

S&P Global Hong Kong SAR PMI[®]

Business conditions continue to improve at end of 2025

December 2025

Output and new orders expand at slower, but solid rates

Backlogs of work rise for first time in a year

Selling prices increase at fastest rate since October 2023

Business conditions across the Hong Kong SAR private sector improved for the fifth consecutive month at the end of 2025.

Growth in both output and new orders was sustained in December, with the respective rates of expansion remaining solid despite easing from November. Notably, the improvement in demand was broad-based, with firms signalling greater sales across domestic and international markets. At the same time, the amount of unfinished work increased for the first time in a year. Prices data meanwhile signalled a further marked increase in input costs, which in turn led to the fastest rise in selling prices for over two years.

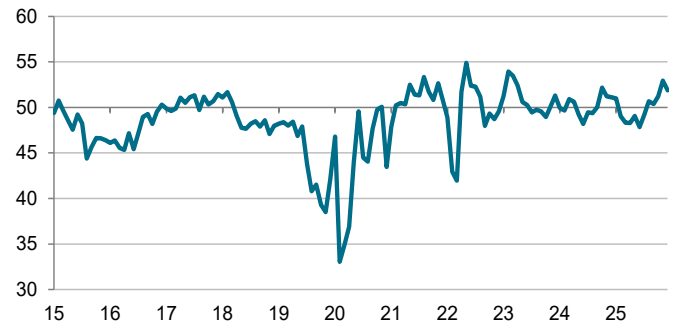
The headline seasonally adjusted S&P Global Hong Kong SAR Purchasing Manager's Index™ (PMI[®]) – a composite single-figure indicator of performance – posted 51.9 in December, down from 52.9 in November, and was indicative of a moderate improvement in business conditions that extended the current period of growth to five months.

Private sector firms in Hong Kong raised their output levels for the fifth month in a row in December. Despite easing from the previous survey period, the rate of growth was solid and among the steepest seen over the past three years. Anecdotal evidence suggested that a sustained improvement in demand conditions had driven the latest increase output.

Companies indicated that overall new business continued to expand at the end of 2025. The rate of growth broadly matched the solid increase seen for output and was the second-strongest since April 2023 (after November 2025). Anecdotal evidence suggested that higher customer numbers and greater client confidence were behind the latest increase in sales. Data also showed that the upturn was supported by solid increases in new work across mainland China and international markets.

Purchasing activity increased again in the latest survey period, but at a softer pace than that seen in November. Firms often mentioned raising their input buying in line with stronger demand conditions. At the same time, stocks of inputs rose for the seventh successive month, albeit only marginally. Firms also registered the first improvement in supplier performance since May amid reports of timelier deliveries.

S&P Global Hong Kong SAR PMI
Index, sa, >50 = improvement m/m



Data were collected 4-18 December 2025.
Source: S&P Global PMI. ©2026 S&P Global.

Comment

Commenting on the latest survey results, Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

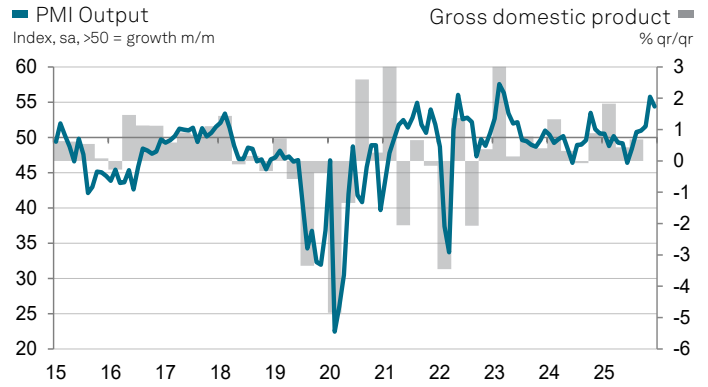
"The final S&P Global Hong Kong SAR PMI data for 2025 indicated a further improvement in business conditions in December, to round off the best quarterly performance since Q1 2023. Both output and new orders rose solidly, with the expansion in demand broad-based across domestic and external markets. Firms were therefore encouraged to raise purchasing activity in line with increased production requirements.

"Forward-looking indicators were also upbeat, as backlogs of work - a bellwether for capacity constraints - rose for the first time in a year, signalling that production could increase further as companies respond to rising demand and new orders. Moreover, the degree of pessimism around the year ahead was the least severe since mid-2023 on the back of greater confidence regarding the health of the domestic economy in particular."

The sustained upturn in new orders led to the first increase in backlogs of work for a year at the end of 2025. Though marginal, the rate of accumulation was the most pronounced since November 2024. That said, firms opted to reduce their headcounts for the second month in a row, which was generally linked to the non-replacement of voluntary leavers.

On the price front, average input costs continued to increase at a solid pace in December. The upturn in expenses was partly due to higher purchasing prices, which in turn was attributed to rising raw material costs, though staff-related expenses rose to the greatest extent since June 2024. This led Hong Kong SAR private sector firms to raise their selling prices in order to ease pressure on their operating margins, with the rate of charge inflation the quickest seen in 26 months.

Hong Kong SAR private sector firms were less downbeat regarding the year-ahead outlook for output in December. Notably, the degree of negative sentiment was weakest since June 2023, as some firms expressed optimism towards the domestic economic outlook. However, concerns lingered about the health of the global economy and the impact of tariffs.



Sources: S&P Global PMI, HKSAR Census and Statistics Department. ©2026 S&P Global.

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Methodology

The S&P Global Hong Kong SAR PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in July 1998.

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 Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

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.

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PMI by S&P Global

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