

# Emerging Markets

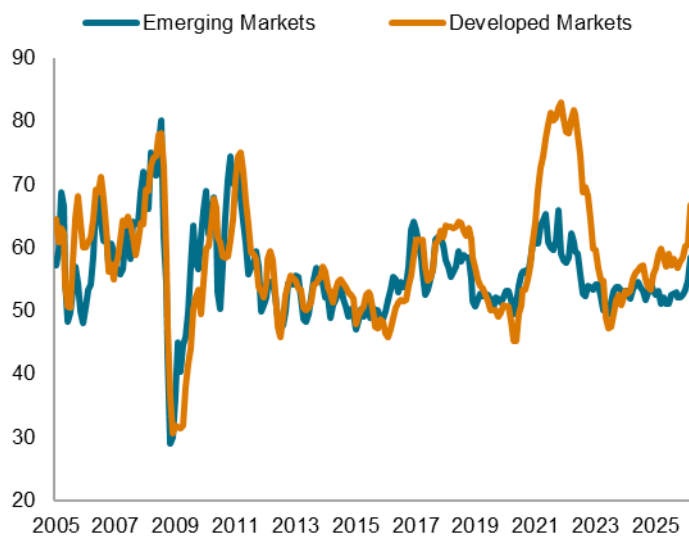
## Emerging market manufacturing input prices rise steeply amid Middle East war

Emerging market economies recorded a sharp upswing in manufacturing costs during March, as the outbreak of war in the Middle East led to widespread increases in the price of fuel, transport and other commodities, as well as a rise in US dollar-denominated import prices. The latest PMI data showed that overall emerging market manufacturing input prices rose at the fastest rate in close to four years, with marked accelerations observed in parts of Latin and Central America, South-East Asia and Central Europe.

### Emerging market manufacturing cost pressures accelerate in March

The seasonally adjusted Emerging Markets Manufacturing PMI Input Prices Index rose sharply in March, climbing to its highest since June 2022 and signalling a marked increase in input costs across global emerging economies. Although the rate of inflation was less sharp than observed over developed markets, the uptick in price pressures compared to February was similarly steep.

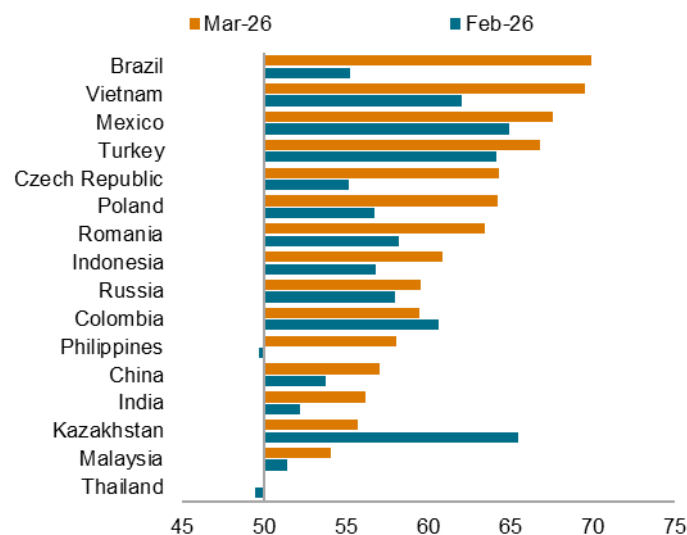
#### Manufacturing PMI input prices index



Data compiled April 2026 using PMI data updated to March 2026  
PMI (Purchasing Managers' Index) value of 50.0 = no change on prior month  
Source: S&P Global Market Intelligence.  
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Of the 16 emerging market economies where manufacturing sector PMI data are available, 14 reported an acceleration of input price inflation in March. Some of the fastest overall rises in input costs were seen in Latin and Central American economies, such as Brazil and Mexico, but marked upswings in Input Prices Index readings were also recorded in countries across Central Europe and South-East Asia, including Vietnam, Czech Republic, Poland and the Philippines.

#### Manufacturing PMI Input Prices Index



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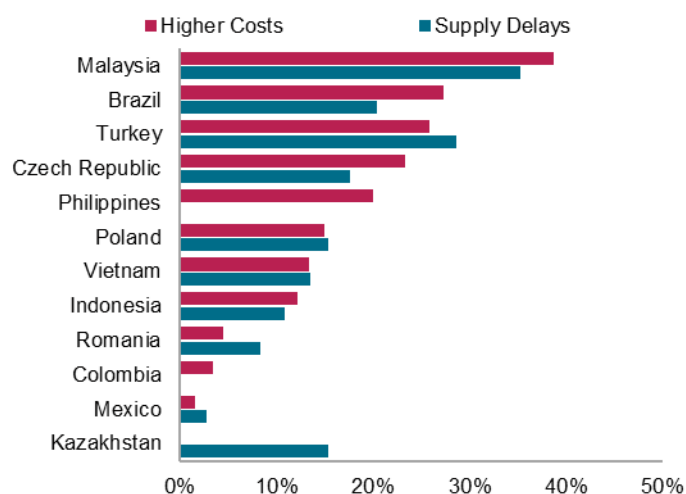
### Comments analysis highlight impact of war on supply side

Analysing the qualitative data provided by panellists to our global PMI surveys helps us to understand the extent to which the Middle East conflict shaped economic conditions in March. Comments showed that manufacturers faced increases in costs for a number of items, primarily oil, as well as oil-intensive inputs such as fuel, plastics and rubber. Shipping bottlenecks have also

resulted in some manufacturers facing higher freight prices, as well as delays in input deliveries.

Manufacturers in most of the emerging markets covered commented that the Middle East war had a direct impact on both overall input costs and supplier delivery times. Producers in Malaysia were the most likely to link both cost rises and vendor delays to the conflict. Here, PMI data signalled the greatest deterioration in supplier delivery times since May 2022, whilst cost pressures also accelerated and business sentiment weakened.

### Percentage of firms commenting that the war led to...



Data compiled April 2026 using PMI data updated to March 2026. Countries where 'war'-related comments were recorded.

This chart may be AI-assisted and is composed, reviewed, edited and approved by S&P Global.

Source: S&P Global Market Intelligence.

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As well as the direct impact of the war, survey anecdotal reports signalled that emerging market manufacturers were also impacted by a strengthening of the US dollar. Since the Middle East war began, the dollar has risen compared to a basket of emerging market currencies as increased investor risk in global financial markets sparked a flight to safety. This led producers to see prices on imported items – often denominated in US dollars – rise since February.

## Rise in manufacturing costs feeds through into output charges

The seasonally adjusted Emerging Markets Manufacturing PMI Output Prices Index also increased in March, showing that producers were more aggressive with their price setting as they attempted to pass through higher input prices to customers. The uplift in overall factory gate prices was the most marked in almost four years, although it remained less pronounced than the equivalent rise seen in developed markets.

## Manufacturing PMI output prices index



Data compiled April 2026 using PMI data updated to March 2026

PMI (Purchasing Managers' Index) value of 50.0 = no change on prior month  
Source: S&P Global Market Intelligence.

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These developments present fresh upside inflation risk in emerging markets as increases in manufacturing goods prices are likely to feed through into downstream markets and consumer prices. In Brazil for instance, where manufacturers hiked their charges at a much faster pace than in February, PMI data showed cost pressures across the services economy also accelerating sharply. While consumers are already feeling the effects of the Middle East war on their transport costs, the data suggests it may not be too long before prices on other key consumer items also start to increase.

Access the latest global manufacturing PMI press release [here](#).

## Links to more resources

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