INSTITUTE FOR SUPPLY MANAGEMENT

FOR RELEASE: **10:00 a.m. ET; July 1, 2025**

Contact: **Kristina Cahill**
***Report On Business*® Analyst**
ISM®, ROB/Research Manager
Tempe, Arizona
+1 480.455.5910
Email: kcahill@ismworld.org

Manufacturing PMI® at 49%

June 2025 Manufacturing ISM® *Report On Business*®

New Orders and Backlogs Contracting
Production Growing and Employment Contracting
Supplier Deliveries Slowing
Raw Materials Inventories Contracting; Customers' Inventories Too Low
Prices Increasing; Exports and Imports Contracting

*(*Tempe, Arizona) — Economic activity in the **manufacturing sector contracted in June for the fourth consecutive month, following a two-month expansion preceded by 26 straight months of contraction**, say the nation's supply executives in the latest **Manufacturing ISM® *Report On Business*®**.

The report was issued today by Susan Spence, MBA, Chair of the Institute for Supply Management® (ISM®) Manufacturing Business Survey Committee:

"The Manufacturing PMI® registered 49 percent in June, a 0.5-percentage point increase compared to the 48.5 percent recorded in May. The overall economy continued in expansion for the 62nd month after one month of contraction in April 2020. (A Manufacturing PMI® above 42.3 percent, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index contracted for the fifth month in a row following a three-month period of expansion; the figure of 46.4 percent is 1.2 percentage points lower than the 47.6 percent recorded in May. The June reading of the Production Index (50.3 percent) is 4.9 percentage points higher than May's figure of 45.4, returning the index to expansion territory. The Prices Index remained in expansion (or 'increasing') territory, registering 69.7 percent, up 0.3 percentage point compared to the reading of 69.4 percent reported in May. The Backlog of Orders Index registered 44.3 percent, down 2.8 percentage points compared to the 47.1 percent recorded in May. The Employment Index registered 45 percent, down 1.8 percentage points from May's figure of 46.8 percent.

"The Supplier Deliveries Index indicated slower delivery performance, though the pace picked up somewhat: The reading of 54.2 percent is down 1.9 percentage points from the 56.1 percent recorded in May. (Supplier Deliveries is the only ISM® *Report On Business*® index that is inversed; a reading of above 50 percent indicates slower deliveries, which is typical as the economy improves and customer demand increases.) The Inventories Index registered 49.2 percent, up 2.5 percentage points compared to May's reading of 46.7 percent.

"The New Export Orders Index reading of 46.3 percent is 6.2 percentage points higher than the reading of 40.1 percent registered in May. The Imports Index gained back its loss from the previous month, registering 47.4 percent, 7.5 percentage points higher than May's reading of 39.9 percent."

Spence continues, "In June, U.S. manufacturing activity slowed its rate of contraction, with improvements in inventories and production the biggest factors in the 0.5 percentage point gain in the Manufacturing PMI®.

"The **demand** indicators remain mixed, with the New Orders and Backlog of Orders indexes contracting at faster rates, while the Customers' Inventories and New Export Orders indexes contracted at slower rates. A 'too low' status for the Customers' Inventories Index is usually considered positive for future production.

"Regarding **output**, the Production Index increased month over month and is now in expansion territory, however; the Employment Index dropped further into contraction as managing head count is still the norm, as opposed to hiring. The mixed indicators in output suggest companies still being cautious in their hiring even with an increase in production.

"Finally, **inputs** are defined as supplier deliveries, inventories, prices and imports. The Inventories Index remains in contraction territory (though at a slower rate compared to May) after expanding in April, as companies completed pull-forward activity ahead of tariffs. The Supplier Deliveries Index indicated slower deliveries but improved performance, indicating that the delays in clearing goods through ports of entry are largely complete. Tariffs-induced prices growth accelerated, while the Imports Index remained in contraction but regained the ground it lost the previous month.

"Looking at the manufacturing economy, 46 percent of the sector's gross domestic product (GDP) contracted in June, down from 57 percent in May; however, 25 percent of GDP is strongly contracting (registering a composite PMI® of 45 percent or lower), up from 5 percent in May. The share of sector GDP with a PMI® at or below 45 percent is a good metric to gauge overall manufacturing weakness. Of the six largest manufacturing industries, four (Petroleum & Coal Products; Computer & Electronic Products; Machinery; and Food, Beverage & Tobacco Products) expanded in June, compared to two in May," says Spence.

The nine manufacturing industries reporting growth in June — listed in order — are: Apparel, Leather & Allied Products; Petroleum & Coal Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing; Furniture & Related Products; Computer & Electronic Products; Machinery; Food, Beverage & Tobacco Products; and Electrical Equipment, Appliances & Components. The six industries reporting contraction in June — in the following order — are: Textile Mills; Wood Products; Paper Products; Chemical Products; Transportation Equipment; and Fabricated Metal Products.

WHAT RESPONDENTS ARE SAYING

- "Business has notably slowed in last four to six weeks. Customers do not want to make commitments in the wake of massive tariff uncertainty." [Fabricated Metal Products]
- "Middle East unrest as well as unstable long-term tariff positions continue to impact second- and third-tier sources, which is applying pressure to material costs. Costs are up 6 percent to 10 percent over budgeted inflation — and the forecast accounted for the volatility expected with the current administration." [Wood Products]
- "The biopharmaceutical space is starting to see more pronounced headwinds: Stock prices have significantly eroded, companies are facing hiring freezes, and so on." [Chemical Products]
- "The tariff mess has utterly stopped sales globally and domestically. Everyone is on pause. Orders have collapsed." [Machinery]
- "Tariff volatility has impacted machinery, steel and specialized components. Also, potential shortages of skilled labor for construction, maintenance and installation." [Food, Beverage & Tobacco Products]

- "Tariffs continue to cause confusion and uncertainty for long-term procurement decisions. The situation remains too volatile to firmly put such plans into place." [Computer & Electronic Products]
- "Tariffs continue to impact material pricing." [Petroleum & Coal Products]
- "Tariffs, chaos, sluggish economy, rising prices, Ukraine, Iran, geopolitical unrest around the world — all make for a landscape that is hellacious, and fatigue is setting in due to dealing with these issues across the spectrum. Unfortunately, this is just the beginning unless something drastically changes, but the supply chain implications will grow — depots will not be stocked, less material will be available, and it will take years for domestic production to handle the needs (if companies even want to)." [Primary Metals]
- "The geopolitical environment remains volatile: (1) ongoing shifts in U.S. tariff policy make it difficult to plan, (2) emerging conflicts in the Middle East could pose long-term commodity risks and (3) China measures on rare earth materials are causing challenges. Overall outlook for our company is positive; it's just extremely hard to make near-term supply plans/strategies or budgets." [Miscellaneous Manufacturing]
- "The word that best describes the current market outlook is 'uncertainty.' The erratic trade policy with on-again/off-again tariffs has led to price uncertainty for customers, who appear to be prepared to hold off large capital purchases until stability returns. This has resulted in further reductions in customer demand and softening sales for the balance of 2025. Operations has planned additional weeks of downtime at multiple plants to accommodate reduced orders. Next year's forecast is not any better at this point. Additionally, most electric vehicle (EV) projects have been delayed or canceled, resulting in a significant amount of unutilized capital investment. EV technology launches for 2026-28 have been delayed past 2030." [Transportation Equipment]

MANUFACTURING AT A GLANCE June 2025						
Index	Series Index Jun	Series Index May	Percentage Point Change	Direction	Rate of Change	Trend* (Months)
Manufacturing PMI®	49.0	48.5	+0.5	Contracting	Slower	4
New Orders	46.4	47.6	-1.2	Contracting	Faster	5
Production	50.3	45.4	+4.9	Growing	From Contracting	1
Employment	45.0	46.8	-1.8	Contracting	Faster	5
Supplier Deliveries	54.2	56.1	-1.9	Slowing	Slower	7
Inventories	49.2	46.7	+2.5	Contracting	Slower	2
Customers' Inventories	46.7	44.5	+2.2	Too Low	Slower	9
Prices	69.7	69.4	+0.3	Increasing	Faster	9
Backlog of Orders	44.3	47.1	-2.8	Contracting	Faster	33
New Export Orders	46.3	40.1	+6.2	Contracting	Slower	4
Imports	47.4	39.9	+7.5	Contracting	Slower	3
OVERALL ECONOMY				Growing	Faster	62
Manufacturing Sector				Contracting	Slower	4

Manufacturing ISM® *Report On Business*® data is seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.
*Number of months moving in current direction.

COMMODITIES REPORTED UP/DOWN IN PRICE AND IN SHORT SUPPLY

Commodities Up in Price
Aluminum (19); Antimony; Corrugated Boxes (4); Electrical Components (5); Electronic Components (5); Natural Gas; Packaging Materials; Paper Products (2); Steel (5); Steel — Stainless (4); and Steel Products (4).

Commodities Down in Price
Steel — Hot Rolled.

Commodities in Short Supply
Electronic Components (4); and Labor.

Note: The number of consecutive months the commodity is listed is indicated after each item.

JUNE 2025 MANUFACTURING INDEX SUMMARIES

Manufacturing PMI®

The U.S. manufacturing sector contracted in June for the fourth consecutive month after two months of expansion preceded by 26 months of contraction. “The Manufacturing PMI® registered 49 percent, 0.5 percentage point higher compared to the 48.5 percent reported in May. Of the five subindexes that directly factor into the Manufacturing PMI®, two (Production and Supplier Deliveries) were in expansion territory, up from one in May. The slowing of supplier deliveries eased month over month, with a 1.9-percentage point improvement, indicating that port congestion and a drawdown of manufacturing inventories have eased. Both the Employment and New Orders indexes decreased and remain in contraction territory. Of the six biggest manufacturing industries, four (Petroleum & Coal Products; Computer & Electronic Products; Machinery; and Food, Beverage & Tobacco Products) registered growth,” says Spence. A reading above 50 percent indicates that the manufacturing sector is generally expanding; below 50 percent indicates that it is generally contracting.

A Manufacturing PMI® above 42.3 percent, over a period of time, generally indicates an expansion of the overall economy. Therefore, the June Manufacturing PMI® indicates the overall economy grew for the 62nd straight month after contracting in April 2020. “The past relationship between the Manufacturing PMI® and the overall economy indicates that the June reading (49 percent) corresponds to a change of plus-1.9 percent in real gross domestic product (GDP) on an annualized basis,” says Spence.

THE LAST 12 MONTHS

Month	Manufacturing PMI®	Month	Manufacturing PMI®
Jun 2025	49.0	Dec 2024	49.2
May 2025	48.5	Nov 2024	48.4
Apr 2025	48.7	Oct 2024	46.9
Mar 2025	49.0	Sep 2024	47.5
Feb 2025	50.3	Aug 2024	47.5
Jan 2025	50.9	Jul 2024	47.0
Average for 12 months – 48.6 High – 50.9 Low – 46.9			

New Orders

ISM®’s New Orders Index contracted in June for the fifth consecutive month after three consecutive months of expansion, registering 46.4 percent, a decrease of 1.2 percentage points compared to May’s figure of 47.6 percent. This reading is below the 12-month moving average (48.4 percent) for the New Orders Index, which hasn’t indicated consistent growth since a 24-month streak of expansion ended in May 2022. “Of the six largest manufacturing sectors, three (Petroleum & Coal Products; Food, Beverage & Tobacco Products; and Computer & Electronic Products) reported increased new orders. Panelists noted continued weak demand, with a 1-to-1.7 ratio of positive comments to those expressing concern about near-term demand. Overall, new orders continue to slow, as which party will pay for potential tariff costs is still the prime issue in negotiations between buyers and sellers,” says Spence. A New Orders Index above 52.1 percent, over time, is generally consistent with an increase in the Census Bureau’s series on manufacturing orders (in constant 2000 dollars).

The seven manufacturing industries that reported growth in new orders in June, in order, are: Apparel, Leather & Allied Products; Petroleum & Coal Products; Furniture & Related Products; Nonmetallic Mineral Products; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; and Computer & Electronic Products. The seven industries reporting a decline in new orders in May, in order, are: Paper Products; Textile Mills; Transportation Equipment; Chemical Products; Electrical Equipment, Appliances & Components; Machinery; and Fabricated Metal Products.

New Orders	%Higher	%Same	%Lower	Net	Index
Jun 2025	20.5	52.2	27.3	-6.8	46.4
May 2025	25.0	48.1	26.9	-1.9	47.6
Apr 2025	28.1	45.2	26.7	+1.4	47.2
Mar 2025	19.9	56.8	23.3	-3.4	45.2

Production

The Production Index entered expansion territory for the first time in four months in June, registering 50.3 percent, 4.9 percentage points higher than the May reading of 45.4 percent. Prior to the readings of expansion in January and February, the index was in contraction territory for eight consecutive months, with the previous reading above 50 percent in April 2024 (50.7 percent). Of the six largest manufacturing sectors, four (Petroleum & Coal Products; Computer & Electronic Products; Machinery; and Transportation Equipment) reported increased production. “Production levels in June, while improved, are still fragile as order books remain weak and new orders continue to decline. Panelists noted reduced output in production due to business-climate uncertainty, with a 1-to-1.5 ratio of positive to negative comments,” says Spence. An index above 52.1 percent, over time, is generally consistent with an increase in the Federal Reserve Board’s Industrial Production figures.

The eight industries reporting growth in production during the month of June — in the following order — are: Apparel, Leather & Allied Products; Petroleum & Coal Products; Miscellaneous Manufacturing; Furniture & Related Products; Computer & Electronic Products; Plastics & Rubber Products; Machinery; and Transportation Equipment. The six industries reporting a decrease in production in June, in order, are: Textile Mills; Paper Products; Wood Products; Nonmetallic Mineral Products; Chemical Products; and Food, Beverage & Tobacco Products.

Production	%Higher	%Same	%Lower	Net	Index
Jun 2025	20.7	60.6	18.7	+2.0	50.3
May 2025	19.1	56.3	24.6	-5.5	45.4
Apr 2025	19.8	56.0	24.2	-4.4	44.0
Mar 2025	21.0	58.1	20.9	+0.1	48.3

Employment

ISM®’s Employment Index registered 45 percent in June, 1.8 percentage points lower than May’s reading of 46.8 percent. “The index posted its fifth consecutive month of contraction after expanding in January, with seven straight months of contraction before that. Since May 2022, the Employment Index has contracted in 31 of 38 months. Of the six big manufacturing sectors, two (Petroleum & Coal Products; and Machinery) reported expanded employment in June. For every comment on hiring, there were 3.2 on reducing head counts — one of the widest ratios since ISM began tracking employment comments — reflecting companies’ continuing focus on accelerating staff reductions due to uncertain near- to mid-term demand. Layoffs were the primary measure, an indication that staff shrinking continues to be urgent,” says Spence. An Employment Index above 50.3 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) data on manufacturing employment.

Of the 18 manufacturing industries, the four reporting employment growth in June are: Nonmetallic Mineral Products; Paper Products; Petroleum & Coal Products; and Machinery. The 10 industries reporting a decrease in employment in June, in the following order, are: Textile Mills; Primary Metals; Chemical Products; Furniture & Related Products; Electrical Equipment, Appliances & Components; Fabricated Metal Products; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Transportation Equipment; and Computer & Electronic Products.

Employment	%Higher	%Same	%Lower	Net	Index
Jun 2025	10.4	72.1	17.5	-7.1	45.0
May 2025	14.1	68.2	17.7	-3.6	46.8
Apr 2025	13.1	70.7	16.2	-3.1	46.5
Mar 2025	8.3	73.7	18.0	-9.7	44.7

Supplier Deliveries†

Delivery performance of suppliers to manufacturing organizations was slower for the seventh consecutive month in June, with the Supplier Deliveries Index registering 54.2 percent, a 1.9-percentage point decrease compared to the reading of 56.1 percent reported in May. This index reading, which indicates slower but slightly improved delivery performance, indicates the easing of port congestion once the pull-forward demand was largely completed in May. Of the six big industries, five (Computer & Electronic Products; Transportation Equipment; Chemical Products; Food, Beverage & Tobacco Products; and Machinery) reported slower supplier deliveries in June. “The findings in June suggest the deliveries continued to be strained because suppliers and panelists’ companies were haggling over who pays for applied tariffs,” says Spence. A reading below 50 percent indicates faster deliveries, while a reading above 50 percent indicates slower deliveries.

The nine manufacturing industries reporting slower supplier deliveries in June — in the following order — are: Textile Mills; Electrical Equipment, Appliances & Components; Computer & Electronic Products; Nonmetallic Mineral Products; Primary Metals; Transportation Equipment; Chemical Products; Food, Beverage & Tobacco Products; and Machinery. The only industry reporting faster supplier deliveries in June is Paper Products. Eight industries reported no change in supplier deliveries.

Supplier Deliveries	%Slower	%Same	%Faster	Net	Index
Jun 2025	14.7	79.0	6.3	+8.4	54.2
May 2025	19.1	73.9	7.0	+12.1	56.1
Apr 2025	16.6	77.2	6.2	+10.4	55.2
Mar 2025	13.4	80.2	6.4	+7.0	53.5

Inventories

The Inventories Index registered 49.2 percent in June, up 2.5 percentage points compared to the reading of 46.7 in May. “Of the six big industries, two (Food, Beverage & Tobacco Products; and Machinery) expanded in June,” says Spence. An Inventories Index greater than 44.5 percent, over time, is generally consistent with expansion in the Bureau of Economic Analysis (BEA) figures on overall manufacturing inventories (in chained 2000 dollars).

Of 18 manufacturing industries, the nine reporting higher inventories in June — listed in order —are: Apparel, Leather & Allied Products; Paper Products; Textile Mills; Nonmetallic Mineral Products; Primary Metals; Miscellaneous Manufacturing; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; and Machinery. The six industries reporting lower inventories in June — listed in order — are: Wood Products; Computer & Electronic Products; Chemical Products; Transportation Equipment; Plastics & Rubber Products; and Fabricated Metal Products.

Inventories	%Higher	%Same	%Lower	Net	Index
Jun 2025	15.6	64.9	19.5	-3.9	49.2
May 2025	15.6	63.2	21.2	-5.6	46.7
Apr 2025	20.8	59.2	20.0	+0.8	50.8
Mar 2025	21.5	65.7	12.8	+8.7	53.4

Customers' Inventories†

ISM®'s Customers' Inventories Index registered a reading of 46.7 percent in June, an increase of 2.2 percentage points compared to the reading of 44.5 percent in May. "Customers' inventory levels in June continued to contract but moved closer to 'about right' territory. Panelists reported that the amounts of their companies' products in their customers' inventories continue to suggest a demand level that remains positive for future production," says Spence. (For more information about the Customers' Inventories Index, see the "Data and Method of Presentation" section below.)

The four industries reporting customers' inventories as too high in June are: Textile Mills; Paper Products; Computer & Electronic Products; and Transportation Equipment. The seven industries reporting customers' inventories as too low in June, in order, are: Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Chemical Products; Fabricated Metal Products; Electrical Equipment, Appliances & Components; and Food, Beverage & Tobacco Products. Seven industries reported no change.

Customers' Inventories	% Reporting	%Too High	%About Right	%Too Low	Net	Index
Jun 2025	72	14.1	65.2	20.7	-6.6	46.7
May 2025	69	9.9	69.2	20.9	-11.0	44.5
Apr 2025	76	11.1	70.2	18.7	-7.6	46.2
Mar 2025	77	11.8	70.0	18.2	-6.4	46.8

Prices†

The ISM® Prices Index registered 69.7 percent in June, increasing 0.3 percentage point compared to the May reading of 69.4 percent, indicating raw materials prices increased for the ninth straight month after a decrease in September. The Prices Index has increased 17.2 percentage points over the past six months. The last three months have brought the index's highest readings since June 2022 (78.5 percent): 69.8 percent in April, 69.7 percent in June, and 69.4 percent in May. All of the six largest manufacturing industries — Petroleum & Coal Products; Food, Beverage & Tobacco Products; Machinery; Chemical Products; Computer & Electronic Products; and Transportation Equipment, in that order — reported price increases in June. "The Prices Index reading continues to be driven by increases in steel and aluminum prices that impact the entire value chain, as well as the general 10-percent tariff applied to many imported goods. Higher prices were reported by 45.6 percent of panelists' companies in June, slightly up from 45.1 percent in May. This share has consistently increased over the prior eight months, from a low of 12.2 percent in November to 49.2 percent in April," says Spence. A Prices Index above 52.8 percent, over time, is generally consistent with an increase in the Bureau of Labor Statistics (BLS) Producer Price Index for Intermediate Materials.

In June, the 15 industries that reported paying increased prices for raw materials, in order, are: Textile Mills; Nonmetallic Mineral Products; Petroleum & Coal Products; Primary Metals; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Wood Products; Machinery; Chemical Products;

Electrical Equipment, Appliances & Components; Computer & Electronic Products; Fabricated Metal Products; Furniture & Related Products; Plastics & Rubber Products; and Transportation Equipment. No industries reported paying decreased prices for raw materials in June.

Prices	%Higher	%Same	%Lower	Net	Index
Jun 2025	45.6	48.1	6.3	+39.3	69.7
May 2025	45.1	48.5	6.4	+38.7	69.4
Apr 2025	49.2	41.1	9.7	+39.5	69.8
Mar 2025	46.0	46.7	7.3	+38.7	69.4

Backlog of Orders†

ISM®'s Backlog of Orders Index registered 44.3 percent, a decrease of 2.8 percentage points compared to the May reading of 47.1 percent, indicating order backlogs contracted for the 33rd consecutive month after a 27-month period of expansion. Of the six largest manufacturing industries, two (Petroleum & Coal Products; and Computer & Electronic Products) reported expansion in order backlogs in June. "Continued contraction in both the New Orders and the Backlog of Orders Indexes means that trade issues and other geopolitical tensions are still at play, and significant improvement shouldn't be expected until those issues begin to recede," says Spence.

Of the 18 manufacturing industries, the three that reported growth in order backlogs in June are: Petroleum & Coal Products; Computer & Electronic Products; and Miscellaneous Manufacturing. The 12 industries reporting lower backlogs in June — in the following order — are: Paper Products; Nonmetallic Mineral Products; Textile Mills; Plastics & Rubber Products; Wood Products; Fabricated Metal Products; Primary Metals; Chemical Products; Electrical Equipment, Appliances & Components; Machinery; Transportation Equipment; and Food, Beverage & Tobacco Products.

Backlog of Orders	% Reporting	%Higher	%Same	%Lower	Net	Index
Jun 2025	91	14.9	58.7	26.4	-11.5	44.3
May 2025	92	15.8	62.6	21.6	-5.8	47.1
Apr 2025	92	15.1	57.2	27.7	-12.6	43.7
Mar 2025	91	15.4	58.2	26.4	-11.0	44.5

New Export Orders†

ISM®'s New Export Orders Index contracted in June, registering 46.3 percent, up 6.2 percentage points from May's reading of 40.1 percent. "Export orders contracted for the fourth consecutive month after growing in January and February. This brief period of expansion followed an 'unchanged' status (a reading of 50 percent), preceded by six straight months of contraction. The slower contraction for new export orders could be indicative of a 'too low' level of customer's inventories returning some of the demand that had been lost due to slow overseas growth and counter tariffs on many U.S.-manufactured products," says Spence.

Of the 18 manufacturing industries, the four that reported growth in new export orders in June are: Wood Products; Furniture & Related Products; Nonmetallic Mineral Products; and Miscellaneous Manufacturing. The 10 industries reporting a decrease in new export orders in June — in the following order — are: Paper Products; Plastics & Rubber Products; Textile Mills; Fabricated Metal Products; Electrical Equipment, Appliances & Components; Food, Beverage & Tobacco Products; Chemical Products; Computer & Electronic Products; Machinery; and Transportation Equipment.

New Export Orders	% Reporting	%Higher	%Same	%Lower	Net	Index
Jun 2025	75	12.1	68.3	19.6	-7.5	46.3
May 2025	73	11.8	56.5	31.7	-19.9	40.1
Apr 2025	74	8.7	68.8	22.5	-13.8	43.1
Mar 2025	73	12.1	74.9	13.0	-0.9	49.6

Imports†

ISM®'s Imports Index remained in contraction for the third month in June after expanding for three straight months. The June figure of 47.4 percent is an increase of 7.5 percentage points, making up the ground lost from a reading of 39.9 percent in May. "Imports are contracting, though at a slower rate. The need to maintain import levels from previous months is lower, due in large part to demand and tariff pricing," says Spence.

The seven industries reporting an increase in import volumes in June — in the following order — are: Apparel, Leather & Allied Products; Petroleum & Coal Products; Miscellaneous Manufacturing; Food, Beverage & Tobacco Products; Furniture & Related Products; Plastics & Rubber Products; and Fabricated Metal Products. The 10 industries that reported lower volumes of imports in June — in the following order — are: Paper Products; Textile Mills; Chemical Products; Wood Products; Primary Metals; Nonmetallic Mineral Products; Machinery; Electrical Equipment, Appliances & Components; Transportation Equipment; and Computer & Electronic Products.

Imports	% Reporting	%Higher	%Same	%Lower	Net	Index
Jun 2025	86	15.3	64.2	20.5	-5.2	47.4
May 2025	85	13.2	53.3	33.5	-20.3	39.9
Apr 2025	82	15.4	63.4	21.2	-5.8	47.1
Mar 2025	86	16.5	67.1	16.4	+0.1	50.1

†The Supplier Deliveries, Customers' Inventories, Prices, Backlog of Orders, New Export Orders, and Imports indexes do not meet the accepted criteria for seasonal adjustments.

Buying Policy

The average commitment lead time for Capital Expenditures in June was 175 days, an increase of four days compared to May. The average lead time in June for Production Materials was 85 days, an increase of four days compared to May. The average lead time for Maintenance, Repair and Operating (MRO) Supplies was 48 days, an increase of one day compared to May.

Percent Reporting							
Capital Expenditures	Hand-to-Mouth	30 Days	60 Days	90 Days	6 Months	1 Year+	Average Days
Jun 2025	17	3	9	13	29	29	175
May 2025	18	2	9	14	30	27	171
Apr 2025	16	4	11	14	28	27	169
Mar 2025	17	3	10	15	30	25	165

Percent Reporting							
Production Materials	Hand-to-Mouth	30 Days	60 Days	90 Days	6 Months	1 Year+	Average Days
Jun 2025	9	22	28	26	9	6	85
May 2025	8	24	30	24	9	5	81
Apr 2025	10	24	25	26	9	6	84
Mar 2025	8	24	27	28	9	4	80

Percent Reporting							
MRO Supplies	Hand-to-Mouth	30 Days	60 Days	90 Days	6 Months	1 Year+	Average Days
Jun 2025	32	33	17	11	5	2	48
May 2025	31	35	16	10	7	1	47
Apr 2025	31	33	18	12	5	1	46
Mar 2025	30	33	20	10	6	1	47

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report. The information compiled in this report is for the month of June 2025.

The data presented herein is obtained from a survey of manufacturing supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **Manufacturing ISM® *Report On Business®*** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Committee is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data is weighted based on each industry's contribution to GDP. According to BEA estimates (the average of the fourth quarter 2023 GDP estimate and the GDP estimates for first, second, and third quarter 2024, as released on December 19, 2024), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; and Petroleum & Coal Products.

Survey responses reflect the change, if any, in the current month compared to the previous month. For nine indicators (New Orders, Backlog of Orders, New Export Orders, Imports, Production, Supplier Deliveries, Inventories, Employment, and Prices), this report shows the percentage reporting each response, the net difference between the number of responses in the positive economic direction (higher, better and slower for Supplier Deliveries) and the negative economic direction (lower, worse and faster for Supplier Deliveries), and the diffusion index. For Customers' Inventories, respondents report their assessment of their customers' stock levels of respondent companies' products this month (rather than last month): too high, about right, and too low. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (Manufacturing PMI®, New Orders, Production, Employment and Inventories) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them. The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted).

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change. A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing PMI® above 42.3 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 42.3 percent, it is generally declining. The distance from 50 percent or 42.3 percent is indicative of the extent of the expansion or decline. With some of the indicators within this report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis. For the Customers' Inventories Index, numerically, a reading: above 50 percent is "too high," equal to 50 percent is "about right," and below 50 percent is "too low." However, in practice and in the context of other data, customers' inventories may be considered to be "about right" if the diffusion index is between 52 percent (the high side of about right) and 48 percent (the low side of about right).

The **Manufacturing ISM® *Report On Business®*** survey is sent out to Manufacturing Business Survey Committee respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity. ISM® then compiles the report for release on the first business day of the following month.

The industries reporting growth, as indicated in the **Manufacturing ISM® *Report On Business®*** monthly report, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

Responses to Buying Policy reflect the percent reporting the current month's lead time, the approximate weighted number of days ahead for which commitments are made for Capital Expenditures; Production Materials; and Maintenance, Repair and Operating (MRO) Supplies, expressed as hand-to-mouth (five days), 30 days, 60 days, 90 days, six months (180 days), a year or more (360 days), and the weighted average number of days. These responses are raw data, never revised, and not seasonally adjusted.

About Institute for Supply Management® (ISM®)

Institute for Supply Management® (ISM®) is the first and leading not-for-profit professional supply management organization worldwide. Its community of more than 50,000 in more than 100 countries around the world manage about US$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 by practitioners, ISM is committed to advancing the strategy and practice of integrated, end-to-end supply chain management through leading edge data-driven resources, community, and education to empower individuals, create organizational value and to drive competitive advantage. ISM's vision is to foster a prosperous, sustainable world. ISM empowers and leads the profession through the ISM® *Report On Business®*, its highly regarded certification and training programs, corporate services, events and assessments. The ISM® Report On Business®, Manufacturing, Services, and Hospital are three of the most reliable economic indicators available, providing guidance to supply management professionals, economists, analysts, and government and business leaders. For more information, please visit: www.ismworld.org.

The full text version of the **Manufacturing ISM®** ***Report On Business®*** is posted on ISM®'s website at www.ismrob.org on the first business day* of every month after 10:00 a.m. ET. The one exception is in January when the report is released on the second business day of the month.

The next **Manufacturing ISM®** ***Report On Business®*** featuring July 2025 data will be released at 10:00 a.m. ET on Friday, August 1, 2025.

*Unless the New York Stock Exchange is closed.