

Global manufacturing

Global manufacturers report safety stock building as war stokes supply and price concerns

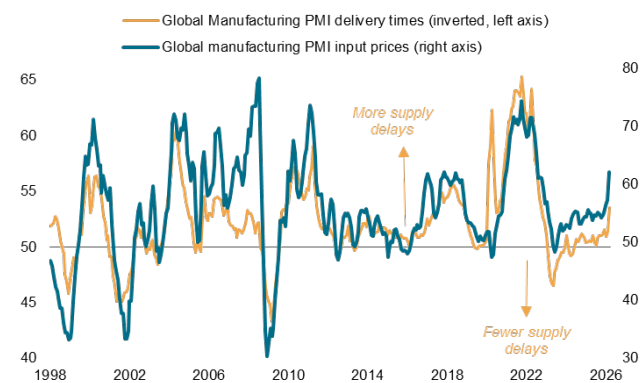
Global manufacturers reported the steepest price rises and supply delays since 2022 on the outbreak of the war in the Middle East, with factories also building safety stocks amid a near-record spike in business uncertainty.

Manufacturing prices spike amid energy shock and supply delays

The global manufacturing Purchasing Managers' Index (PMI), sponsored by J.P. Morgan and compiled by S&P Global Market Intelligence, indicated a surge in both prices and supply delays in March following the outbreak of war in the Middle East

Average factory input prices rose globally at the fastest rate since July 2022, the rate of inflation accelerating to a degree not seen since December 2009 outside the pandemic months. Supplier delivery delays meanwhile caused global lead times to lengthen to a degree not seen since October 2022.

Global manufacturing supply conditions and prices



Data compiled April 2026.
PMI 50 = no change on prior month.
Sources: S&P Global PMI with J.P. Morgan.
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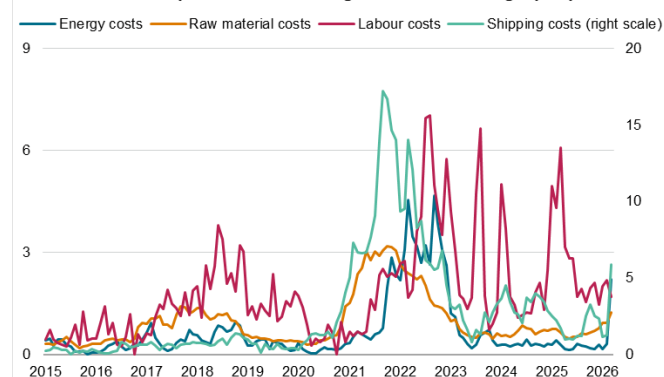
The two biggest drivers of higher prices were energy and shipping costs. According to worldwide PMI survey contributor comments, the impact of higher energy prices was the steepest recorded since December 2022. The

inflationary impact of shipping costs was meanwhile at its highest since November 2022, both linked to the war in the Middle East and the closure of the Strait of Hormuz.

However, survey contributors also reported the pass through of higher energy and oil derivative prices to other inputs, such as food and chemicals. The inflationary impact of broader raw material prices also rose to the highest since December 2022 as a result.

A moderating factor on producer price inflation was meanwhile wages and salaries, which pushed up firms' costs to one of the smallest extents seen over the past year and a half, helping alleviate the overall inflation uplift during the month.

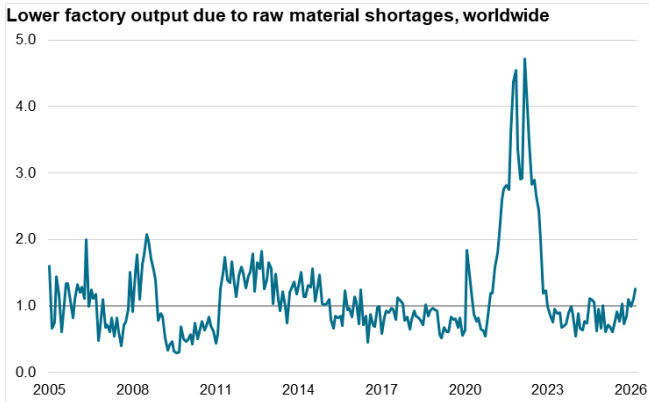
S&P Global PMI: reported drivers of higher manufacturing input prices



Data compiled April 2026. Axis scale 1 = long term average.
Series derived from worldwide PMI survey contributor comments, 1 = long-run average, seasonally adjusted.
Source: S&P Global PMI.
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Constrained production encourages safety stock building

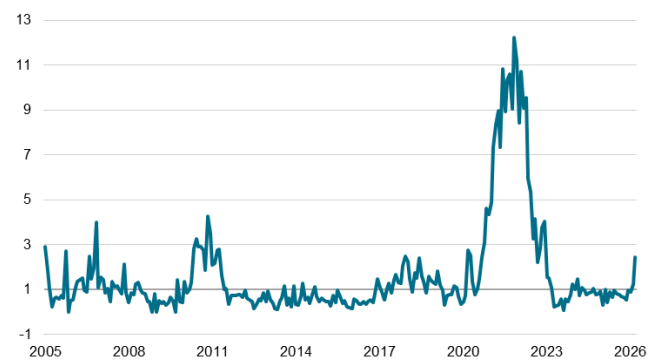
The escalation of supply delays has meanwhile caused production problems at increasing numbers of companies around the world. Reports of manufacturing output having been constrained by a lack of raw materials rose in March to the highest recorded since October 2022.



Data compiled April 2026.
 Axis scale 1 = long term average.
 Source: S&P Global PMI.
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Although still running far below levels seen at the height of the pandemic, supply shortages and related production constraints contributed to a marked increase in the number of factories worldwide buying additional inputs for safety stock considerations. Such safety stock buying was the most prevalent since December 2022.

S&P Global PMI: worldwide factory input buying for safety stock considerations

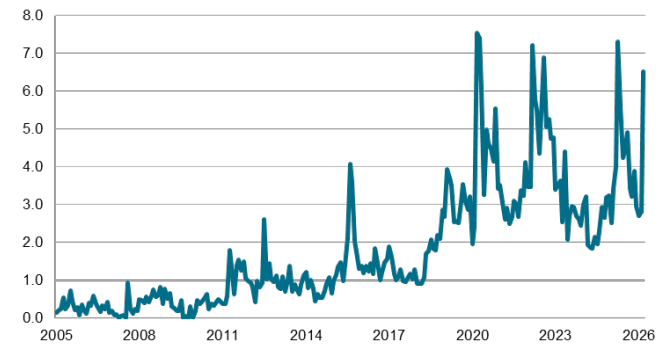


Data compiled April 2026.
 PMI (Purchasing Managers' Index). Axis scale 1 = long term average.
 Source: S&P Global PMI.
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Uncertainty spikes to near-record level

Adding to the supply concerns is the spike in economic uncertainty caused by the war in the Middle East. Manufacturing survey contributor comments pointed to one of the most elevated levels of uncertainty seen since comparable data were first available over two decades ago (albeit just below the spike in concern caused by the announcement of US tariffs last April).

PMI surveyed manufacturers globally citing lower orders and/or lower future output expectations due to "uncertainty"



Data compiled April 2026.
 Axis scale 1 = long term average.
 Source: S&P Global PMI.
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