

## RatingDog China General Services PMI<sup>®</sup>

# Service sector activity and new business continue to expand in March

### March 2026

#### Growth of activity eases from February's strong pace

#### New business expansion driven by domestic demand

#### Cost pressures remain modest, enabling lower charges

China's service providers reported further increases in both activity and new business in March, according to the latest PMI<sup>®</sup> data. The rates of growth eased from February, but the 12-month outlook remained positive. Cost pressures remained modest, helping firms to discount their own prices.

The headline RatingDog China General Services Business Activity Index posted above the 50.0 neutral mark in March to signal further growth of services activity. The current sequence of expansion began in January 2023. The headline figure fell from a 33-month high of 56.7 in February to 52.1, signalling a slower rate of growth, but one that was still in line with the average since the start of 2024.

Higher levels of business activity were supported by inflows of new work at the end of the first quarter. Incoming new business increased for the thirty-ninth successive month, the second-longest period of continuous expansion in the survey history. New business was linked to rising customer demand, expanded customer bases, referrals from existing clients and new projects. The rate of increase was the slowest recorded since April 2025, but this followed strong growth in February.

Latest data signalled that domestic markets were a key driver of service sector demand. International new business declined following growth in the first two months of 2026, although the rate of reduction was only fractional.

Although new business growth eased in March, outstanding workloads continued to rise on the back of strong demand in February. The level of work-in-hand (but not yet completed) has risen continuously since April 2025, except for a brief dip last October. That said, the latest increase was only marginal.

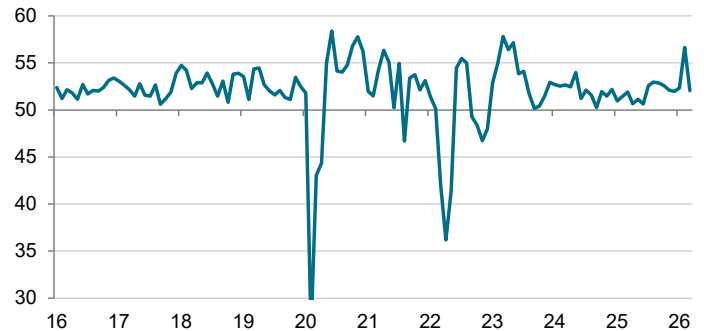
Despite increases in outstanding work and new business during March, the slower rates of growth in both cases allowed service providers to lower their staffing levels.

Resignations and retirements, the non-replacement of leavers and restructuring were all mentioned as reasons for reduced workforces. The rate of job shedding was the quickest in six months, but only modest overall.

March survey data revealed rising average input prices in the Chinese services economy, although the rate of inflation was marginal and below the long-run survey trend. Where costs rose,

RatingDog China General Services PMI Business Activity

Index, sa, >50 = growth m/m



Data were collected 12-23 March 2026.

Sources: RatingDog, S&P Global PMI. ©2026 S&P Global.

### Comment

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

"The RatingDog China General Services PMI registered 52.1 in March 2026, signalling a thirty-ninth consecutive month of expansion.

"On a sub-index basis, the pace of expansion moderated significantly from February's robust peak, but overall operating conditions remained steady. Demand-side performance was mixed. Total new business continued to grow, supported by domestic demand, albeit at a slower rate. New export business fell back into contraction after a strong expansion in February. Employment levels contracted for a second successive month, as firms continued to adjust staffing for cost control.

"Notably, there was a positive shift in price dynamics. Input cost pressures were mild, with the inflation rate remaining low. Concurrently, to support sales and amid market competition, service providers generally lowered their charges in March, with the selling prices index falling back into contraction. This indicates some relief in pricing pressure at the terminal market.

"Business confidence regarding activity over the next 12 months remained optimistic, linked to forecasts of improved market conditions and business expansion plans.

"Overall, while the pace of services sector expansion slowed in March, the foundation of domestic demand remained firm. The easing of cost pressures and proactive pricing strategies are conducive to stabilizing end-market demand. However, volatility in external demand and the ongoing contraction in employment remain factors that warrant attention for the sector. The Services PMI is expected to continue within expansionary territory in the near term."

companies mentioned increased prices for fuel, raw materials and labour, as well as promotional activities.

The modest increase in cost burdens in March enabled services firms to lower their charges in order to support sales. Average selling prices decreased for the third time in four months, albeit only slightly.

Service providers remained optimistic regarding expected activity levels over the next 12 months. Sentiment eased slightly since February but was broadly in line with the trend since the start of 2025. According to anecdotal evidence from survey respondents, confidence was linked to planned business expansions, market developments, new projects, promotions and new products.

## RatingDog China Composite PMI®

### Output growth eases but remains broad-based

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 51.5 in March, down from 55.4 in February, to indicate continued business activity growth across China. The rate of expansion eased from February's 33-month high, but was broadly in line with the average over the past two years. Growth remained broad-based across manufacturing and services.

Total new business also rose at a softer pace, but was supported by growth in both sectors. Backlogs of work increased at the strongest rate in six months. Employment continued to fall marginally despite higher manufacturing jobs.

Input prices rose at the fastest rate since May 2022, mainly reflecting a sharp increase in manufacturing. Charge inflation eased slightly since February and was in line with the long-run average.

### 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.

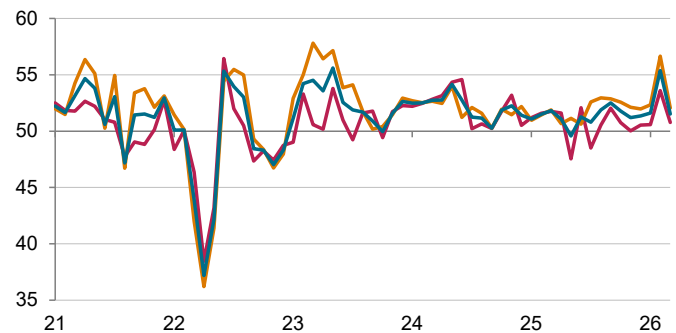
For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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■ Composite Output  
■ Services Business Activity  
■ Manufacturing Output  
Index, sa, >50 = growth m/m



Sources: RatingDog, S&P Global PMI. ©2026 S&P Global.

### Contact

Yao Yu  
Founder  
RatingDog  
T: +86-13632667171  
[yaoyu@ratingdog.cn](mailto:yaoyu@ratingdog.cn)

Yang Jinjing  
Corporate Communications  
RatingDog  
T: +86-18610881605  
[yangjj@ratingdog.cn](mailto:yangjj@ratingdog.cn)

Trevor Balchin  
Economics Director  
S&P Global Market Intelligence  
T: +44-1491-461-065  
[trevor.balchin@spglobal.com](mailto:trevor.balchin@spglobal.com)

Eri Amano  
APAC Senior Communications Manager  
S&P Global Market Intelligence  
T: +81 (0) 80 3714 7658  
[eri.amano@spglobal.com](mailto:eri.amano@spglobal.com)  
[press.mi@spglobal.com](mailto:press.mi@spglobal.com)

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