

## RatingDog China General Services PMI®

# Service sector activity expands at fastest pace since May 2023

February 2026

Incoming new business rises at quickest pace in six months

Fresh fall in staffing levels

Output charges increase at strongest rate in 21 months

China's service sector expanded at the fastest pace in almost three years in February, according to the latest PMI® data. Stronger new business inflows, including from overseas clients, underpinned the sharper rise in services activity. Business sentiment also improved among service providers. That said, companies opted to lower their staffing levels amid a lack of capacity pressure and rising cost burdens. Average input prices rose at a quicker rate in February, which in turn drove a renewed hike in output charges.

The headline RatingDog China General Services Business Activity Index posted above the 50.0 neutral mark in February to indicate another expansion of services activity in China, thereby extending the current period of growth that commenced in January 2023. At 56.7, up from 52.3 in January, the latest rise in services activity was the strongest in 33 months.

The marked expansion in business activity was driven by a further rise in customer demand midway through the first quarter of the year. Incoming new business increased at the joint-quickest rate since May 2024, with growth generally attributed to successful promotional strategies and rising client interest. Overseas demand also rose as marketing efforts bore fruit and with greater tourism interest. The pace at which new export business expanded was the quickest in a year.

Greater amounts of new work also led to another accumulation of outstanding business in February. However, the rate at which backlogs rose remained marginal and was similar to those seen in the prior two months.

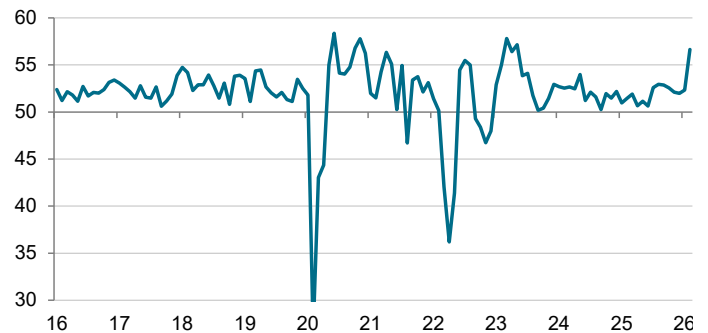
A general lack of pressure on capacity led Chinese service providers to reduce their staffing levels in February, following a slight increase in payrolls at the beginning of the year. Some services firms indicated that they had reduced headcounts to cut costs.

Indeed, cost pressures intensified in February, as average input prices rose at a quicker rate compared to January. Where input prices increased, panellists noted that this was due to higher wage and energy expenses.

Services firms also took the opportunity to raise their output charges during a period of rising demand. Average selling prices increased for the first time in three months. Although modest, the rate of output price inflation was the highest recorded since May

RatingDog China General Services PMI Business Activity

Index, sa, >50 = growth m/m



Data were collected 4-19 February 2026.

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

### Comment

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

"The RatingDog China General Services PMI jumped to 56.7 in February, signaling a marked acceleration in the pace of expansion.

"A breakdown of the sub-indices reveals a significant strengthening in demand-side momentum. The rate of growth in total new business accelerated to a six-month high, primarily supported by domestic promotional activities and increased client enquiries. New export business also expanded at a notably quicker pace.

"Employment conditions weakened again after a brief improvement in January, as staffing levels fell. Firms cited cost control as a primary reason, leading to a further accumulation of unfinished business.

"A key shift occurred in price indicators. The rate of input price inflation picked up from a five-month low in January but remained marginal. Amid strengthening demand, service providers' pricing power also strengthened, with selling prices inflation reaching its highest level in 21 months. This indicated a smoother pass-through of costs, suggesting potential marginal relief for sector profit margins.

"Business confidence remained elevated. Firms' expectations for activity stayed strong, linked to forecasts of improved market conditions and business expansion plans.

"Overall, the service sector exhibited strong expansion momentum in February, with clear domestic demand drivers. The successful pass-through of more costs to clients has provided some relief to end-business profit pressures. However, external uncertainties and the current softness in employment may constrain the sustainability of this improvement to some extent. The Services PMI is expected to maintain its expansionary trend in the short term."

## RatingDog China General Services PMI®

2024 and above the series average.

Overall, business sentiment in the service sector improved since the start of the year. Better demand conditions and hopes for further improvements in sales amid planned business development underpinned upbeat forecasts. However, the overall level of optimism remained below the long-run average amid concerns over intense competition.

## RatingDog China Composite PMI®

### Composite output growth accelerates to 33-month high

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 55.4 in February, up from 51.6 in January, to indicate continued business activity growth across China. Moreover, the rate of expansion was the quickest since May 2023 due to faster increases in output across both the manufacturing and service sectors.

Total new business also rose at a faster pace, supported by stronger growth in new export work. This led to a renewed accumulation of backlogged work. However, renewed job shedding was seen at the composite level amid a fresh decline in employment within the services sector.

Finally, price pressures intensified, with input costs and output charges increasing at the fastest pace in 20 and 28 months, respectively.

### 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.

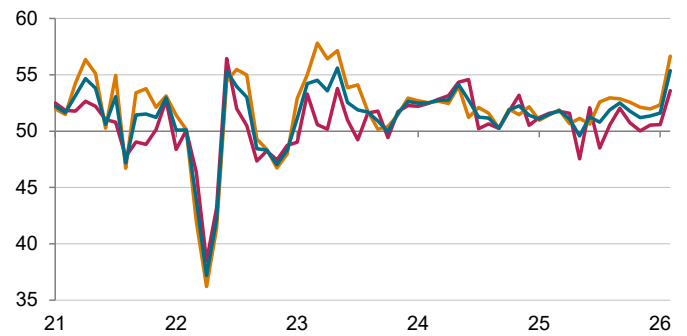
For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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



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

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