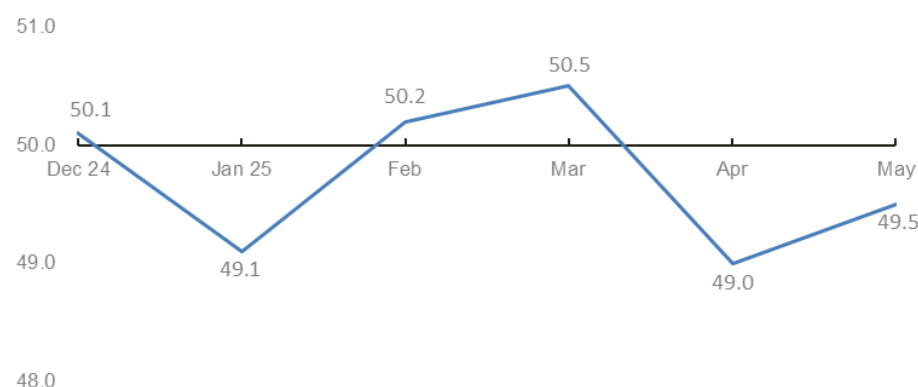


PMI Report on China Manufacturing

China's manufacturing PMI picks up to 49.5 in May, indicating easing downward pressure on the manufacturing sector

China Manufacturing PMI, seasonally adjusted



China Manufacturing at a Glance – May 2025

Index	Seasonally Adjusted Index	Index Compared with the Previous Month	Direction
PMI	49.5	Higher ▲	Contracting
Output	50.7	Higher ▲	Expanding
New Orders	49.8	Higher ▲	Contracting
New Export Orders	47.5	Higher ▲	Contracting
Backlogs of Orders	44.8	Higher ▲	Contracting
Stocks of Finished Goods	46.5	Lower ▼	Contracting
Stocks of Major Inputs	47.4	Higher ▲	Contracting
Purchases of Inputs	47.6	Higher ▲	Contracting
Imports	47.1	Higher ▲	Contracting
Input Prices	46.9	Lower ▼	Falling
Ex-factory Prices	44.7	Lower ▼	Falling
Employment	48.1	Higher ▲	Contracting
Suppliers' Delivery Time	50.0	Lower ▼	Stable
Business Expectations	52.5	Higher ▲	Optimistic

Nine of the 13 sub-indices were higher than their respective levels in the previous month. For example, the new orders index rebounded by 0.6 pts to 49.8 in May, pointing to a smaller contraction in market demand, and the new export orders index rose by 2.8 pts to 47.5, indicating that export demand reduced at a slower pace. Against this backdrop, the output index went up by 0.9 pts to 50.7 in May, returning to the expansionary territory after a one-month contraction. The imports index also increased by 3.7 pts to 47.1 in the month. Meanwhile, ex-factory prices continued to decline amid a further drop in input prices: The input prices index edged down by 0.1 pts to 46.9 in May, and the ex-factory prices index fell by 0.1 pt to 44.7 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: ustlfsci@ust.hk



By size of enterprises, the PMI of 'large enterprises' rose to 50.7 in May from 49.2 in April. The PMI of 'medium enterprises' dropped to 47.5 in May from 48.8 in April. The PMI of 'small enterprises' went up to 49.3 in May from 48.7 in April.

The output index increased to 50.7 in May from 49.8 in April. The output index of 'large enterprises' rose above the neutral level of 50, registering 51.5 in May. The output index of 'medium enterprises' went up to 50.0 in the month. Meanwhile, the output index of 'small enterprises' dropped below 50, registering 49.8 in May.

The new orders index rose to 49.8 in May from 49.2 in April. The new orders of 'large enterprises' returned to the contractionary zone, registering 52.5 in May. Meanwhile, the new orders indices of 'medium enterprises' and 'small enterprises' stayed in the contractionary zone, registering 45.0 and 49.8 respectively in the month.

The new export orders index went up to 47.5 in May from 44.7 in April. The new export orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the critical 50-mark, registering 48.0, 47.6 and 45.2 respectively in May.

The backlogs of orders index increased to 44.8 in May from 43.2 in April. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 46.5, 43.3 and 42.8 respectively in May.

The stocks of finished goods index declined to 46.5 in May from 47.3 in April. The stocks of finished goods indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 47.5, 45.7 and 45.2 respectively in May.

The stocks of major inputs index rose to 47.4 in May from 47.0 in April. The major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the critical 50-mark, registering 48.6, 45.6 and 46.9 respectively in May.

The purchases of inputs index increased to 47.6 in May from 46.3 in April. The purchases of inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 49.2, 45.1 and 47.3 respectively in May.

The imports index jumped to 47.1 in May from 43.4 in April. The imports indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the neutral level of 50, registering 47.8, 45.1 and 47.6 respectively in May.

The input prices index dropped to 46.9 in May from 47.0 in April. The input prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed below the critical 50-mark, registering 45.5, 47.6 and 49.4 respectively in May.

The ex-factory prices index fell to 44.7 in May from 44.8 in April.¹ The ex-factory prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all remained below the neutral level of 50, registering 43.6, 45.4 and 46.5 respectively in May.

The employment index edged up to 48.1 in May from 47.9 in April. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' all stayed in the contractionary zone, registering 48.8, 46.7 and 48.4 respectively in May.

The suppliers' delivery time index came in at 50.0 in May, down from 50.2 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 50.4, 49.7 and 49.5 respectively in May.

The business expectations index rose to 52.5 in May from 52.1 in April.² The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 52.5, 53.2 and 51.5 respectively in May.

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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