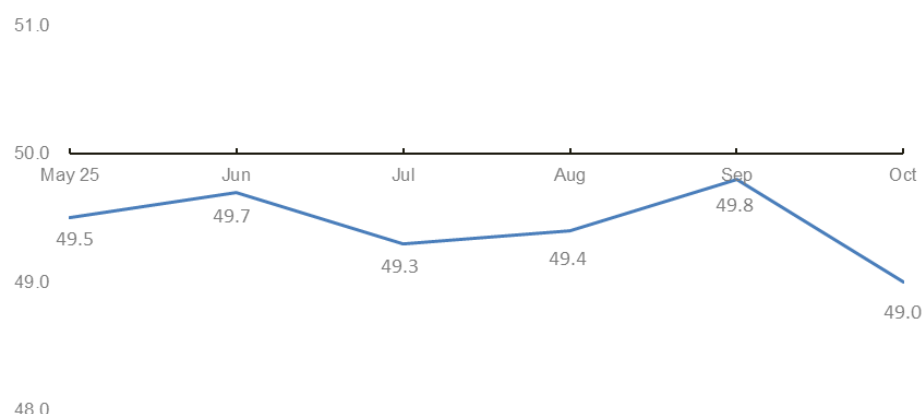


PMI Report on China Manufacturing

China's manufacturing PMI drops to 49.0 in October, indicating a contraction in the manufacturing sector

China Manufacturing PMI, seasonally adjusted



China Manufacturing at a Glance – October 2025

Index	Seasonally Adjusted Index	Index Compared with the Previous Month	Direction
PMI	49.0	Lower ▼	Contracting
Output	49.7	Lower ▼	Contracting
New Orders	48.8	Lower ▼	Contracting
New Export Orders	45.9	Lower ▼	Contracting
Backlogs of Orders	44.5	Lower ▼	Contracting
Stocks of Finished Goods	48.1	Lower ▼	Contracting
Stocks of Major Inputs	47.3	Lower ▼	Contracting
Purchases of Inputs	49.0	Lower ▼	Contracting
Imports	46.8	Lower ▼	Contracting
Input Prices	52.5	Lower ▼	Rising
Ex-factory Prices	47.5	Lower ▼	Falling
Employment	48.3	Lower ▼	Contracting
Suppliers' Delivery Time	50.0	Lower ▼	Stable
Business Expectations	52.8	Lower ▼	Optimistic

All of the 13 sub-indices fell compared with the previous month. For example, the new orders index decreased by 0.9 pts to 48.8 in October, pointing to a contraction in market demand. Similarly, the new export orders index dropped by 1.9 pts to a six-month low of 45.9, indicating a faster decline in export demand. Against this backdrop, the output index went down to 49.7 in October, its lowest level since May 2023, suggesting that manufacturing production has started to contract. The purchases of inputs index also dropped by 2.6 pts to a five-month low of 49.0. It is noteworthy that the decline in ex-factory prices worsened even as input prices continued to rise. The input prices index remained above the 50 threshold at 52.5 in October, while the ex-factory prices index fell by 0.7 pts to 47.5, indicating shrinking margins for manufacturers.

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By size of enterprises, the PMI of 'large enterprises' fell to 49.9 in October from 51.0 in September. The PMI of 'medium enterprises' edged down to 48.7 in October from 48.8 in September. The PMI of 'small enterprises' decreased to 47.1 in October from 48.2 in September.

The output index dropped to 49.7 in October from 51.9 in September. The output index of 'large enterprises' stayed above the neutral level of 50, registering 50.9 in October. Meanwhile, the output indices of 'medium enterprises' and 'small enterprises' remained below 50, registering 49.3 and 47.4 respectively in the month.

The new orders index went down to 48.8 in October from 49.7 in September. The new orders index of 'large enterprises' remained in the expansionary zone, registering 50.1 in October. Meanwhile, the new orders indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 49.6 and 44.6 respectively in the month.

The new export orders index declined to 45.9 in October from 47.8 in September. The new export orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 46.8, 44.9 and 43.9 respectively in October.

The backlogs of orders index fell to 44.5 in October from 45.2 in September. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 46.6, 43.7 and 40.6 respectively in October.

The stocks of finished goods index edged down to 48.1 in October from 48.2 in September. The stocks of finished goods indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 49.7, 46.3 and 46.7 respectively in October.

The stocks of major inputs index decreased to 47.3 in October from 48.5 in September. The major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 47.7, 46.7 and 47.1 respectively in October.

The purchases of inputs index dropped to 49.0 in October from 51.6 in September. The purchases of inputs index of 'large enterprises' remained in the expansionary zone, registering 50.9 in October. Meanwhile, the purchases of inputs indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 47.6 and 46.2 respectively in the month.

The imports index went down to 46.8 in October from 48.1 in September. The imports indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the neutral level of 50, registering 47.8, 44.6 and 45.3 respectively in October.

The input prices index fell to 52.5 in October from 53.2 in September. The input prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained above the critical 50-mark, registering 52.1, 53.1 and 52.7 respectively in October.

The ex-factory prices index declined to 47.5 in October from 48.2 in September.¹ The ex-factory prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 46.6, 48.7 and 48.1 respectively in October.

The employment index edged down to 48.3 in October from 48.5 in September. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 49.1, 47.1 and 48.2 respectively in October.

The suppliers' delivery time index came in at 50.0 in October, down from 50.8 in September. A reading above 50 implies faster delivery; below 50, slower delivery. The suppliers' delivery time indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 49.8, 50.5 and 49.9 respectively in October.

The business expectations index decreased to 52.8 in October from 54.1 in September.² The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 53.8, 53.4 and 49.5 respectively in October.

¹ The ex-factory prices index has been published since January 2017.

² Since January 2017, a new method of seasonal adjustment to the business expectations index has been adopted; and accordingly, the historical readings of the index have been revised.

CFLP

中國物流與採購聯合會

China Federation of Logistics & Purchasing (CFLP) is the logistics and purchasing industry association approved by the State Council. CFLP's mission is to push forward the development of the logistics industry and the procurement businesses of both government and enterprises, as well as the circulation of factors of production in China. The government authorizes the CFLP to produce industry statistics and set industry standards. CFLP is also China's representative in the Asian-Pacific Logistics Federation (APLF) and the International Federation of Purchasing and Supply Management (IFPSM).

NBS

國家統計局

The National Bureau of Statistics (NBS), an agency directly under the State Council in China, is in charge of the country's statistics. It is responsible for formulating statistical policies and establishing the national statistical system, drafting and enforcing the statistical laws and regulations, setting up and improving the national economic accounting system, conducting censuses, as well as making statistical analyses and forecasts of the macroeconomy, social development, scientific advancement, resources and environment.

China Manufacturing PMI

中國製造業採購經理指數

China Manufacturing Purchasing Managers' Index (PMI) provides an early indication each month of economic activities in the Chinese manufacturing sector. It is jointly published by China Federation of Logistics & Purchasing (CFLP) and the National Bureau of Statistics (NBS). Fung Business Intelligence is responsible for drafting and disseminating the English PMI report.

Every month questionnaires are sent to 3,000 manufacturing enterprises all over China. The data presented herein is compiled from the enterprises' responses about their purchasing activities and supply situations. CFLP makes no representation regarding the data collection procedures, nor does it disclose any data of individual enterprises. The PMI should be compared to other economic data sources when used in decision-making.

3,000 manufacturing enterprises in 31 industries from Eastern, Northeastern, Central and Western China are surveyed. The sampling of the enterprises involves the use of Probability Proportional to Size Sampling (PPS), which means the selection of enterprises surveyed is largely based on each industry's contribution to GDP, and the representation of each geographical region.

There are 13 sub-indicators in the survey: Output, New Orders, New Export Orders, Backlogs of Orders, Stocks of Finished Goods, Purchases of Inputs, Imports, Input Prices, Stocks of Major Inputs, Ex-factory Prices, Employment, Suppliers' Delivery Time and Business Expectations. An index reading above 50 indicates an overall positive change in a sub-indicator; below 50, an overall negative change.

The PMI is a composite index based on the seasonally adjusted indices for five of the sub-indicators with varying weights: New Orders—30%; Output—25%; Employment—20%; Suppliers' Delivery Time—15%; and Stocks of Major Inputs—10%. A PMI reading above 50 indicates an overall expansion in the manufacturing sector; below 50, an overall contraction.

Currently there are more than twenty countries and regions conducting the PMI survey and compilation, based on an internationally standardized methodology.

HKUST Li & Fung Supply Chain Institute

The HKUST Li & Fung Supply Chain Institute accelerates the creation, global dissemination, and practical application of new knowledge and technologies for managing supply chains. Jointly established by international research university HKUST and supply chain industry leader Li & Fung, the Institute engages in collaborative research, exchanges, professional development and executive education to drive real-world impact across the region and globally, while contributing to Hong Kong's development as a multinational supply chain management center.

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