

RatingDog China General Services PMI[®]

Service sector activity growth accelerates further in May

May 2026

Growth rates for activity and new business continue to accelerate

Service providers increase workforces as outstanding work grows

Highest cost pressures in 19 months

The latest PMI[®] data revealed a continued acceleration in growth of the Chinese services sector in May, with both total activity and new business expanding at the fastest rates in three months.

There was a renewed boost to employment as outstanding work rose the most in nearly two years. Cost pressures picked up to the highest since October 2024.

The headline RatingDog China General Services Business Activity Index moved further above the 50.0 neutral mark to 54.4 in May, up from April's 52.6, signalling the steepest increase in services activity for three months. The current sequence of expansion began in January 2023.

The faster increase in activity was accompanied by a further acceleration in the rate of growth in new business moving through the second quarter. The rate of expansion in demand for services accelerated for the fourth time in five months and was broadly in line with the long-run survey average. Increased client demand, business innovation and expansion, new client acquisitions, improved market conditions and the development of new projects were all mentioned as sources of new work. Incoming new orders rose for the forty-first successive month, the second-longest period of continuous growth in the survey history.

Higher inflows of new export business contributed to the latest rise in total new work, following slight declines registered in March and April. The rate of expansion in new international business was softer than the latest increase in domestic demand, however.

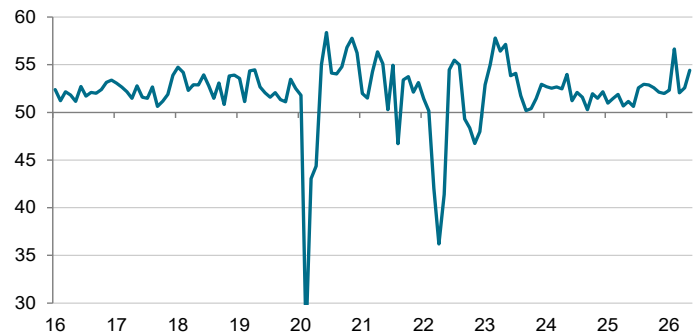
Chinese service providers continued to report positive forecasts for business activity levels over the next 12 months. Expectations improved to the highest since February and were greater than the rolling 12-month average. The latest anecdotal evidence highlighted improving market conditions, a brighter economic outlook, business developments, increased client demand, new projects and new business lines as reasons for optimism.

The faster increase in new business in May was sufficient to generate another rise in outstanding orders at Chinese service sector companies in May. Work-in-hand grew for the seventh month running, and at the steepest rate since June 2024.

Higher levels of outstanding business placed pressure on operating capacity, and companies responded by boosting workforces. Employment in the service sector rose for the first time in four months, and to a greater degree than the previous increase in January.

RatingDog China General Services PMI Business Activity

Index, sa, >50 = growth m/m



Data were collected 12-20 May 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 rose to 54.4 in May 2026, signalling a further acceleration in the pace of expansion.

"On a sub-index basis, the expansion momentum continued to strengthen. Total new business increased for the forty-first consecutive month, with the rate of growth quickening to a three-month high, supported by improved domestic demand, business innovation and new client acquisitions. New export business returned to expansionary territory in May following marginal contractions in March and April. The labour market saw a notable positive shift, with employment rising for the first time in four months as firms responded to sustained increases in outstanding business by adding to their workforces.

"Regarding prices, input costs rose for the fifteenth consecutive month, with the rate of inflation accelerating to the highest since October 2024. Firms linked higher costs to oil and fuel prices, increased procurement and higher wages. However, overall cost pressures remained below the long-run survey trend. Faced with rising input costs, service providers largely absorbed the burden, keeping average charges broadly stable in May.

"Business sentiment regarding the 12-month outlook for activity remained optimistic, with the degree of confidence exceeding the rolling 12-month average. Optimism was linked to improved market conditions, new projects and a brighter economic outlook.

"Overall, the services sector saw a further acceleration in expansion in May, underpinned by broad-based growth in new business and employment, along with robust business confidence. The manageable cost environment provided leeway for firms to maintain stable pricing strategies."

RatingDog China General Services PMI®

Cost inflationary pressure in the Chinese services economy continued to build in May. Companies linked rising costs to oil and fuel prices, increased procurement, higher wages and other labour costs, and increased business activity leading to greater expenses. The rate of input price inflation rose to the highest since October 2024, although it was still below the long-run survey trend since 2005. With cost burdens rising but remaining below the long-run survey trend, service providers held their charges broadly unchanged in May.

RatingDog China Composite PMI®

Fastest rise in output in three months in May

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 54.0 in May, up from 53.1 in April, signalling the fastest growth in overall output since February. The rate of expansion was the second-fastest in two years. Services activity drove the overall acceleration since April, though manufacturing output continued to expand at a robust pace.

Total new business increased at the strongest pace in three months, while outstanding work grew for the fourth successive month. Employment rose slightly, reflecting recruitment at services providers.

Input price inflation eased for the first time since January, leading to a softer increase in prices charged. Cost pressures were broadly in line with the long-run series average.

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.

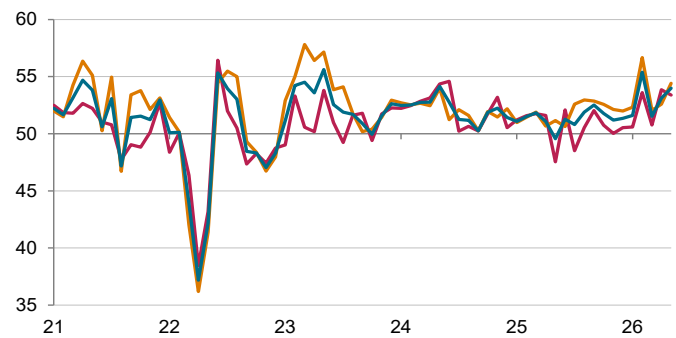
For further information on the PMI survey methodology, please contact economics@spglobal.com.

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



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