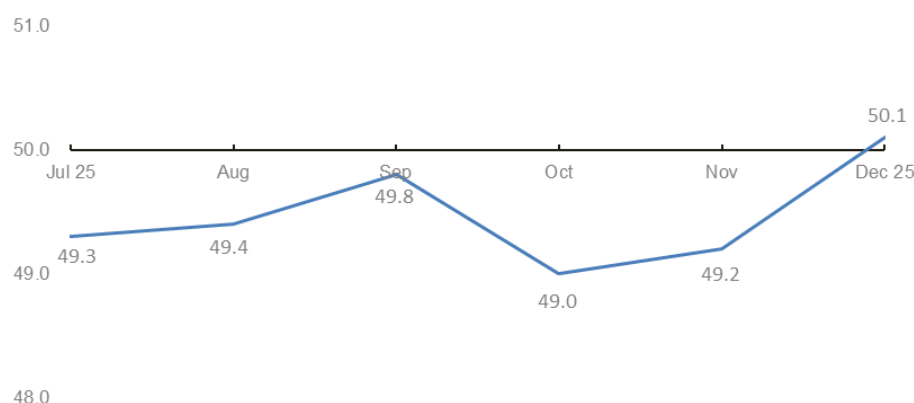


PMI Report on China Manufacturing

China's manufacturing PMI rises to 50.1 in December, indicating recovery in the manufacturing sector

China Manufacturing PMI, seasonally adjusted



China Manufacturing at a Glance – December 2025

Index	Seasonally Adjusted Index	Index Compared with the Previous Month	Direction
PMI	50.1	Higher ▲	Expanding
Output	51.7	Higher ▲	Expanding
New Orders	50.8	Higher ▲	Expanding
New Export Orders	49.0	Higher ▲	Contracting
Backlogs of Orders	46.0	Higher ▲	Contracting
Stocks of Finished Goods	48.2	Higher ▲	Contracting
Stocks of Major Inputs	47.8	Higher ▲	Contracting
Purchases of Inputs	51.1	Higher ▲	Expanding
Imports	47.0	Unchanged –	Contracting
Input Prices	53.1	Lower ▼	Rising
Ex-factory Prices	48.9	Higher ▲	Falling
Employment	48.2	Lower ▼	Contracting
Suppliers' Delivery Time	50.2	Higher ▲	Quickening
Business Expectations	55.5	Higher ▲	Optimistic

10 of the 13 sub-indices increased compared with the previous month. For example, the new orders index surged by 1.6 pts to a nine-month high of 50.8 in December, indicating that market demand has recently resumed its expansion. Similarly, the new export orders index picked up by 1.4 pts to 49.0, suggesting a slower decline in export demand. Against this backdrop, the output index climbed by 1.7 pts to 51.7 in December, pointing to growth in manufacturing production. The purchase of inputs index also jumped by 1.6 pts to 51.1, returning to expansionary territory. Notably, ex-factory prices continued to fall even as input prices rose further: The input prices index remained elevated at 53.1 in December, while the ex-factory prices index stayed below the critical 50-mark at 48.9, indicating shrinking margins for manufacturers.

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By size of enterprises, the PMI of 'large enterprises' surged to 50.8 in December from 49.3 in November. The PMI of 'medium enterprises' increased to 49.8 in December from 48.9 in November. Meanwhile, the PMI of 'small enterprises' dropped to 48.6 in December from 49.1 in November.

The output index jumped to 51.7 in December from 50.0 in November. The output indices of 'large enterprises' and 'medium enterprises' rose above the neutral level of 50, registering 52.4 and 51.9 respectively in December. Meanwhile, the output index of 'small enterprises' stayed below 50, registering 49.8 in the month.

The new orders index climbed to 50.8 in December from 49.2 in November. The new orders index of 'large enterprises' returned to the expansionary zone, registering 52.3 in December. Meanwhile, the new orders indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 49.8 and 48.6 respectively in the month.

The new export orders index surged to 49.0 in December from 47.6 in November. The new export orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 49.8, 47.4 and 48.6 respectively in December.

The backlogs of orders index went up to 46.0 in December from 45.5 in November. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 47.2, 45.8 and 43.4 respectively in December.

The stocks of finished goods index jumped to 48.2 in December from 47.3 in November. The stocks of finished goods indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.7, 49.3 and 45.4 respectively in December.

The stocks of major inputs index increased to 47.8 in December from 47.3 in November. The major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 48.8, 48.1 and 44.9 respectively in December.

The purchases of inputs index surged to 51.1 in December from 49.5 in November. The purchases of inputs indices of 'large enterprises' and 'medium enterprises' remained in the expansionary zone, registering 52.5 and 50.3 respectively in December. Meanwhile, the purchases of inputs index of 'small enterprises' stayed in the contractionary zone, registering 48.9 in the month.

The imports index stayed flat at 47.0 in December compared with the previous month. The imports indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the neutral level of 50, registering 47.1, 45.7 and 49.9 respectively in December.

The input prices index declined to 53.1 in December from 53.6 in November. The input prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained above the critical 50-mark, registering 53.0, 53.2 and 53.2 respectively in December.

The ex-factory prices index rose to 48.9 in December from 48.2 in November.¹ The ex-factory prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 49.2, 49.0 and 48.6 respectively in December.

The employment index edged down to 48.2 in December from 48.4 in November. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.2, 48.0 and 48.5 respectively in December.

The suppliers' delivery time index inched up to 50.2 in December from 50.1 in November. 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 49.9, 50.3 and 50.7 respectively in December.

The business expectations index surged to 55.5 in December from 53.1 in November.² The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 57.5, 56.5 and 49.2 respectively in December.

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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