News Release
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RatingDog China General Services PMI®

Services activity growth remains solid in September

September 2025

Sustained upturn in new business supported by faster rise in exports

Business confidence climbs to six-month high

Staffing levels decline at quickest pace since April 2024

China's service sector continued to expand at a solid pace at the end of the third quarter, according to latest PMI® data. The upturn was reportedly driven by rising amounts of new business, including a stronger increase in new export orders. Business confidence also improved, to reach a six-month high. That said, job shedding persisted amid concerns over costs, with employment falling at the quickest rate in nearly a year-and-a-half.

Turning to prices, average input costs rose at a slightly faster rate in September, while prices charged increased fractionally.

The headline RatingDog China General Services Business Activity Index fell slightly from 53.0 in August to 52.9 in September. Posting above the 50.0 neutral mark, the latest reading indicated another expansion of services activity in China, thereby extending the current period of growth that began in January 2023. The rate of increase slowed for the first time in three months, but remained solid overall.

Better market conditions, new product launches and supportive government policies were cited as reasons for the expansion in new work in September. The rate at which new business rose was solid, albeit the least pronounced in three months. New export orders also expanded in September, driven by rising tourism activity. While modest, the pace at which exports rose was the most pronounced in seven months.

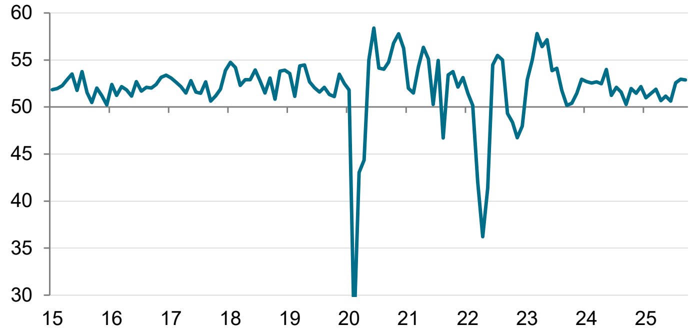
Despite the solid increases in new business and activity, job shedding persisted in September. Staffing levels declined at the fastest rate since April 2024 amid reports of both resignations and redundancies. Panel members often linked the latter to cost concerns, though reduced capacity pressures played a part as well. Notably, the latest survey signalled a notably slower and only marginal rise in the level of outstanding business.

On prices, average input costs increased for the seventh successive month in September and at a quicker pace compared to August. Service providers attributed the latest increase in costs to both higher wages and greater raw material prices. Rising cost pressures led companies to raise their output charges in September, following a reduction in August. However, rates of both input cost and output price inflation were only marginal.

Finally, business sentiment regarding the one-year outlook for activity remained positive across the service sector in September. Moreover, the level of confidence climbed to the highest since

RatingDog China General Services PMI Business Activity

Index, sa, >50 = growth m/m



Data were collected 11-22 September 2025.
Sources: RatingDog, S&P Global PMI. ©2025 S&P Global.

Comment

Commenting on the China General Services PMI Yao Yu, Founder at RatingDog said:

"The RatingDog China General Services PMI fell to 52.9 in September and indicated that the pace of expansion slowed only slightly from August.

"It's positive to see that demand for services remained solid in September. New export business expanded for the third consecutive month, with survey feedback indicating that the recovery in the tourism sector was a key driving factor. Although growth in total new orders eased from the previous month, it continued to show a strong expansionary trend. Future business activity expectations remained at a high level, with the reading rising continuously since April 2025. However, the contraction in employment intensified, primarily due to cost control measures such as staff resignations and redundancies.

"When it comes to price indicators, input prices continued to rise moderately. After fluctuating around the 50.0 no-change point since July, output prices returned to inflationary territory this month. The recent volatility in selling prices was mainly due to diverging pricing strategies among firms: some raised prices to pass on additional cost pressures, while others offered discounts to secure sales. Profit margins in the services sector remained under pressure; while this trend has not yet seen a fundamental improvement, the overall pace of narrowing has eased compared to 2024.

"Overall, both supply and demand in the services sector remained in expansion in September, supported particularly by the improvement in external demand and rising business confidence. However, the sustained contraction in employment and pressure on profit margins remain the main constraints facing the sector. From a short-term perspective, the compression of profit margins has not yet significantly weighed on the headline PMI reading. We expect the services PMI to continue to expand in the near term."

RatingDog | PMI by S&P Global

March. Companies often hoped that stronger market conditions and business expansion plans will support sales and activity growth in the year ahead.

RatingDog China Composite PMI®

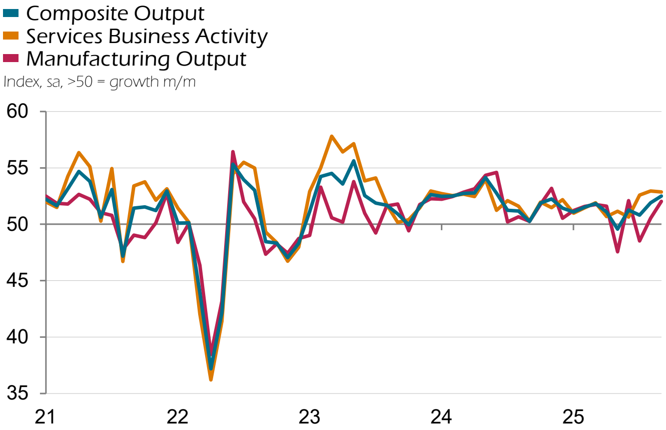
Business activity rises at fastest pace since June 2024

Composite indices are weighted averages of comparable manufacturing and services indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

The Composite Output Index posted above the 50.0 no-change threshold at 52.5 in September, up from 51.9 in August. This indicated that overall output increased for a fourth straight month and at the strongest pace since June 2024. Growth was broad-based by sector and led by services.

Overall new business growth also accelerated, supported by a renewed rise in exports. Concurrently, business confidence improved across both sectors.

Rising new work inflows led to another expansion in the volume of outstanding business. However, companies were cautious with regards to staff hiring amid cost concerns. Input cost inflation quickened slightly on the month, but average output charges fell fractionally.



Sources: RatingDog, S&P Global PMI. ©2025 S&P Global.

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Methodology

The RatingDog China General Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 650 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in November 2005.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline manufacturing PMI figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

RatingDog

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PMI by S&P Global

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