

S&P Global Hong Kong SAR PMI[®]

Private sector business conditions improve at strongest rate since March 2023

February 2026

Firms signal sharper increases in output and new orders

Backlogs expand at fastest rate in 12 years

Output charge inflation hits highest since October 2023

Hong Kong SAR private sector business conditions improved for the seventh successive month midway through the first quarter of 2026.

Accounting for seasonal factors, including the Lunar New Year holidays, the headline PMI indicated that the rate of improvement strengthened compared to the start of 2026, supported by steeper upturns in output and new business. Firmer demand conditions encouraged firms to raise their employment levels and purchasing activity, with the former rising for the first time in four months.

On the price front, total input costs rose at a softer but still solid rate in February. Firms opted to partially pass on higher expenses to clients by raising their selling prices. In fact, the rate of charge inflation was the most pronounced since October 2023.

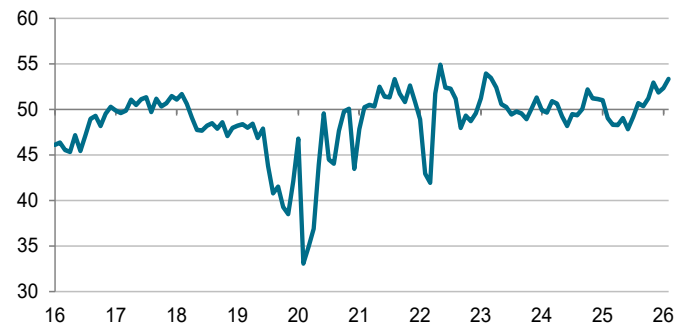
The headline seasonally adjusted S&P Global Hong Kong SAR Purchasing Manager's Index™ (PMI[®]) – a composite single-figure indicator of performance – posted 53.3 in February, up from 52.3 in January. The latest reading signalled a seventh consecutive monthly improvement in business conditions, with the rate of growth the strongest in just under three years.

New order inflows across the private sector economy increased for the fifth month in a row during February. According to panel members, increased tourist numbers, improved client budgets and new sales channels across local and international markets had boosted sales. In fact, new orders from both Mainland China and international markets rose sharply during February.

Higher overall sales led to a sustained upturn in output, with the rate of growth accelerating to a three-month high. However, there was evidence of sustained pressure on capacity across the Hong Kong SAR private sector. Firms registered a third consecutive monthly increase in outstanding business, and one that was the most pronounced in 12 years. At the same time, businesses signalled a renewed increase in staffing levels, though the rate of job creation was marginal overall.

February data also showed that firms raised their purchasing activity sharply, as firms responded to stronger pipelines of

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Index, sa, >50 = improvement m/m



Data were collected 4-24 February 2026.
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:

"S&P Global's Hong Kong SAR PMI data for February showed that business conditions improved midway through the first quarter of 2026. Both business activity and new orders expanded at the strongest rates in three months, which contributed to the greatest improvement in overall operating conditions for nearly three years. The boost to sales appeared to be broad-based as sales to both Mainland China and international markets continued to increase.

"Trends regarding employment and purchasing activity were also positive in February. Private sector companies reported higher employment for the first time in four months, while increased production requirements encouraged firms to raise their input buying at the steepest rate since last November.

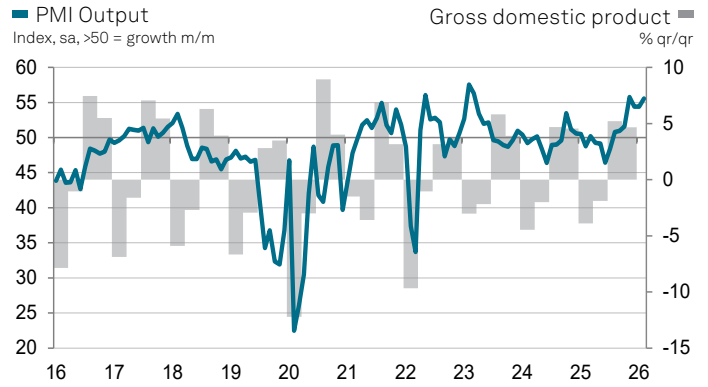
"Price pressures meanwhile eased, as firms experienced a softer increase in average cost burdens during February. That said, average prices charged by private sector companies in Hong Kong SAR rose to the greatest extent in nearly two-and-a-half years, as some companies sought to pass on higher expenses to clients where possible as part of efforts to protect their margins."

new work. Consequently, firms' holdings of inputs expanded at the fastest pace since last June. However, lead times for purchased items lengthened for the first time since last November. The rate of deterioration was modest, but the most pronounced in six months. Some firms mentioned that shipping delays had contributed to longer delivery times.

Average input prices rose at a slower pace midway through the first quarter, though the rate of inflation remained solid overall. Underlying data showed that average purchase costs rose at a softer but nevertheless sharp pace amid reports of rising raw material prices. In contrast, average staffing costs rose at a fractional pace that was the weakest recorded in seven months.

Hong Kong SAR private sector companies opted to partially pass on higher expenses to customers by raising their selling prices for the eighth consecutive month. While moderate, the rate of charge inflation was the strongest recorded since October 2023.

The outlook for business activity remained downbeat in February, though the overall level of pessimism softened compared to that seen in January. Negative sentiment was often linked by firms to intense competition and subdued local demand, though some firms commented on signs of firmer demand across international markets.



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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