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# J.P.Morgan Global Manufacturing PMI™

## Global manufacturing output falls for first time in 22 months led by sharp downturn in China

### Key findings

Output falls across consumer, intermediate and investment goods industries

Selling price inflation equals record high as input cost increases remain substantial

International trade flows deteriorate for second successive month

The start of the second quarter saw a mild downturn in global manufacturing output, as tighter COVID restrictions in China weighed on production. Rising geopolitical tensions, supply-chain disruptions and escalating inflationary pressures also weighed on new order intakes, as growth of new business eased to near-stagnation.

The J.P.Morgan Global Manufacturing PMI™ – a composite index produced by J.P.Morgan and S&P Global in association with ISM and IFPSM – fell to 52.2 in April, down from 52.9 in March, its lowest level since August 2020. The PMI nonetheless extended its sequence above the neutral 50.0 to 22 months.

Please note that due to later release dates, data for Greece, Indonesia, Ireland, Kazakhstan, Malaysia, Russia, Thailand, Turkey, the UK and Vietnam were not available for inclusion in the April numbers.

The April PMI surveys signalled a downturn in worldwide manufacturing production for the first time since June 2020. The Global Manufacturing Output Index dropped to 48.5 in April. The decline mainly reflected a steep contraction in mainland China, where escalating COVID restrictions were a major factor underlying the sharpest drop in production volumes for 26 months (since February 2020). The Global Manufacturing Output Index calculated excluding China posted 53.2, up from 53.1 in March, over 4pts higher than the index including China.

Output growth improved to a nine-month high in the US. The slowdown in the euro area continued, with production rising only marginally and to the weakest extent during the current 22-month upturn. Japan and Brazil saw modest expansions, with rates of growth little-changed from March. Output fell across the consumer, intermediate and investment goods industries, the first time all three have registered concurrent contractions since June 2020. The outlook also deteriorated, with business optimism dipping to a 19-month low.

Although the level of incoming new business rose for

J.P.Morgan Global Manufacturing PMI™

sa, >50 = improvement since previous month



Source: J.P.Morgan, S&P Global.

- Consumer Goods PMI
- Intermediate Goods PMI
- Investment Goods PMI

sa, >50 = improvement since previous month

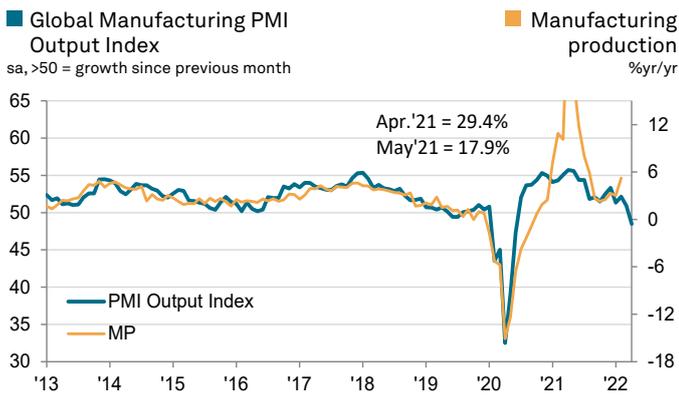


Source: J.P.Morgan, S&P Global.

### Index summary

sa, 50 = no change over previous month. \*50 = no change over next 12 months.

Index	Mar-22	Apr-22	Interpretation
PMI	52.9	52.2	Improvement, slower rate
Output	50.9	48.5	Decline, from rising
New Orders	51.4	50.3	Growth, slower rate
New Export Orders	48.1	48.2	Decline, slower rate
Future Output	62.5	61.9	Growth expected, weaker sentiment
Employment	52.0	51.5	Growth, slower rate
Input Prices	71.5	71.8	Inflation, faster rate
Output Prices	62.3	63.7	Inflation, faster rate



the twenty-second successive month in April, the rate of expansion was only marginal and the weakest during that sequence. New order growth slowed in the consumer and investment goods industries, while intermediate goods producers saw a decline for the first time since mid-2020.

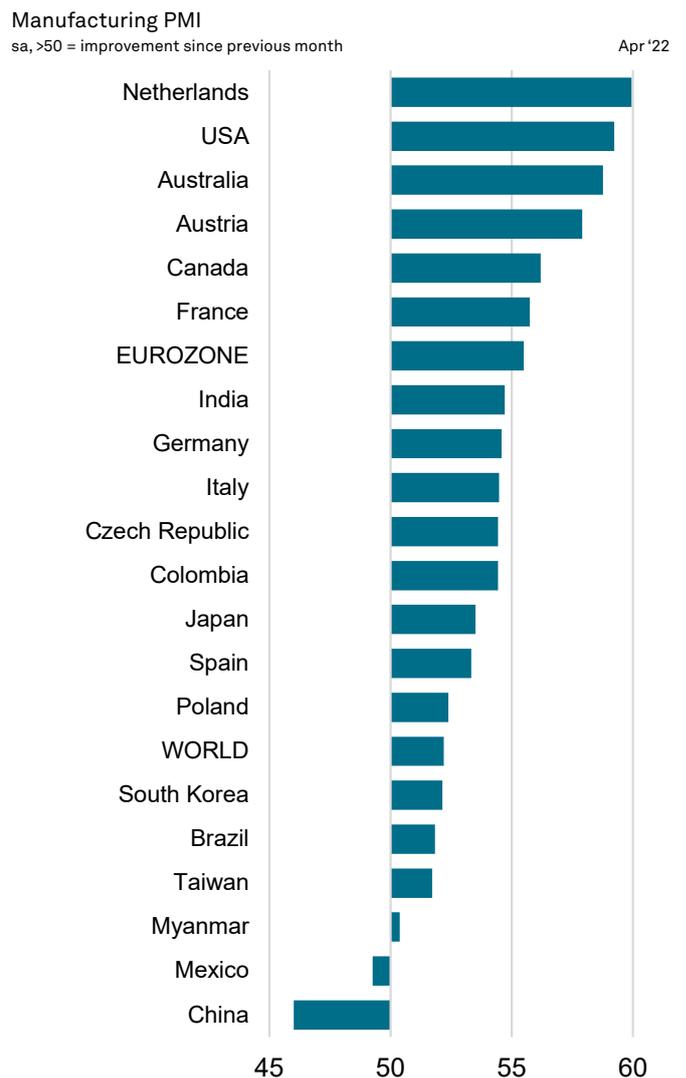
Alongside subdued conditions in a number of domestic markets, declining inflows of new export business weighed on order books during April. International trade decreased for the second straight month, with contractions seen in China, Germany, Japan and France (among others). North America fared better, with new export order intakes rising in the US, Canada and Mexico. India and Australia also registered growth.

Global manufacturing employment rose for the eighteenth month running in April, albeit at the slowest pace since January. Staffing levels were raised in the US, the euro area, Japan, India and Brazil, but reduced in China. Jobs growth slowed across the consumer, intermediate and investment goods industries.

Inflationary pressures remained elevated in the global manufacturing sector in April. Average purchase prices rose to one of the greatest extents during the past 11 years, leading to the joint-steepest increase in output charges since the series began in October 2009 (equalling October 2021's record). Stretched global supply chains contributed to the price inflationary pressure, with vendor lead times again lengthening to a near-record degree.

### Comment

Olya Borichevska, Global Economist at J.P.Morgan, said:  
*“The manufacturing output PMI fell sharply lower in April suggesting notable deterioration in global industry. However, the April PMI drop mainly reflected a 7.9-pt slump in China, as COVID restrictions in a number of cities tightened. Growth showed greater resilience outside of China though we still don’t have all the details from Asia to assess the extent of spillover. It appears that prices are once again on the rise as both input and output price index rose.”*



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**Survey methodology**

The J.P.Morgan Global Manufacturing PMI™ is produced by S&P Global in association ISM and IFPSM.

Global manufacturing PMI indices are compiled by S&P Global from responses to monthly questionnaires sent to purchasing managers in survey panels in over 40 countries (see table, right for full coverage), totalling around 13,500 companies. These countries account for 98% of global manufacturing value added\*.

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, at the country level. 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.

Indices are calculated for the following variables: output, new orders, new export orders, future output, backlogs of work, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, stocks of finished goods, input prices and output prices.

Global manufacturing indices are calculated by weighting together the country indices. Country weights are calculated from annual manufacturing value added\*.

The headline figure is the Global Manufacturing Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five global 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 [economic@ihsmarkit.com](mailto:economic@ihsmarkit.com).

The J.P.Morgan Global Manufacturing PMI provides the first indication each month of world manufacturing business conditions. The data enable decision makers in the financial world and in government to make better judgements much earlier than would otherwise be the case. The wide coverage of the indices, together with their speed of production, accuracy and direct comparability, make them unmatched as economic indicators. They provide truly "must have" information for financial institutions of all kinds and for major corporations world-wide.

\* Source: World Bank World Development Indicators.

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JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. [www.jpmorganchase.com](http://www.jpmorganchase.com).

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S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

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**About ISM**

Institute for Supply Management® (ISM®) serves supply management professionals in more than 90 countries. Its 50,000 members around the world manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 as the first supply management institute in the world, ISM is committed to advancing the practice of supply management to drive value and competitive advantage for its members, contributing to a prosperous and sustainable world. ISM leads the profession through the ISM Report On Business®, its highly regarded certification programs and the ISM Mastery Model®. [www.instituteforsupplymanagement.org](http://www.instituteforsupplymanagement.org)

**About IFPSM**

The International Federation of Purchasing and Supply Management (IFPSM) is the union of 48 National and Regional Purchasing Associations worldwide. Within this circle, about 250,000 Purchasing Professionals can be reached. IFPSM facilitates the development and distribution of knowledge to elevate and advance the procurement profession, thus favourably impacting the standard of living of citizens worldwide through improved business practices. The term procurement is taken to embrace purchasing, materials management, logistics, supply chain management and strategic sourcing. IFPSM is a non-political, independent and non-profit oriented International Organization. [www.ifpsm.org](http://www.ifpsm.org)

**About PMI**

Purchasing Managers' Index™ (PMI™) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. [ihsmarkit.com/products/pmi.html](https://ihsmarkit.com/products/pmi.html).

**Data sources**

Region	Producer	In association with
Australia	S&P Global	–
Austria	S&P Global	Unicredit Bank Austria / OPWZ
Brazil	S&P Global	–
Canada	S&P Global	–
China (mainland)	S&P Global	Caixin
Colombia	S&P Global	Daviyenda
Czech Republic	S&P Global	–
Denmark	DILF	Kairoscommodities
Egypt*	S&P Global	–
France	S&P Global	–
Germany	S&P Global	BME
Greece	S&P Global	HPI
Hong Kong SAR <sup>1</sup> *	S&P Global	–
Hungary	HALPIM	–
India	S&P Global	–
Indonesia	S&P Global	–
Ireland	S&P Global	AIB
Israel	IPLMA	Bank Hapoalim Ltd
Italy	S&P Global	–
Japan	S&P Global	au Jibun Bank
Kazakhstan	S&P Global	Tengri Partners
Kenya*	S&P Global	Stanbic Bank
Lebanon*	S&P Global	BLOMINVEST Bank
Malaysia	S&P Global	–
Mexico	S&P Global	–
Myanmar	S&P Global	–
Netherlands (The)	S&P Global	Nevi
New Zealand	Business NZ	Bank of New Zealand
Nigeria*	S&P Global	Stanbic IBTC Bank
Philippines (The)	S&P Global	–
Poland	S&P Global	–
Russia	S&P Global	–
Saudi Arabia*	S&P Global	–
Singapore*	S&P Global	–
South Africa*	S&P Global	–
South Korea	S&P Global	–
Spain	S&P Global	AERCE
Switzerland	procure.ch	Credit Suisse
Taiwan	S&P Global	–
Thailand	S&P Global	–
Turkey	S&P Global	Istanbul Chamber of Industry
UAE*	S&P Global	–
United Kingdom	S&P Global	CIPS
United States <sup>2</sup>	S&P Global / ISM	–
Vietnam	S&P Global	–

\*Indices calculated from manufacturing responses extracted from survey panels covering the entire private sector economy.

<sup>1</sup>Hong Kong is a Special Administrative Region of China.

<sup>2</sup>US data compiled by ISM pre-February 2010 and by S&P Global post-January 2010.

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