

Russian Manufacturing Activity Falls for Seventh Straight Month as 2025 Ends

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Vasily Kuzmichenok / Moskva News Agency

Russia's manufacturing sector continued to weaken at the end of 2025, with business activity declining for a seventh consecutive month, according to a [survey](#) by S&P Global.

S&P Global's Purchasing Managers' Index (PMI) for Russian manufacturing fell to 48.1 in December compared to 48.3 last month. A PMI value above 50 points indicates growth, whereas anything below signifies a decline.

Companies reported declines in both output and new orders, with production falling at its fastest pace since March 2022, S&P Global said.

Respondents attributed weaker sales to cautious customers and falling purchasing power.

Expectations for the year ahead slid to their lowest level since May 2022, prompting companies to cut employment again and reduce purchasing activity amid worsening outlooks, the survey said.

Input costs rose at their fastest pace since March, with firms passing on higher expenses to customers by raising prices.

Related article: [Did Russia's Defense-Sector Boom Peak in 2025?](#)

Dmitry Belousov of the Center for Macroeconomic Analysis and Short-Term Forecasting (CMASF) [said](#) that company managers have not expressed such persistently negative sentiment since the Covid-19 pandemic.

Official industrial output data for December have not yet been released.

November figures [showed](#) a 1.5% month-on-month decline after seasonal adjustment as well as a 0.7% year-on-year decrease.

A temporary uptick in October proved short-lived, with output in September–November rising only 0.2% per month on average, CMASF [said](#).

Recent fluctuations have largely been driven by sectors with significant defense-industry involvement, while output in the civilian core of manufacturing has stagnated for the past four months, CMASF said.

Even President Vladimir Putin has [acknowledged](#) emerging “imbalances” in the economy, with output falling in several industries.

Vladimir Potanin, one of Russia's wealthiest businessmen and co-owner of mining giant Norilsk Nickel, described the current period as a test of business resilience.

“Right now, we are going through a period of... I don't want to use the word ‘survival,’ but a period when businesses are really being tested, when entire industries are being tested for viability,” Potanin [said](#).

Experts at the Gaidar Institute [highlighted](#) sustained growth in pharmaceuticals and aircraft and transport equipment production in contrast with declines in machinery, automotive manufacturing and building materials.

The institute expects this divergence to persist, with growth concentrated in sectors tied to state orders and import substitution, while consumer-oriented and credit-dependent industries continue to shrink.

The Central Bank meanwhile has downplayed the risks of a recession.

“While we do see a mixed picture across industries, the economy overall continues to grow,” [said](#) Andrei Gangan, director of the Bank's monetary policy department. “Not at the rates of previous years, but we do not expect any negative growth this year or in the years ahead.”

The Central Bank's own enterprise [monitoring](#) paints a more upbeat picture, showing continued growth in business activity, including in manufacturing.

Economist Dmitry Polevoy said the discrepancy with S&P Global's findings may stem from

differences in survey samples, noting that the U.S. survey probably does not cover defense-related enterprises.

The U.S.-based firm surveys about 250 companies, compared with more than 10,000 respondents in the Central Bank's monitoring.

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