

# RatingDog China General Services PMI®

## New business growth accelerates in October

### October 2025

**Greater intakes of new work support further rise in activity**

**Job shedding persists amid fastest rise in input costs for a year**

**Average output charges fall due to intense competition**

China's service sector continued to expand at the start of the final quarter of the year, according to latest PMI® data. Growth in services activity was supported by a faster rise in overall new business, though export sales fell modestly. Meanwhile, better efficiency led to the first reduction in outstanding business in seven months. Staffing levels also declined, which was partly due to cost concerns. Despite higher input prices, output charges fell fractionally, while business confidence regarding the year ahead softened.

The headline RatingDog China General Services Business Activity Index fell slightly from 52.9 in September to 52.6 in October. Posting above the 50.0 neutral mark, the latest reading indicated another expansion of services activity in China, thereby extending the current period of growth that began in January 2023. That said, the rate of increase was the softest in three months.

The latest rise in services activity was driven by a further upturn in new business, with the rate of new order growth quickening notably from September. New product launches and new client wins underpinned the latest uptick in sales, according to panellists. The improvement in demand was limited to the domestic market, however, as foreign demand deteriorated modestly in October, reportedly due to increased uncertainty regarding the global trade outlook.

Despite greater inflows of new work, service providers were able to lower their level of outstanding business for the first time since March. Panellists often mentioned better efficiency as a reason for the reduction in outstanding workloads.

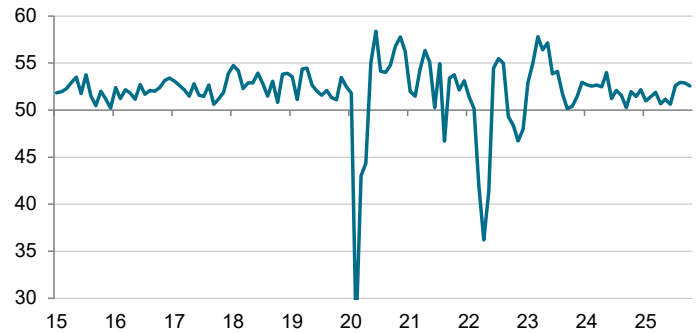
Meanwhile staffing levels fell as capacity pressure eased in October. Anecdotal evidence suggested that both the non-replacement of job leavers and redundancies contributed to the latest fall in headcounts, with the latter driven by cost concerns.

Indeed, average input prices increased again at the start of the fourth quarter. Moreover, the rate of cost inflation was the most pronounced in a year. Services firms often mentioned that higher raw material and wage costs had pushed up expenses.

In contrast to the trend seen for input prices, average charges fell fractionally in October as companies opted to absorb cost increases to support sales amid rising competition. This also marked the second reduction in output prices in three months.

RatingDog China General Services PMI Business Activity

Index, sa, >50 = growth m/m



Data were collected 9-23 October 2025.

Sources: RatingDog, S&P Global PMI. ©2025 S&P Global.

### Comment

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

"The RatingDog China General Services PMI fell slightly to 52.6 in October, and indicated that the pace of expansion slowed slightly.

"In terms of sub-components, demand for services remained in expansion in October, though performance diverged. Specifically, affected by increased instability in the global trade environment, new export business fell noticeably into contractionary territory. The domestic market saw some improvement in demand, and total new orders remained in expansion, with the pace of growth quickening. Future business activity expectations remained at a high level, though the overall level of confidence weakened slightly in October. Employment remained in contraction, but the pace of reduction slowed. An improvement in efficiency led to a contraction in backlogs of work for the first time in seven months.

"When it comes to price indicators, input prices rose for the eighth consecutive month, with the reading marking the highest level since October 2024. Output prices fell back into contractionary territory this month. This volatility was due to diverging pricing strategies among firms: some raised prices to pass on cost pressures, while others offered discounts to secure sales. Profit margins in the services sector remained under pressure.

"Overall, demand in the services sector remained in expansion in October. Although complex trade conditions inhibited export business, a solid improvement in domestic demand continued to drive the expansion of new orders. The sustained contraction in employment and pressure on profit margins remain the main constraints facing the sector."

## RatingDog China General Services PMI®

Overall sentiment regarding the one-year outlook for activity remained positive across the service sector in October. However, the level of confidence declined slightly since September. While firms were generally hopeful that better market conditions and business expansion plans will help to drive services activity growth in the next 12 months, some were concerned about the global trade outlook and increased competition.

## RatingDog China Composite PMI®

### Overall business activity growth slows in October

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 51.8 in October, down from 52.5 in September. This indicated that overall activity increased for a fifth straight month but at a softer pace due to weaker increases in output across both the manufacturing and service sectors.

Total new business also expanded at a slower rate, dampened in part by a fresh fall in new export work. At the same time, job shedding continued for a third consecutive month amid signs of reduced pressure on capacity.

Finally, cost pressures intensified in October, but both goods producers and service providers opted to lower their selling prices, while there was a broad-based reduction in optimism regarding future output.

### 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.

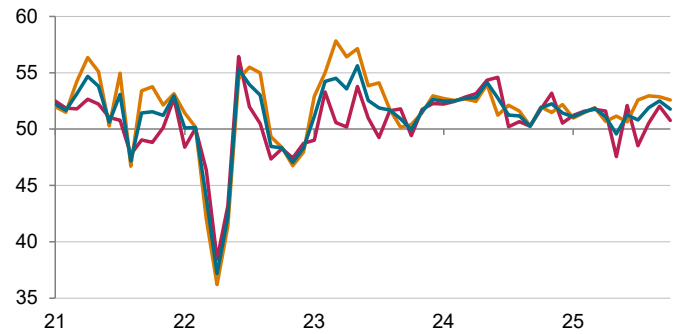
For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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



Sources: RatingDog, S&P Global PMI. ©2025 S&P Global.

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