

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

# China's manufacturing sector growth accelerates at the start of 2026

### January 2026

#### Production expands at a faster pace amid higher new orders

#### Fresh rise in employment

#### Output charges increase for the first time in 14 months

Business conditions in China's manufacturing sector continued to improve at the start of 2026, according to the latest PMI<sup>®</sup> data. The rate of output growth accelerated slightly amid higher new orders, including from overseas customers. Firms hired additional staff to help cope with rising workloads and clear their outstanding orders. Purchasing activity also rose.

That said, business confidence fell to a nine-month low in January, which was partly attributed to concerns around costs. Notably, the latest survey pointed to the strongest rise in expenses for four months, which contributed to the first rise in output charges since November 2024.

The headline seasonally adjusted Purchasing Managers' Index<sup>™</sup> (PMI) – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – posted above the 50.0 no-change mark for a second straight month in January to signal another improvement in manufacturing sector conditions. At 50.3, up from 50.1 in December, the latest reading indicated a further slight expansion of the Chinese manufacturing sector. This nevertheless marked the fastest rate of growth in three months.

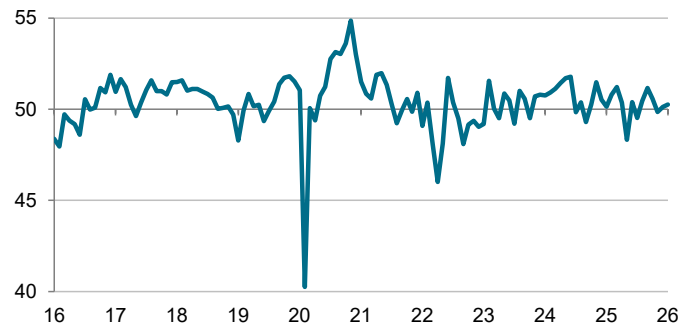
Manufacturing production in China increased at a quicker rate in the opening month of the year, underpinned by rising new business inflows. Companies often mentioned that greater client interest and increased customer bases had supported the latest uptick in new orders. Growth in new sales was also supported by a fresh rise in new export orders at the start of the new. Anecdotal evidence suggested that client demand had increased from customers in Southeast Asia in particular.

In response to rising new business and production requirements, manufacturers in China lifted their staffing levels for the first time in three months, albeit only marginally. The expansion in workforce capacity, coupled with better efficiency, led to the first reduction in outstanding workloads for eight months in January.

Meanwhile, purchasing activity also rose at the start of the first quarter, as Chinese manufacturers purchased additional raw materials and semi-finished goods to meet business

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Index, sa, >50 = improvement m/m



Data were collected 12-22 January 2026.

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

### Comment

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

"The RatingDog China General Manufacturing PMI rose to 50.3 in January and signaled that the manufacturing sector maintained its expansionary trend.

"On a sub-index basis, the improvement in employment was the primary factor driving the expansion of the PMI this month, mainly fueled by the growth in new orders and rising production requirements. On the demand side, total new orders expanded for the eighth consecutive month. Notably, new export orders returned to expansion territory after a contraction in December, primarily buoyed by increased demand from Southeast Asia and other overseas markets. However, the overall growth of new orders remained fractional, with some firms citing high prices and subdued market conditions as inhibitors to growth. Regarding production, the production index rose further, with the growth rate of output accelerating slightly, while the quantity of purchases picked up significantly.

"On the inventory side, stocks of purchases rose for the second consecutive month as firms replenished raw materials. Stocks of finished goods continued to decline as firms fulfilled orders through existing holdings. Regarding prices, amid accumulating cost pressures, firms raised output charges for the first time since November 2024, with the rate of increase among the fastest in the past one and a half years. Input prices rose for the seventh consecutive month and at the sharpest rate since September 2025. Metals experienced particularly significant price increases, as the current commodity bull market driven by precious metals continues with no signs of peaking yet.

"Overall, the manufacturing sector maintained growth in January, characterized by a marginal recovery in demand and slight improvements in employment. However, business confidence slipped and growth momentum remains weak. Looking ahead, if cost pressures persist while demand recovery is limited, profit margins will remain under pressure. Policy support for initiatives may consolidate the recovery momentum in 2026."

requirements. Consequently, firms signalled a back-to-back monthly increase in stocks of purchases. In contrast, stocks of finished goods continued to decline as items were shipped out for order fulfilment.

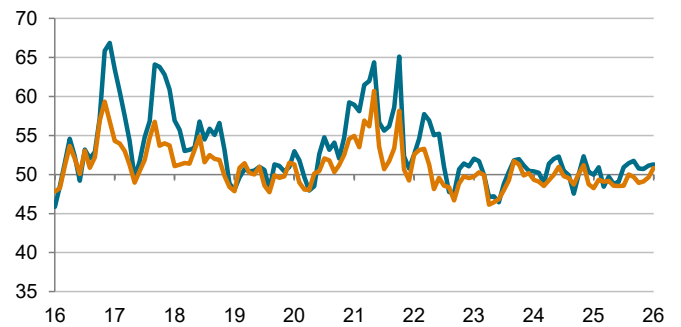
Supply conditions were stable at the start of 2026, as average lead times were unchanged on the month. However, average input costs continued to climb in January. Chinese manufacturers mentioned that metals in particular had increased in price during the latest survey period. The rate of input cost inflation was the highest since last September after quickening for the second month in a row.

Amid rising cost pressure, Chinese goods producers raised their factory gate charges for the first time since November 2024. Similarly, average charges for exported items were also lifted in January to reflect greater raw material prices. Furthermore, the rate at which export charges were increased was the fastest in a year-and-a-half.

Finally, business sentiment in the Chinese manufacturing sector remained positive at the start of the year as firms were generally hopeful that the introduction of new products and business growth plans would help to support sales and production growth in the next 12 months. That said, concerns over the outlook for economic growth and rising cost pressures led the overall degree of optimism to slip to the lowest seen in nine months.

## PMI Input Prices ■ PMI Output Prices

Index, sa, >50 = inflation m/m



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## Methodology

The RatingDog China General Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 650 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in April 2004.

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](mailto:economics@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.

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