

Manufacturing Activity Rebounds; PMI back to Growth Levels

Karachi, 01 December 2025: Pakistan's manufacturing sector showed signs of recovery in November, with the HBL Pakistan Manufacturing PMI, compiled by S&P Global, rising to 52.3, up from 49.6 in October. This marks the first expansion in three months, driven by a renewed surge in new orders, ending a six-month contraction streak. Respondents attributed the improvement to stronger client confidence and better product quality.

The rebound was largely fueled by domestic demand, as new export orders slid for the fifth consecutive month. Manufacturers cited higher taxes, inflationary pressures, and power supply challenges as key obstacles to serving overseas markets.

Amid improving demand, production volumes rose at the fastest pace since the start of the year while employment levels increased for the first time in six months. Purchasing activity also ticked higher after seven months of decline, partly to hedge against rising input costs.

Input prices climbed sharply, the fastest since February, attributed to higher raw material, fuel costs, and taxation. However, selling prices rose at a slower pace, as manufacturers absorbed part of the cost burden.

Commenting on the outlook, Humaira Qamar, Head of Equities & Research said "Manufacturers are confident that output will rise over the coming year, supported by plans for business expansion and new product launches, although inflationary pressures and subdued export performance remain key challenges for the sector. Given elevated inflation expectations, concerns over a widening trade deficit, and the lagged impact of previous reductions, we expect a status quo from the central bank in its December meeting."