

S&P Global Hong Kong SAR PMI[®]

Private sector output rises at strongest pace in ten months

September 2025

Companies signal back-to-back increases in business activity

New export orders fall at sharpest rate in three-and-a-half years

Input costs increase at fastest pace since November

Hong Kong SAR private sector firms recorded another improvement in overall business conditions during September.

However, the rate of growth softened slightly on the month and was only marginal overall. While output increased at a slightly stronger rate that was the most pronounced since last November, new orders fell fractionally for the second successive month. Demand outside of Hong Kong SAR meanwhile remained weak, as sales to Mainland China and worldwide fell markedly at the end of the third quarter. However, business sentiment improved during September, and while firms were still broadly downbeat, the degree of pessimism was the least severe since November 2023.

Turning to prices, overall input costs rose at a solid pace that was the strongest for nearly two years amid higher raw material costs. Output prices were also raised, though the rate of charge inflation was only fractional.

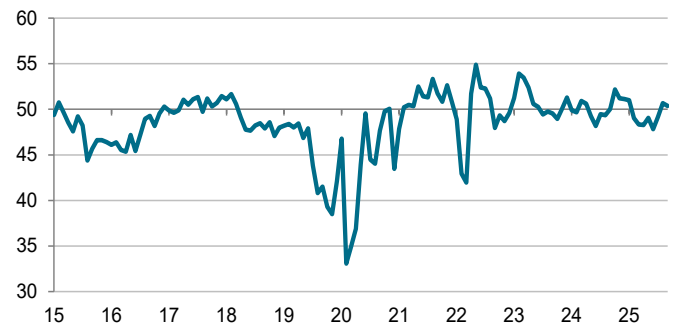
At 50.4 in September, the headline seasonally adjusted S&P Global Hong Kong SAR Purchasing Manager's Index™ (PMI[®]) – a composite single-figured indicator of performance – was down from 50.7 in August to signal a sustained but slightly softer improvement in the health of the Hong Kong SAR private sector economy.

Business activity across the private sector increased for the second successive month during September, with the rate of growth edging up to the highest since November 2024. The service sector led the expansion, as activity levels fell across the three other monitored sectors.

New orders meanwhile decreased at a fractional pace, with the rate of contraction unchanged from that seen in August. Survey respondents often mentioned improved domestic orders across online platforms. That said, firms noted that US tariffs continued to weigh on demand from Mainland China and globally. In fact, the latest reduction in new export orders was the most marked since March 2022.

Amid falling volumes of incoming new business, backlogs of work fell modestly in September. At the same time, employment levels were broadly unchanged, as firms signalled sufficient capacity for current demand conditions. Job creation was recorded across the services and wholesale &

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Index, sa, >50 = improvement m/m



Data were collected 11-25 September 2025.
Source: S&P Global PMI. ©2025 S&P Global.

Comment

Commenting on the latest survey results, Usamah Bhatti, Economist at S&P Global Market Intelligence, said:

"The Hong Kong SAR PMI remained in positive territory for the second month in a row in September. The rate of reduction in new orders was unchanged from August and only fractional, while output volumes increased at the quickest pace in ten months. It was also encouraging to see that employment levels were largely unchanged, while the outlook for production in the coming year was much less pessimistic.

"Demand concerns remain, however, especially from overseas markets and in Mainland China. Both saw sales fall at marked rates amid US tariffs, with the former recording the sharpest reduction in three-and-a-half years. At the same time, inflationary pressures showed signs of building, with overall cost burdens rising at the steepest rate in nearly two years amid higher raw material and staff costs."

retail sectors, but headcounts fell across the manufacturing and construction industries.

Input buying meanwhile declined at a softer pace in September. The latest survey indicated a marginal decrease in purchasing activity that was the slowest in seven months. This partly reflected subdued sales pipelines and sufficient stocks of inputs, according to panel members. At the same time, pre-production inventories expanded at the slowest rate in four months. Despite muted demand conditions, supply chains remained under pressure at the end of the third quarter, though the rate at which vendor performance deteriorated was only mild.

The overall rate of input price inflation gained momentum during September, reaching the highest since November 2023. The increase in expenses was often linked to a sharp rise in purchase costs amid greater raw material prices. Staffing costs meanwhile rose at a modest pace that was the strongest since mid-2024. Efforts to pass through higher cost burdens to clients were limited, as output charges increased only fractionally, as some firms mentioned offering discounts to stimulate sales.

Business activity expectations for the year ahead remained downbeat at the end of the third quarter. However, the degree of negative sentiment eased notably on the month, with the respective index posting its highest reading since November 2023. Panellists suggested that uncertainty around US trade policy and global economic conditions had dampened projections, but this was partially offset by increased optimism regarding the health of the domestic economy.

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.

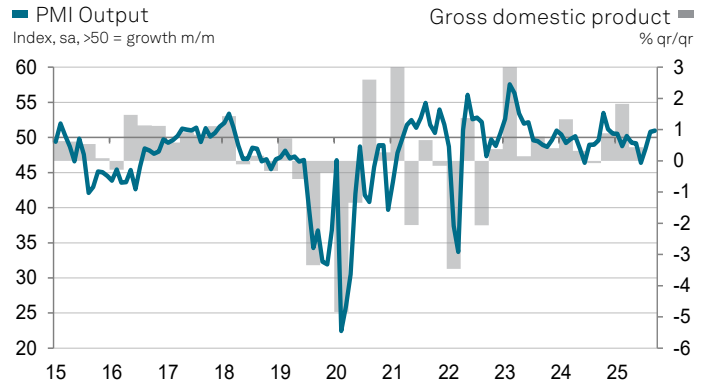
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

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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