

# RatingDog China General Services PMI®

## Services activity growth accelerates to solid pace in August

### August 2025

**Incoming new business expands at quickest rate since May 2024**

**Staffing levels decline at fastest pace in five months**

**Output charges fall as cost pressures ease**

China's service sector expansion accelerated midway through the third quarter, according to latest PMI® data. The upturn was supported by a quicker increase in overall new orders and a stronger rise in new export business. The improvement in sales also drove a further accumulation of backlogged work. Additionally, sentiment among service providers regarding the one-year outlook for business activity remained positive. However, despite the solid rise in new orders, companies trimmed their headcounts in August.

Turning to prices, average output charges declined slightly after rising in July. This was amidst a softer increase in input costs and reports of intense market competition.

The headline RatingDog China General Services Business Activity Index rose to 53.0 in August, up from 52.6 in July. 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. Furthermore, the rate of increase was the fastest seen since May 2024 and solid.

Central to the latest upturn in services activity was a stronger rise in new business. The rate of new order growth accelerated for a second successive month and was likewise the steepest seen since May 2024. This was partly supported by a stronger rise in new export business, which increased at the fastest rate since February. Comments from panellists often mentioned successful business development efforts, improvements in market conditions and increased tourism as key drivers of sales growth.

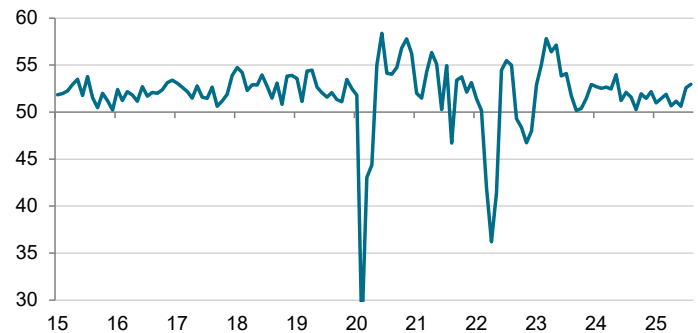
In addition to spurring growth in services activity, the latest uptick in new business also contributed to another accumulation of outstanding business in August. This marked the fifth time in as many months in which backlogs of work have expanded, with the rate of growth quickening from July.

Despite rising workloads, Chinese service providers signalled a fresh fall in staffing levels in August. Headcounts have now fallen in two of the past three months, with the latest reduction attributed to both the non-replacement of job leavers and redundancies, partly due to concerns over costs.

Indeed, average input costs continued to increase in August on the back of higher wages and raw material costs, according to panellists. This marked the sixth successive month of cost inflation,

RatingDog China General Services PMI Business Activity

Index, sa, >50 = growth m/m



Data were collected 12-20 August 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 Services PMI posted 53.0 in August, showing relatively strong growth and marking the highest reading seen since May 2024. This seasonally adjusted index reading was better than the 51.6 recorded in the same period last year and the average level over the past year.

"On the positive side, the index measuring overall new business saw a significant jump to its highest point since May of last year, while new export business expanded at the quickest pace since February. This was largely driven by more stable domestic demand and a recovery in foreign demand. At the same time, service sector businesses remained optimistic about the future, with overall confidence the joint-highest since March.

"Regarding prices, input prices rose slightly, though the pace of increase has slowed and the index is gradually approaching the neutral line. Critically, companies have not been able to fully pass on these costs, with the output prices index falling back into contraction territory. This suggests that profit margins have been under continuous pressure since November 2023, with no significant relief to date.

"Overall, the performance of the service sector in August was quite notable. However, the persistent pressure on output prices, and thereby profits, suggests that the service sector recovery may be imbalanced. While this short-term boost is positive for business activity, the ongoing pressure on corporate profits could create negative feedback in the long term. Whether prices can be effectively passed on and if there are signs of improving domestic demand will be crucial for assessing the likelihood of a sustained economic recovery."

## RatingDog China General Services PMI®

though the latest upturn was only fractional. Against a backdrop of intense market competition, services firms opted to absorb cost increases and lowered their output charges to support sales.

Business sentiment regarding the one-year outlook remained positive across the service sector in August, with the level of confidence unchanged from July and the joint-highest in five months. Companies often hoped that better market conditions and internal growth plans would stimulate business activity growth in the year ahead.

## RatingDog China Composite PMI®

### Broad-based expansion in business activity in August

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 51.9 in August, up from 50.8 in July. This indicated that overall output increased for a third straight month and at the quickest pace since last November. Growth was broad-based by sector, and led by services.

Overall new business growth also accelerated, while total exports declined at the softest pace in five months. Higher new orders contributed to a renewed rise in backlogs, while business confidence hit a five-month high. Staffing levels fell slightly, however, following a fractional rise in July.

Finally, average input prices rose slightly again in August, while output charges continued to fall.

### 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.

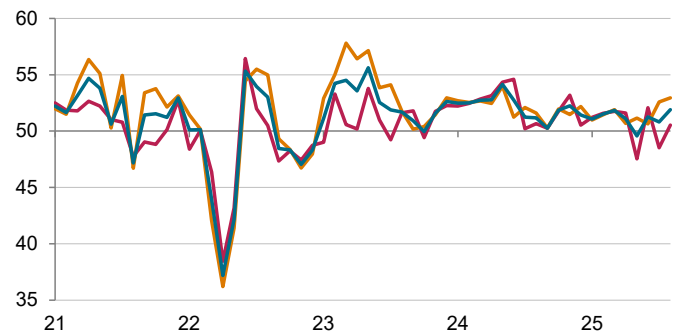
For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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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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