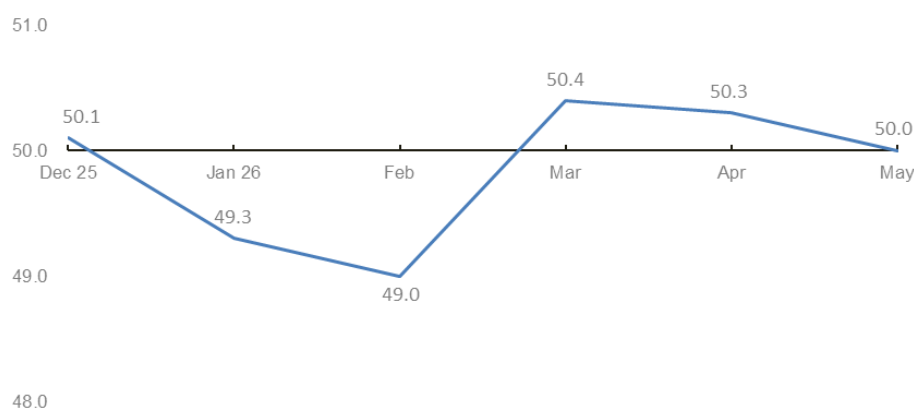


# PMI Report on China Manufacturing

## China's manufacturing PMI falls to 50.0 in May, indicating stabilization in the manufacturing sector

### China Manufacturing PMI, seasonally adjusted



### China Manufacturing at a Glance – May 2026

Index	Seasonally Adjusted Index	Index Compared with the Previous Month	Direction
PMI	50.0	Lower ▼	Stable
Output	51.2	Lower ▼	Expanding
New Orders	49.9	Lower ▼	Contracting
New Export Orders	48.6	Lower ▼	Contracting
Backlogs of Orders	46.8	Higher ▲	Contracting
Stocks of Finished Goods	49.3	Higher ▲	Contracting
Stocks of Major Inputs	48.6	Lower ▼	Contracting
Purchases of Inputs	49.8	Lower ▼	Contracting
Imports	48.8	Lower ▼	Contracting
Input Prices	60.5	Lower ▼	Rising
Ex-factory Prices	51.9	Lower ▼	Rising
Employment	48.6	Lower ▼	Contracting
Suppliers' Delivery Time	49.2	Lower ▼	Slowing
Business Expectations	53.9	Lower ▼	Optimistic

Out of the 13 sub-indices, 11 saw a decline compared with April. Notably, the new orders index dropped by 0.7 pts to 49.9 in May, signalling a slight contraction in market demand. The new export orders index decreased by 1.7 pts to 48.6, marking a return to contractionary territory after a one-month expansion. Against this backdrop, the output index edged down by 0.3 pts to 51.2 in May, suggesting continued yet slower growth in manufacturing production. In addition, the purchase of inputs index also fell below the neutral level of 50 to 49.8. Meanwhile, material prices kept rising rapidly, with the input prices index staying high at 60.5, indicating high cost pressures on enterprises. The ex-factory prices index dropped by 3.2 pts to 51.9, indicating smaller increases in ex-factory prices.

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By size of enterprises, the PMI of “large enterprises” jumped to 51.1 in May from 50.2 in April. Meanwhile, the PMI of “medium enterprises” slipped to 48.6 in May from 50.5 in April. Similarly, the PMI of “small enterprises” declined to 48.5 in May from 50.1 in April.

The output index edged down to 51.2 in May from 51.5 in April. The output indices of “large enterprises” and “medium enterprises” remained above the neutral level of 50, registering 52.4 and 50.3 respectively in May. Meanwhile, the output index of “small enterprises” dropped below 50, registering 48.6 in the month.

The new orders index decreased to 49.9 in May from 50.6 in April. The new orders index of “large enterprises” remained in the expansionary zone, registering 52.0 in May. Meanwhile, the new orders indices of “medium enterprises” and “small enterprises” dipped into the contractionary zone, registering 47.5 and 47.1 respectively in the month.

The new export orders index slumped to 48.6 in May from 50.3 in April. The new export orders index of “large enterprises” remained above the critical 50-mark, registering 50.3 in May. Meanwhile, the new export orders indices of “medium enterprises” and “small enterprises” stayed below 50, registering 46.5 and 43.7 respectively in the month.

The backlogs of orders index climbed to 46.8 in May from 46.2 in April. The backlogs of orders indices of “large enterprises”, “medium enterprises” and “small enterprises” all remained below the neutral level of 50, registering 47.7, 46.6 and 43.9 respectively in May.

The stocks of finished goods index increased to 49.3 in May from 47.5 in April. The stocks of finished goods index of “large enterprises” returned to the expansionary zone, registering 50.6 in May. Meanwhile, the stocks of finished goods indices of “medium enterprises” and “small enterprises” stayed in the contractionary zone, registering 47.9 and 47.2 respectively in the month.

The stocks of major inputs index declined to 48.6 in May from 49.3 in April. The major inputs index of “large enterprises” rose to the critical 50-mark, registering 50.0 in May. Meanwhile, the major inputs indices of “medium enterprises” and “small enterprises” remained below the critical 50-mark, registering 47.5 and 45.8 respectively in the month.

The purchases of inputs index dropped to 49.8 in May from 51.1 in April. The purchases of inputs index of “large enterprises” returned to the expansionary zone, registering 51.8 in May. Meanwhile, the purchases of inputs indices of “medium enterprises” and “small enterprises” fell back to the contractionary zone, registering 48.4 and 45.3 respectively in the month.

The imports index went down to 48.8 in May from 50.1 in April. The imports index of “large enterprises” rose above the neutral level of 50, registering 50.2 in May. Meanwhile, the imports indices of “medium enterprises” and “small enterprises” stayed below 50, registering 46.5 and 43.2 respectively in the month.

The input prices index retreated to 60.5 in May from 63.7 in April. The input prices indices of “large enterprises”, “medium enterprises” and “small enterprises” all remained above the critical 50-mark, registering 61.3, 59.4 and 59.8 respectively in May.

The ex-factory prices index decreased to 51.9 in May from 55.1 in April. The ex-factory prices indices of “large enterprises”, “medium enterprises” and “small enterprises” all remained above the neutral level of 50, registering 52.7, 50.5 and 51.5 respectively in May.

The employment index edged down to 48.6 in May from 48.8 in April. The employment indices of “large enterprises”, “medium enterprises” and “small enterprises” all stayed in the contractionary zone, registering 49.1, 47.2 and 49.5 respectively in May.

The suppliers’ delivery time index dropped to 49.2 in May from 49.5 in April. 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 49.4, 49.3 and 48.2 respectively in May.

The business expectations index fell to 53.9 in May from 54.5 in April. The business expectations indices of “large enterprises”, “medium enterprises” and “small enterprises” registered 54.6, 53.2 and 52.8 respectively in May.

## 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 the National Bureau of Statistics (NBS) and China Federation of Logistics & Purchasing (CFLP). 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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