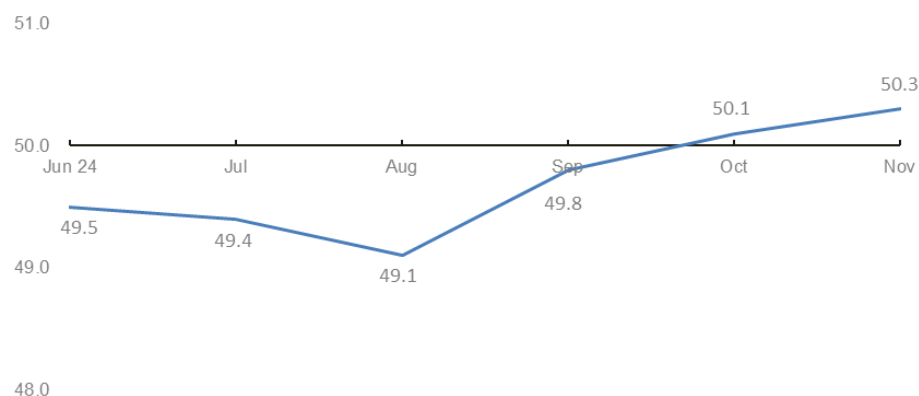


# PMI Report on China Manufacturing

## China's manufacturing PMI increases to 50.3 in November, indicating a further recovery in the manufacturing sector

### China Manufacturing PMI, seasonally adjusted



### China Manufacturing at a Glance – November 2024

| Index                    | Seasonally Adjusted Index | Index Compared with the Previous Month | Direction   |
|--------------------------|---------------------------|--|-------------|
| PMI                      | 50.3                      | Higher ▲                               | Expanding   |
| Output                   | 52.4                      | Higher ▲                               | Expanding   |
| New Orders               | 50.8                      | Higher ▲                               | Expanding   |
| New Export Orders        | 48.1                      | Higher ▲                               | Contracting |
| Backlogs of Orders       | 45.6                      | Higher ▲                               | Contracting |
| Stocks of Finished Goods | 47.4                      | Higher ▲                               | Contracting |
| Stocks of Major Inputs   | 48.2                      | Unchanged –                            | Contracting |
| Purchases of Inputs      | 51.0                      | Higher ▲                               | Expanding   |
| Imports                  | 47.3                      | Higher ▲                               | Contracting |
| Input Prices             | 49.8                      | Lower ▼                                | Falling     |
| Ex-factory Prices        | 47.7                      | Lower ▼                                | Falling     |
| Employment               | 48.2                      | Lower ▼                                | Contracting |
| Suppliers' Delivery Time | 50.2                      | Higher ▲                               | Quickening  |
| Business Expectations    | 54.7                      | Higher ▲                               | Optimistic  |

Nine of the 13 sub-indices were higher than their respective levels in the previous month. For example, the new orders index gained 0.8 pts to 50.8 in November, pointing to an expansion in market demand. The new export orders index also rebounded by 0.8 pts to 48.1, indicating that export demand has reduced at a slower pace recently. Against this backdrop, the output index went up by 0.4 pts to a seven-month high of 52.4 in November, pointing to a faster expansion in manufacturing production. The purchase of inputs index also picked up by 1.7 pts to 51.0, returning to the expansionary territory for the first time since April. Meanwhile, ex-factory prices fell amid a drop in input prices: The input prices index declined by 3.6 pts to 49.8 in November, while the ex-factory prices index decreased by 2.2 pts to 47.7 in the month.

Helen Chin  
Head

William Kong  
Manager

**HKUST LI & FUNG**  
**SUPPLY CHAIN INSTITUTE**  
LSK Business Bldg  
The Hong Kong University of  
Science & Technology  
Clear Water Bay Kowloon  
Hong Kong  
E: ustifsci@ust.hk



By size of enterprises, the PMI of 'large enterprises' went down to 50.9 in November from 51.5 in October. The PMI of 'medium enterprises' rose to 50.0 in November from 49.4 in October. Meanwhile, the PMI of 'small enterprises' increased to 49.1 in November from 47.5 in October.

The output index went up to 52.4 in November from 52.0 in October. The output indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed above the neutral level of 50, registering 52.9, 52.2 and 51.4 respectively in November.

The new orders index climbed to 50.8 in November from 50.0 in October. The new orders indices of 'large enterprises' and 'medium enterprises' stayed in the expansionary zone, registering 52.1 and 50.2 respectively in November. Meanwhile, the new orders index of 'small enterprises' stayed in the contractionary zone, registering 48.5 in the month.

The new export orders index rose to 48.1 in November from 47.3 in October. The new export orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the critical 50-mark, registering 49.8, 45.7 and 45.5 respectively in November.

The backlogs of orders index edged up to 45.6 in November from 45.4 in October. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 46.8, 45.1 and 43.3 respectively in November.

The stocks of finished goods index increased to 47.4 in November from 46.9 in October. The stocks of finished goods indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.9, 46.4 and 45.2 respectively in November.

The stocks of major inputs index stayed flat at 48.2 in November compared with the previous month. The major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 49.2, 48.4 and 45.6 respectively in the month.

The purchases of inputs index went up to 51.0 in November from 49.3 in October. The purchases of inputs indices of 'large enterprises' and 'medium enterprises' stayed in the expansionary zone, registering 52.9 and 50.1 respectively in November. Meanwhile, the purchases of inputs index of 'small enterprises' stayed in the contractionary zone, registering 47.6 in the month.

The imports index rebounded to 47.3 in November from 47.0 in October. The imports indices of 'large enterprises' and 'medium enterprises' stayed below the neutral level of 50, registering 47.7 and 45.2 respectively in November. Meanwhile, the imports index of 'small enterprises' rose above 50, registering 50.6 in the month.

The input prices index decreased to 49.8 in November from 53.4 in October. The input prices indices of 'large enterprises' and 'small enterprises' dropped below the critical 50-mark, registering 48.9 and 49.7 respectively in November. Meanwhile, the input prices index of 'medium enterprises' remained above 50, registering 51.4 in the month.

The ex-factory prices index declined to 47.7 in November from 49.9 in October.<sup>1</sup> The ex-factory prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all fell below the neutral level of 50 in November, registering 46.8, 49.2 and 47.6 respectively in the month.

The employment index edged down to 48.2 in November from 48.4 in October. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.2, 47.9 and 48.6 respectively in November.

The suppliers' delivery time index rose to 50.2 in November from 49.6 in October. 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, 49.9 and 50.7 respectively in November.

The business expectations index increased to 54.7 in November from 54.0 in October.<sup>2</sup> The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 56.2, 54.4 and 51.5 respectively in November.

---

<sup>1</sup> The ex-factory prices index has been published since January 2017.

<sup>2</sup> 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 driving real-world impact across the region and globally, while contributing to Hong Kong's development as a multinational supply chain management center.

© Copyright 2024 HKUST Li & Fung Supply Chain Institute. All rights reserved. Though HKUST Li & Fung Supply Chain Institute endeavours to ensure the information provided in this publication is accurate and updated, no legal liability can be attached as to the contents hereof. Reproduction or redistribution of this material without prior written consent of HKUST Li & Fung Supply Chain Institute is prohibited.