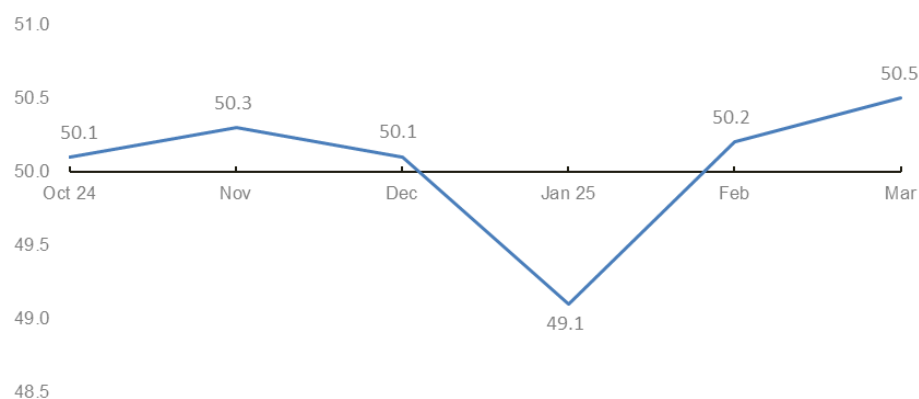


PMI Report on China Manufacturing

China's manufacturing PMI increases to 50.5 in March, indicating a further recovery in the manufacturing sector

China Manufacturing PMI, seasonally adjusted



China Manufacturing at a Glance – March 2025

Index	Seasonally Adjusted Index	Index Compared with the Previous Month	Direction
PMI	50.5	Higher ▲	Expanding
Output	52.6	Higher ▲	Expanding
New Orders	51.8	Higher ▲	Expanding
New Export Orders	49.0	Higher ▲	Contracting
Backlogs of Orders	45.6	Lower ▼	Contracting
Stocks of Finished Goods	48.0	Lower ▼	Contracting
Stocks of Major Inputs	47.2	Higher ▲	Contracting
Purchases of Inputs	51.8	Lower ▼	Expanding
Imports	47.5	Lower ▼	Contracting
Input Prices	49.8	Lower ▼	Falling
Ex-factory Prices	47.9	Lower ▼	Falling
Employment	48.2	Lower ▼	Contracting
Suppliers' Delivery Time	50.3	Lower ▼	Quickening
Business Expectations	53.8	Lower ▼	Optimistic

Four of the 13 sub-indices were higher than their respective levels in the previous month. For example, the new orders index went up by 0.7 pts to a one-year high of 51.8 in March, pointing to a faster expansion in market demand lately. The new export orders index also rose by 0.4 pts to 49.0, indicating that export demand has reduced at a slower pace. Against this backdrop, the output index gained 0.1 pts to an 11-month high of 52.6 in March, pointing to a rapid expansion in manufacturing output recently. Meanwhile, ex-factory prices dropped amid a fall in input prices: The input prices index declined by 1.0 pts to 49.8 in March, while the ex-factory prices index went down by 0.6 pts to 47.9 in the month.

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By size of enterprises, the PMI of 'large enterprises' decreased to 51.2 in March from 52.5 in February. The PMI of 'medium enterprises' rose to 49.9 in March from 49.2 in February. The PMI of 'small enterprises' surged to 49.6 in March from 46.3 in February.

The output index edged up to 52.6 in March from 52.5 in February. The output indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained above the neutral level of 50, registering 54.0, 51.5 and 50.8 respectively in March.

The new orders index increased to 51.8 in March from 51.1 in February. The new orders indices of 'large enterprises' and 'medium enterprises' stayed in the expansionary zone, registering 52.8 and 51.6 in March. Meanwhile, the new orders index of 'small enterprises' stayed in the contractionary zone, registering 49.8 in the month.

The new export orders index climbed to 49.0 in March from 48.6 in February. The new export orders index of 'large enterprises' remained above the critical 50-mark, registering 50.7 in March. Meanwhile, the new export orders indices of 'medium enterprises' and 'small enterprises' stayed below 50, registering 46.8 and 46.0 respectively in the month.

The backlogs of orders index dropped to 45.6 in March from 46.0 in February. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 46.2, 44.9 and 45.1 respectively in March.

The stocks of finished goods index fell to 48.0 in March from 48.3 in February. The stocks of finished goods indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.6, 47.1 and 48.0 respectively in March.

The stocks of major inputs index went up to 47.2 in March from 47.0 in February. The major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 47.4, 46.9 and 47.2 respectively in March.

The purchases of inputs index declined to 51.8 in March from 52.1 in February. The purchases of inputs indices of 'large enterprises' and 'medium enterprises' stayed in the expansionary zone, registering 52.7 and 51.8 respectively in March. Meanwhile, the purchases of inputs index of 'small enterprises' stayed in the contractionary zone, registering 49.7 in the month.

The imports index went down to 47.5 in March from 49.5 in February. The imports indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the neutral level of 50, registering 48.0, 46.0 and 48.3 in March.

The input prices index decreased to 49.8 in March from 50.8 in February. The input prices index of 'large enterprises' remained below the critical 50-mark, registering 47.6 in March. Meanwhile, the input prices indices of 'medium enterprises' and 'small enterprises' stayed above 50, registering 50.8 and 53.7 respectively in the month.

The ex-factory prices index dropped to 47.9 in March from 48.5 in February.¹ The ex-factory prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 47.2, 48.6 and 48.8 respectively in March.

The employment index fell to 48.2 in March from 48.6 in February. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.8, 47.0 and 48.5 respectively in March.

The suppliers' delivery time index came in at 50.3 in March, down from 51.0 in February. 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 50.7, 50.0 and 49.8 respectively in March.

The business expectations index declined to 53.8 in March from 54.5 in February.² The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 53.2, 54.2 and 54.7 respectively in March.

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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