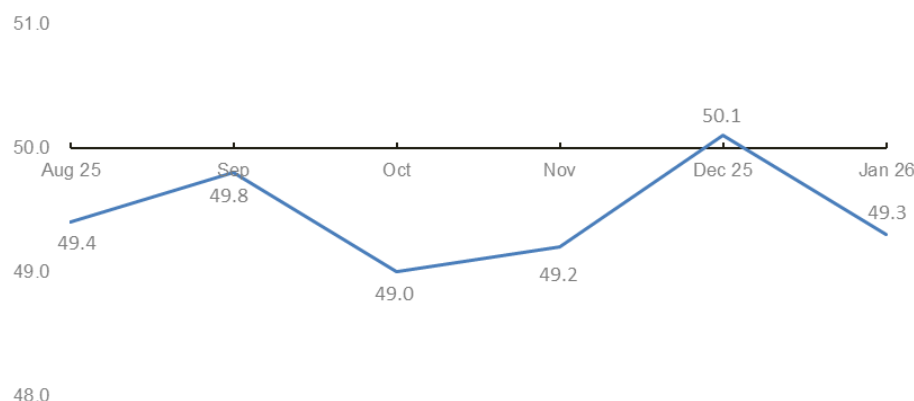


PMI Report on China Manufacturing

China's manufacturing PMI drops to 49.3 in January, indicating a contraction in the manufacturing sector amid seasonal factors

China Manufacturing PMI, seasonally adjusted



China Manufacturing at a Glance – January 2026

Index	Seasonally Adjusted Index	Index Compared with the Previous Month	Direction
PMI	49.3	Lower ▼	Contracting
Output	50.6	Lower ▼	Expanding
New Orders	49.2	Lower ▼	Contracting
New Export Orders	47.8	Lower ▼	Contracting
Backlogs of Orders	45.1	Lower ▼	Contracting
Stocks of Finished Goods	48.6	Higher ▲	Contracting
Stocks of Major Inputs	47.4	Lower ▼	Contracting
Purchases of Inputs	48.7	Lower ▼	Contracting
Imports	47.3	Higher ▲	Contracting
Input Prices	56.1	Higher ▲	Rising
Ex-factory Prices	50.6	Higher ▲	Rising
Employment	48.1	Lower ▼	Contracting
Suppliers' Delivery Time	50.1	Lower ▼	Quickening
Business Expectations	52.6	Lower ▼	Optimistic

Nine of the 13 sub-indices declined compared with the previous month, partly due to the approach of the Chinese New Year, which dampened factory activity in late January. For example, the new orders index fell by 1.6 pts to 49.2 in January, indicating a renewed contraction in market demand. Similarly, the new export orders index decreased by 1.2 pts to 47.8, suggesting a faster decline in export demand. Against this backdrop, the growth in production activities has slowed: The output index slid 1.1 pts to 50.6 in January. The purchase of inputs index also dipped below the neutral level of 50, registering 48.7 in the month. Notably, the ex-factory prices index climbed by 1.7 pts to 50.6 in January, returning to expansionary territory for the first time since May 2024. This increase is attributed to a rise in material prices: The input prices index jumped by 3.2 pts to 56.1 in the month, indicating rising cost pressures on businesses.

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By size of enterprises, the PMI of 'large enterprises' went down to 50.3 in January from 50.8 in December. The PMI of 'medium enterprises' dropped to 48.7 in January from 49.8 in December. The PMI of 'small enterprises' decreased to 47.4 in January from 48.6 in December.

The output index fell to 50.6 in January from 51.7 in December. The output index of 'large enterprises' remained above the neutral level of 50, registering 52.4 in January. Meanwhile, the output indices of 'medium enterprises' and 'small enterprises' stayed below 50, registering 49.6 and 47.6 respectively in the month.

The new orders index declined to 49.2 in January from 50.8 in December. The new orders index of 'large enterprises' stayed in the expansionary zone, registering 50.9 in January. Meanwhile, the new orders indices of 'medium enterprises' and 'small enterprises' remained in the contractionary zone, registering 48.4 and 46.1 respectively in the month.

The new export orders index dropped to 47.8 in January from 49.0 in December. The new export orders indices of 'large enterprises' and 'medium enterprises' remained below the critical 50-mark, registering 47.6 and 46.9 respectively in January. Meanwhile, the new export orders index of 'small enterprises' rose above 50, registering 50.7 in the month.

The backlogs of orders index went down to 45.1 in January from 46.0 in December. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 45.7, 45.8 and 42.6 respectively in January.

The stocks of finished goods index rose to 48.6 in January from 48.2 in December. The stocks of finished goods index of 'large enterprises' returned to the expansionary zone, registering 50.4 in January. Meanwhile, the stocks of finished goods indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 47.8 and 45.4 respectively in the month.

The stocks of major inputs index fell to 47.4 in January from 47.8 in December. The major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 48.8, 46.3 and 45.6 respectively in January.

The purchases of inputs index decreased to 48.7 in January from 51.1 in December. The purchases of inputs index of 'large enterprises' remained in the expansionary zone, registering 50.5 in January. Meanwhile, the purchases of inputs indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 47.8 and 45.5 respectively in the month.

The imports index inched up to 47.3 in January from 47.0 in December. The imports indices of 'large enterprises' and 'small enterprises' stayed below the neutral level of 50, registering 46.1 and 45.8 respectively in January. Meanwhile, the imports index of 'medium enterprises' rose above 50, registering 50.9 in the month.

The input prices index surged to 56.1 in January from 53.1 in December. The input prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained above the critical 50-mark, registering 56.2, 55.8 and 56.4 respectively in January.

The ex-factory prices index rose to 50.6 in January from 48.9 in December. The ex-factory prices index of 'large enterprises' rose above the neutral level of 50, registering 51.5 in January. Meanwhile, the ex-factory prices indices of 'medium enterprises' and 'small enterprises' remained below 50, registering 49.9 and 49.8 respectively in the month.

The employment index edged down to 48.1 in January from 48.2 in December. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.1, 48.2 and 48.1 respectively in January.

The suppliers' delivery time index declined to 50.1 in January from 50.2 in December. 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 50.1, 50.0 and 50.2 respectively in January.

The business expectations index fell to 52.6 in January from 55.5 in December. The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 54.7, 52.4 and 47.8 respectively in January.

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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