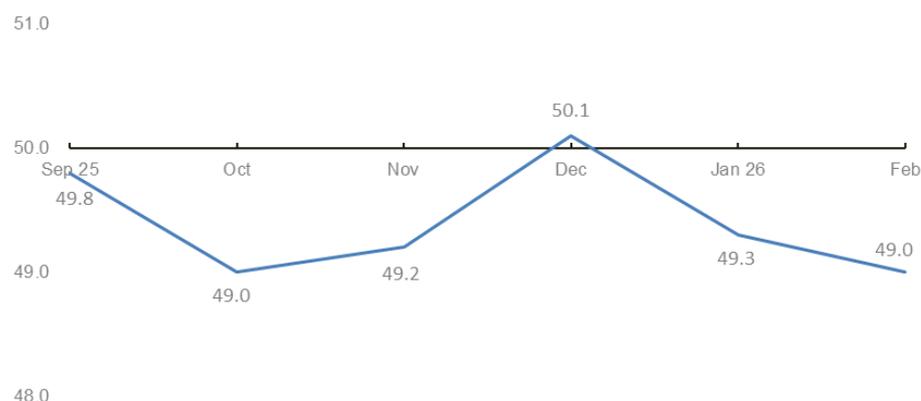


PMI Report on China Manufacturing

China's manufacturing PMI falls to 49.0 in February, indicating a contraction in the manufacturing sector amid seasonal factors

China Manufacturing PMI, seasonally adjusted



China Manufacturing at a Glance – February 2026

Index	Seasonally Adjusted Index	Index Compared with the Previous Month	Direction
PMI	49.0	Lower ▼	Contracting
Output	49.6	Lower ▼	Contracting
New Orders	48.6	Lower ▼	Contracting
New Export Orders	45.0	Lower ▼	Contracting
Backlogs of Orders	44.0	Lower ▼	Contracting
Stocks of Finished Goods	45.8	Lower ▼	Contracting
Stocks of Major Inputs	47.5	Higher ▲	Contracting
Purchases of Inputs	48.2	Lower ▼	Contracting
Imports	45.6	Lower ▼	Contracting
Input Prices	54.8	Lower ▼	Rising
Ex-factory Prices	50.6	Unchanged --	Rising
Employment	48.0	Lower ▼	Contracting
Suppliers' Delivery Time	49.1	Lower ▼	Slowing
Business Expectations	53.2	Higher ▲	Optimistic

10 of the 13 sub-indices declined compared with the previous month, primarily attributed to the Chinese New Year, which dampened factory activity in February. For example, the new orders index dipped 0.6 pts to 48.6, suggesting a persistent contraction in market demand. Similarly, the new export orders index slid 2.8 pts to 45.0, pointing to a faster decline in export demand. Against this backdrop, the output index dropped to 49.6, its lowest level since May 2023, indicating that output has started to contract lately. Material prices continued to rise, though at a slower pace: The input prices index went down by 1.3 pts to 54.8 in February. Meanwhile, the ex-factory prices index stayed flat at 50.6 compared with the previous month. Notably, the business expectations index climbed 0.6 pts to 53.2, which bodes well for the PMI reading in March.

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By size of enterprises, the PMI of 'large enterprises' increased to 51.5 in February from 50.3 in January. The PMI of 'medium enterprises' fell to 47.5 in February from 48.7 in January. The PMI of 'small enterprises' plunged to 44.8 in February from 47.4 in January.

The output index decreased to 49.6 in February from 50.6 in January. The output index of 'large enterprises' remained above the neutral level of 50, registering 53.8 in February. Meanwhile, the output indices of 'medium enterprises' and 'small enterprises' stayed below 50, registering 46.7 and 43.3 respectively in the month.

The new orders index went down to 48.6 in February from 49.2 in January. The new orders index of 'large enterprises' remained in the expansionary zone, registering 53.3 in February. Meanwhile, the new orders indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 45.6 and 41.2 respectively in the month.

The new export orders index plummeted to 45.0 in February from 47.8 in January. The new export orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the critical 50-mark, registering 49.1, 40.5 and 35.3 respectively in February.

The backlogs of orders index dropped to 44.0 in February from 45.1 in January. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 47.8, 43.1 and 35.9 respectively in February.

The stocks of finished goods index slumped to 45.8 in February from 48.6 in January. The stocks of finished goods indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 49.5, 44.5 and 38.4 respectively in February.

The stocks of major inputs index inched up to 47.5 in February from 47.4 in January. The major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 49.4, 47.3 and 43.0 respectively in February.

The purchases of inputs index declined to 48.2 in February from 48.7 in January. The purchases of inputs index of 'large enterprises' remained in the expansionary zone, registering 53.2 in February. Meanwhile, the purchases of inputs indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 44.7 and 40.6 respectively in the month.

The imports index fell to 45.6 in February from 47.3 in January. The imports indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the neutral level of 50, registering 48.1, 41.8 and 37.0 respectively in February.

The input prices index slid to 54.8 in February from 56.1 in January. The input prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained above the critical 50-mark, registering 54.7, 55.5 and 54.2 respectively in February.

The ex-factory prices index stayed flat at 50.6 in February compared with the previous month. The ex-factory prices indices of 'large enterprises' and 'medium enterprises' stayed above the neutral level of 50, registering 51.3 and 50.6 respectively in February. Meanwhile, the ex-factory prices index of 'small enterprises' remained below 50, registering 49.0 in the month.

The employment index edged down to 48.0 in February from 48.1 in January. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 47.5, 48.5 and 48.5 respectively in February.

The suppliers' delivery time index dropped to 49.1 in February from 50.1 in January. 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 49.1, 49.0 and 49.2 respectively in February.

The business expectations index rose to 53.2 in February from 52.6 in January. The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 52.7, 54.1 and 53.1 respectively in February.

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

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