



Source: UBS

PMI Switzerland: Fear of protectionism increases

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- **The procure.ch Purchasing Managers' Index (PMI) slightly increased in February over the previous month, reaching 49.6 points, just below the growth threshold of 50 points.**
- **The Services PMI was able to confirm the strong increase from January with 56.8 points.**
- **More surveyed companies expect an increase in protectionist measures over the next 12 months than in January or December.**

Purchasing managers' index (PMI) survey

The procure.ch Purchasing Managers' Index (PMI) is a collaborative undertaking of the Swiss Trade Association for Purchasing and Supply Management procure.ch and UBS. It is based on a monthly survey of procure.ch members. The survey and its evaluation are undertaken in accordance with the guidelines of the International Federation of Purchasing and Supply Management, which have been tried and tested in the United States for decades. The association procure.ch carries out the survey while UBS evaluates and publishes the results.



Fig. 1: Manufacturing PMI improves in February

Growth threshold = 50 points



Sources: procure.ch, UBS

PMI manufacturing

The procure.ch Purchasing Managers' Index (PMI) rose by 2.1 points to 49.6 in February, now sitting just below the growth threshold of 50 points, as it did last fall. The (export-oriented) industrial sector was stable in February despite the Trump administration's increasing protectionism and the associated uncertainty.

Backlog of orders has stabilized

The reduction in employment continued to slow in February, with the corresponding component increasing by 2.2 points over January to 49.3 points. The purchasing managers' index was supported by the backlog of orders component, which stabilized in February owing to a 3.7-point improvement to 49.6 points. An improved order situation also has the potential to benefit other subcomponents and the overall index.

The output component was able to build on the increase in January, at 49.3 points, just below the growth threshold. Stocks of purchases and finished goods also showed a less marked decline in February than in the previous month, although purchase prices—especially for metals, electronic products, and paper materials—had increased. In addition, the surveyed companies reported an increase in delayed goods in the electronics sector in February, which could explain the increase in delivery times to 51.9 points (from 50.7 in January).

PMI manufacturing (subindices)

	higher	same	lower	Index	+/-	Index	+/-
	(%)	(%)	(%)			(s)	(s)
Output	35	40	25	54.7	8.3	49.3	0.8
Backlog of orders	31	44	25	53.3	7.3	49.6	3.7
Quantity of purchases	28	47	26	51.1	3.8	47.6	0.8
Purchase prices	20	70	10	54.7	2.9	52.9	3.1
Suppliers' delivery times	10	84	6	52.2	3.1	51.9	1.2
Stocks of purchases	22	52	25	48.6	4.0	47.2	1.9
Stocks of finished goods	20	58	22	48.9	4.3	48.0	0.7
Employment	14	71	15	49.3	2.0	49.3	2.2

PMI services (subindices)

	higher	same	lower	Index	+/-	Index	+/-
	(%)	(%)	(%)			(s)	(s)
Business activity	32	53	15	58.6	3.5	58.3	0.0
New orders	32	57	10	60.9	5.8	58.5	0.8
Backlog of orders	29	59	12	58.7	4.9	55.5	-2.0
Purchase prices	29	67	4	62.9	6.1	61.9	8.7
Sale prices	13	80	6	53.7	-3.3	53.3	-3.3
Employment	15	78	7	54.1	1.0	54.7	0.1

The tables summarise the results of the latest survey. For each subindex, the table shows the percentage of each response which is "higher than", the "same as" or "lower than" the previous month. The current level of the index is also indicated. The level of each subindex is the sum of the percentage of "higher" responses plus half of the percentage of "same" responses. The manufacturing PMI is the weighted average (weights in brackets) of the following subindices: "output" (0.25), "backlog of orders" (0.30), "suppliers' delivery times" (0.15), "stocks of purchases" (0.10) and "employment" (0.20). The services PMI is the weighted average of the following subindices: "business activity" (0.25), "new orders" (0.25), "backlog of orders" (0.30) and "employment" (0.20). If the PMI or a subindex is above the 50 mark this indicates growth, while an index below 50 indicates contraction.

Sources: procure.ch, UBS

(s): seasonally adjusted

PMI manufacturing (seasonally adjusted)

		PMI	PMI (s)
2024	Feb.	45.8	43.6
	Mar.	47.2	44.6
	April	43.2	42.1
	May	46.3	47.2
	June	44.9	44.8
	July	43.6	45.1
	Aug.	47.1	49.3
	Sep.	49.1	48.9
	Oct.	48.7	49.2
	Nov.	47.9	47.7
	Dec.	45.7	47.0
	2025	Jan.	46.7
Feb.		52.2	49.6

Sources: procure.ch, UBS

(s): seasonally adjusted

PMI services (seasonally adjusted)

		PMI	PMI (s)
2024	Feb.	53.2	51.8
	Mar.	50.1	47.0
	April	56.4	55.6
	May	49.5	49.4
	June	53.1	52.5
	July	40.9	46.9
	Aug.	51.0	53.1
	Sep.	52.1	50.5
	Oct.	53.2	52.0
	Nov.	54.9	51.4
	Dec.	49.9	51.3
	2025	Jan.	54.3
Feb.		58.3	56.8

PMI services

The PMI of the services sector noted a decrease of 0.4 points in February compared to January, but remains at 56.8 points, which is significantly above the growth threshold of 50 points, confirming January's strong increase.

Sharp increase in purchase prices

Both the business activity component and the employment component remained significantly above the 50-point mark in February and indicated growth. The confirmation of the January values of these two key components hints at a sustainable expansion in the services sector. This is also supported by the development of the new orders component—it was able to

continue to increase to 58.5 points in February from 57.7 points in January. However, the backlog of orders component fell by 2 points compared to the previous month, but was still significantly above the growth threshold.

The purchase prices component jumped 8.7 points in February over the previous month and is now over 60 points, while the sales prices component fell below 54 points, indicating margin compression.

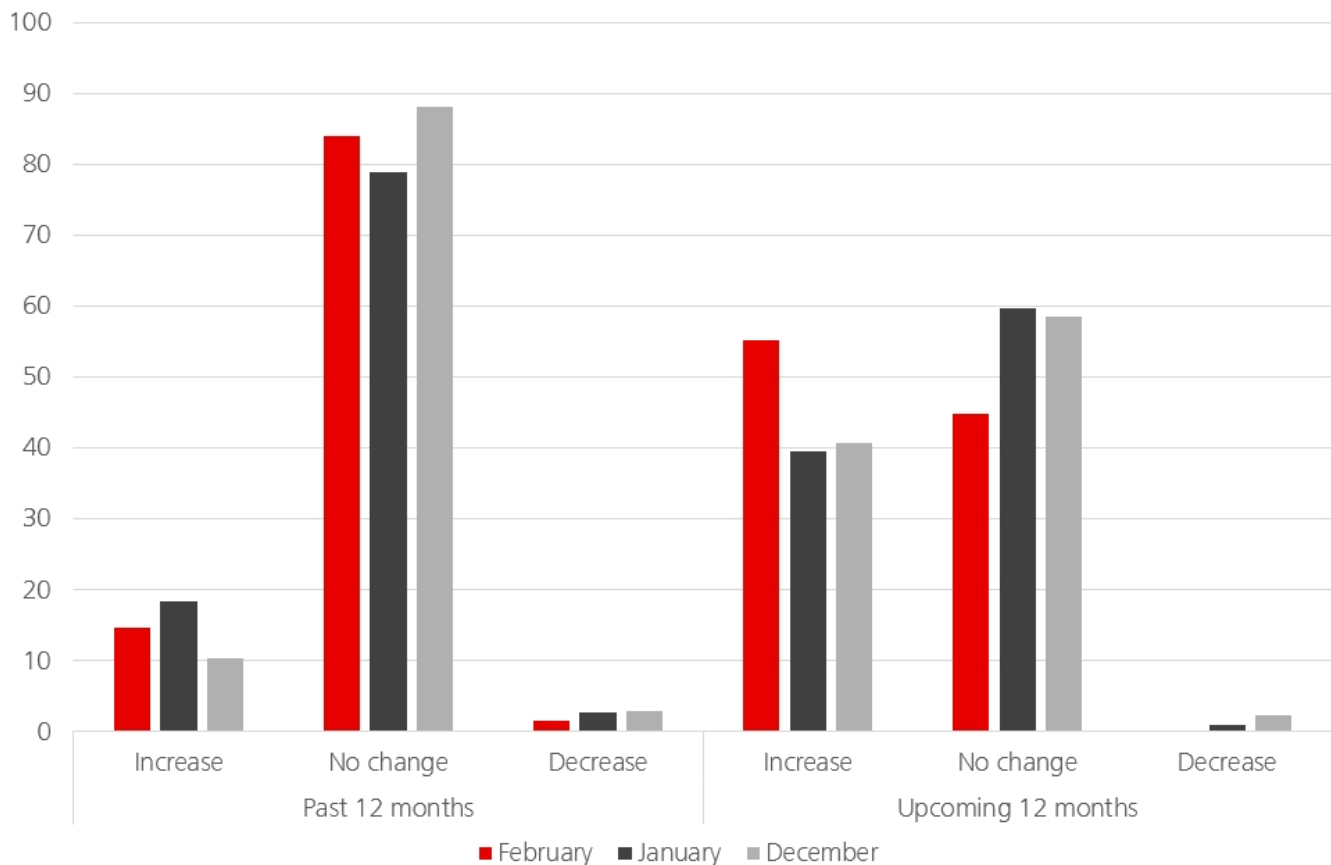
More industrial companies fear protectionism

As in the previous two months, we asked companies about their experiences and expectations regarding protectionist measures. While a large majority of industrial companies continued to indicate that they had not been affected by trade barriers in the past 12 months, fears that such measures could be introduced during the year increased. In February, 55% of respondents expected an increase in protectionist measures in the coming 12 months. This represents an increase of 15 percentage points compared to January and December. Now, no companies indicated that they expect a decrease in trade barriers in the coming 12 months.

The assessment was different in the services sector. In February, the share of respondents expecting an increase in protectionist measures fell back to less than 30%.

Fig. 2: Protectionism: Industry review and outlook

In % of all responses



Sources: procure.ch, UBS

Question 1: Have you been affected by an increase or decrease in protectionist measures (e.g., tariffs or non-tariff measures) in foreign trade (exports or imports) over the past 12 months?

Question 2: Do you expect an increase or decrease in protectionist measures affecting you in foreign trade over the next 12 months?

PMI (manufacturing) and subindices (seasonally adjusted)

		PMI	Output	Backlog of orders	Quantity of purchases	Purchase prices	Suppliers' delivery times	Stocks of purchases	Stocks of finished goods	Employment
2023	Sep.	44.2	47.4	41.8	34.0	42.7	36.3	43.4	51.2	50.0
	Oct.	40.2	39.8	35.0	33.5	46.5	36.9	44.2	50.0	48.9
	Nov.	41.5	45.0	37.9	33.5	47.9	36.5	42.8	49.3	45.8
	Dec.	41.8	42.9	38.7	34.7	40.1	36.2	44.3	46.3	48.3
2024	Jan.	43.0	39.4	40.9	38.0	45.5	45.5	45.1	50.5	47.7
	Feb.	43.6	44.1	40.3	40.6	45.6	45.1	44.8	50.1	46.1
	Mar.	44.6	44.6	43.9	39.9	43.1	44.0	40.9	45.7	47.8
	April	42.1	40.4	40.7	37.2	48.6	41.2	43.6	47.8	46.2
	May	47.2	51.2	47.2	42.3	49.2	45.9	40.1	47.8	46.8
	June	44.8	45.9	43.5	40.7	50.0	47.6	37.7	47.2	46.7
	July	45.1	45.5	43.1	39.8	51.6	47.9	42.3	49.7	46.9
	Aug.	49.3	53.3	49.7	50.9	52.5	48.5	45.0	52.3	46.4
	Sep.	48.9	50.4	49.3	42.8	48.7	49.2	45.5	50.8	48.1
	Oct.	49.2	52.6	51.2	42.9	46.5	47.7	43.8	49.1	45.6
	Nov.	47.7	48.8	49.9	46.5	46.9	47.7	43.1	47.9	45.2
	Dec.	47.0	47.4	48.3	45.7	48.7	48.7	46.0	47.1	44.0
2025	Jan.	47.5	48.5	46.0	46.8	49.9	50.7	45.3	47.4	47.1
	Feb.	49.6	49.3	49.6	47.6	52.9	51.9	47.2	48.0	49.3

Sources: procure.ch, UBS

PMI (services) and subindices (seasonally adjusted)

		PMI	Business activity	New orders	Backlog of orders	Purchase prices	Sale prices	Employment
2023	Sep.	53.4	56.7	54.2	49.8	62.6	54.1	53.6
	Oct.	52.4	56.3	53.1	50.4	57.5	49.6	49.6
	Nov.	53.4	55.3	55.4	52.2	54.3	50.4	50.5
	Dec.	55.2	56.2	57.8	53.4	57.1	49.5	53.1
2024	Jan.	53.6	58.4	52.9	51.6	57.0	49.8	51.5
	Feb.	51.8	55.0	52.1	49.3	54.5	48.1	51.2
	Mar.	47.0	49.1	45.4	44.0	50.9	51.0	51.1
	April	55.6	55.2	55.6	56.5	57.7	48.7	54.9
	May	49.4	52.6	52.0	45.1	59.7	50.5	48.8
	June	52.5	55.6	51.1	52.5	56.0	49.1	50.2
	July	46.9	51.7	44.5	44.7	58.6	47.9	47.1
	Aug.	53.1	57.3	54.2	51.3	50.8	46.9	49.0
	Sep.	50.5	55.4	51.0	50.1	51.3	46.5	44.4
	Oct.	52.0	52.8	52.4	52.4	50.3	49.4	49.8
	Nov.	51.4	54.2	52.2	49.6	51.7	48.1	49.5
	Dec.	51.3	56.7	51.4	49.3	54.0	48.2	47.5
2025	Jan.	57.2	58.3	57.7	57.6	53.2	56.7	54.6
	Feb.	56.8	58.3	58.5	55.5	61.9	53.3	54.7

Sources: procure.ch, UBS

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