Thailand. However, two eurozone economies – Ireland and Greece – reported the third and fourth best expansions of the 33 economies covered by the S&P Global PMIs, followed by Pakistan. The US recorded the sixth strongest performance, hence leading the G7 economies.

Manufacturing PMI output index, average in 2025



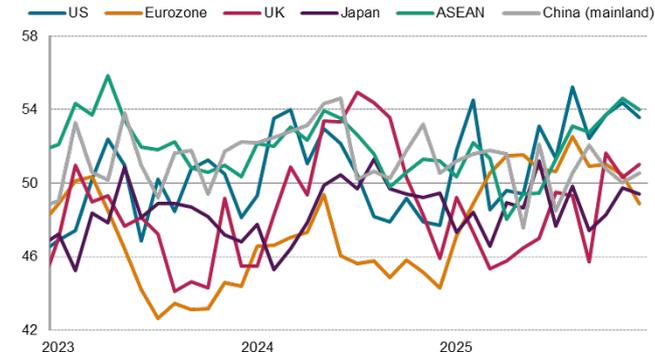
Data compiled January 2026.
 PMI index 50 = no change on prior month.
 Source: S&P Global PMI, ISO, HCOB, HSBC, NEVI, BME, Bank Austria, AIB, Davivienda, AERCE, BCR, Freedom Holding Corp., HBL, HPI, Istanbul Chamber of Industry, J.P. Morgan, RatingDog.
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At the other end of the scale, the steepest downturn over 2025 was recorded in Romania, followed by Mexico, Turkey and Canada. The downturns in Mexico and Canada were in part blamed by PMI respondents on US tariff policy.

ASEAN region outperformed while the eurozone lagged

The disappointing performances in Canada and Mexico also meant the ASEAN region pipped North America in reporting the strongest expansion of the world's major regions in 2025, but downturns in Japan, Taiwan, South Korea and Malaysia, as well as a subdued performance in mainland China, meant Asia as a whole reported only modest growth. However, the weakest performing major region was the eurozone. The weak growth of eurozone factory output over 2025 nonetheless represented its first annual expansion on average since 2021.

Manufacturing PMI output index



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 PMI (Purchasing Managers' Index) value of 50 = no change on prior month
 Source: S&P Global PMI with HCOB, RatingDog, S&P Global Market Intelligence.
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Eurozone optimism contrasts with pessimism in North America and Asia

Clues as to how these performances and rankings might change in 2026 are provided by the PMI's Future Output Expectations Index. This is the only subjective measure tracked by the PMI surveys, asking respondents to take a view on how they expect output in their own companies to change over the coming 12 months.

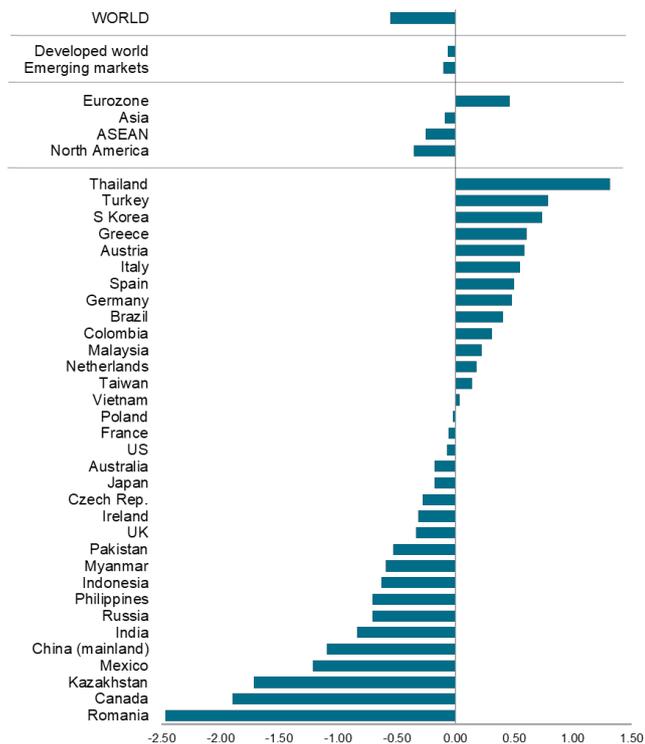
To facilitate comparisons, we convert these indices into z-scores, which show standard deviations from long-run averages. Readings above zero indicate that manufacturers are more optimistic than 'normal' (as defined by the long run average) while readings below zero indicate that firms are more pessimistic than normal.

These scores reveal that, although eurozone manufacturers reported the weakest expansion of production of all major regions in 2025, they ended the year with the highest optimism of all regions. Eurozone output expectations in fact rose in December to their highest since February 2022. Firms in North America are meanwhile the most pessimistic relative to their long-run average. Pessimism in the latter is led by Canada and Mexico, but also extends to the US.

Both the ASEAN and broader Asian regions also saw manufacturers close off 2025 on a more pessimistic than normal footing, with producers in mainland China the most downbeat by long-run standards, with future sentiment down to the third lowest seen over 2025. However, sentiment in India notably fell to its lowest since July 2022, and confidence in Japan dipped back below its long-run average, having briefly risen into positive territory for the first time in ten months in November. In contrast, sentiment in South Korea rose to its highest since May 2022 and its highest since March 2024 in Vietnam, with a nine-month high meanwhile seen in Taiwan; in all cases taking expectations above their long-run averages. However, most upbeat by historical standards are producers in Thailand, where optimism over the closing

quarter of 2025 has been running at its highest for three years to again lead the global rankings in December.

Manufacturing PMI future output expectations index (z-scores, Dec. 2025)

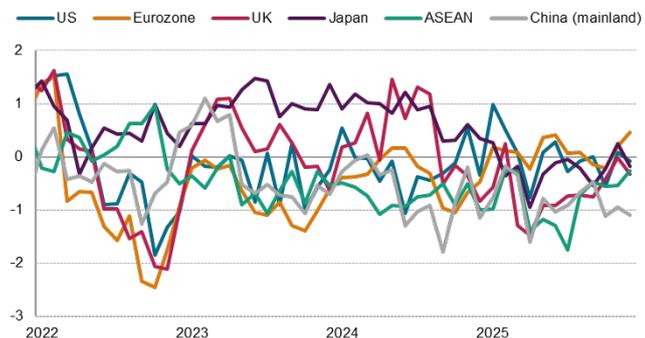


Data compiled January 2026.
 PMI index 50 = no change in output expected over coming year, rebased to standard deviations from long-run average
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Manufacturing PMI future output expectations



Data compiled January 2026 using PMI data updated to December 2025.
 PMI index 50 no change in 12 months' time converted into z-scores (standard deviations from long-run mean).
 Source: S&P Global PMI with HCOB, RatingDog, S&P Global Market Intelligence.
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