News Release
Embargoed until 0830 HKT 3 September 2025 / 0030 UTC 3 September 2025

S&P Global Hong Kong SAR PMI®

Business conditions improve for first time in seven months in August

August 2025

Strongest rise in output since November 2024 amid broadly stable demand

Employment levels rise for first time in three months

Output projections remain downbeat

Business conditions across the Hong Kong SAR private sector improved for the first time since January midway through the third quarter.

A fresh rise in output coincided with a broad stabilisation of demand conditions, particularly across the domestic market, as sales across international markets and to Mainland China continued to fall. The improvement in activity and signs of more stable demand conditions encouraged private sector firms to raise their headcounts for the first time in three months, albeit only marginally. Purchasing activity meanwhile fell at a softer rate.

Looking forward, however, firms remained strongly pessimistic regarding the outlook for the coming year amid concerns over the global trade environment and economic conditions.

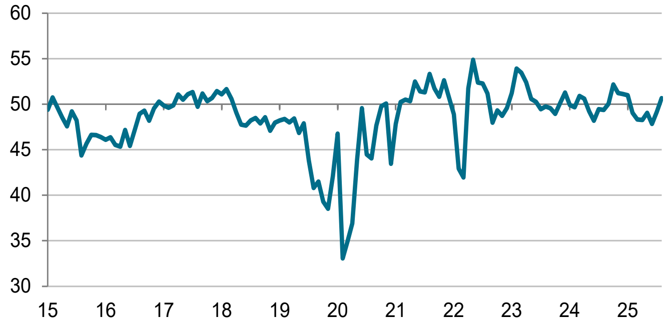
The headline seasonally adjusted S&P Global Hong Kong SAR Purchasing Manager's Index™ (PMI®) – a composite single-figured indicator of performance – posted 50.7 in August, up from 49.2 in July and the highest figure since the start of 2025. The latest reading signalled the first improvement in business conditions for seven months.

Private sector firms raised output levels for the first time in five months in August. Though marginal, the rate of growth was the most pronounced since November 2024. Anecdotal evidence suggested that a relative improvement in demand conditions had led firms to increase output.

Companies indicated that incoming business broadly stabilised in the latest survey period. While still fractionally below the neutral 50.0 threshold, the respective seasonally adjusted index was at its highest since the start of the year. Data suggested the improvement was largely limited to the domestic market, as demand across international markets and Mainland China continued to contract sharply. Anecdotal evidence suggested that US tariffs and subdued global economic conditions dampened sales.

In line with the trend seen for output, employment levels were raised for the first time in three months during August. The rate of job creation was only marginal however. Companies also signalled a further reduction in the level of backlogged work.

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



Data were collected 12-26 August 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

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

"The latest S&P Global Hong Kong SAR PMI data indicated that business conditions improved midway through the third quarter, to mark the first improvement since January. Output rose for the first time in five months and at the strongest rate since November 2024, while total new orders broadly stabilised. Firms were therefore encouraged to raise employment levels for the first time in three months.

"Improvements appear limited to the domestic economy however, as new orders from Mainland China and external markets continued to contract at solid rates, which was largely attributed to the impact of higher US tariffs.

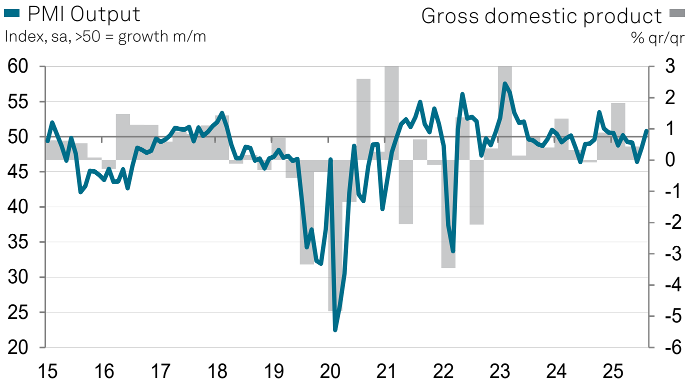
"More forward-looking indicators also remained downbeat. Firms continued to lower purchasing activity, while backlogs of work continued to decline, a sign that production was likely supported by the completion of existing orders. Moreover, the degree of pessimism around the year-ahead remained severe in August."

PMI® by S&P Global

Purchasing activity decreased again in the latest survey period, but at a softer pace than that seen in July. Firms often mentioned downwardly adjusting their input buying to reflect muted demand. At the same time, stocks of inputs rose for the third month running, albeit modestly. However, firms noted that shipping delays had hindered the timely delivery of inputs, as suppliers' delivery times lengthened to the greatest extent in seven months.

On the price front, average input costs increased further in August, albeit at a softer pace than that seen a month prior. The upturn was partly due to higher purchase prices, often attributed by panel members to rising raw material costs, though there was a renewed increase in staff costs. That said, Hong Kong SAR firms kept selling prices broadly unchanged as some companies mentioned offering discounts as part of efforts to support sales.

Pessimism among Hong Kong SAR private sector firms regarding the year-ahead remained marked in August. Concerns were mainly centred on the prolonged impact of US tariffs and weak economic conditions. Although severe, the degree of negative sentiment was the least pronounced since February.



Sources: S&P Global PMI, HKSAR Census and Statistics Department. ©2025 S&P Global.

Contact

Usamah Bhatti
Economist
S&P Global Market Intelligence
T: +44-1344-328-370
usamah.bhatti@spglobal.com

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

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.

S&P Global

S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi