

S&P Global Hong Kong SAR PMI[®]

Private sector business conditions improve at strongest rate since November 2024

October 2025

October sees steepest upturns in output and new orders for a year

Employment returns to growth

Output charge inflation hits one-year high

Hong Kong SAR private sector business conditions improved for the third consecutive month at the start of the final quarter of 2025.

The rate of improvement strengthened compared to the previous month, supported by the steepest rises in output and new business in exactly one year. Firmer demand conditions also encouraged firms to raise their employment levels and purchasing activity, with the latter rising for the first time since January.

On the price front, total input costs rose at a softer rate in October, and one that was broadly in line with the series average. Nevertheless, firms opted to partially pass on higher expenses to clients by raising their selling prices. In fact, the rate of charge inflation was the most pronounced in 12 months.

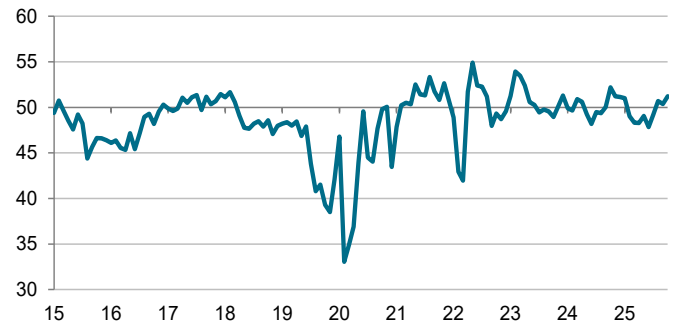
The headline seasonally adjusted S&P Global Hong Kong SAR Purchasing Manager's Index™ (PMI[®]) – a composite single-figure indicator of performance – posted 51.2 in October, up from 50.4 in September. The latest reading signalled a third consecutive monthly improvement in business conditions, with the rate of growth the strongest since November 2024.

New order inflows across the private sector economy increased for the first time in nine months during October. According to panel members, improved client confidence and firmer demand across local markets and Mainland China had boosted sales. In fact, new orders from Mainland China expanded for the first time in a year. This helped to offset weaker demand across international markets, as new export orders continued to decline amid reports of relatively muted global economic conditions and the impact of US trade tariffs.

Higher overall sales led to a sustained upturn in output, with the rate of growth reaching a one-year high. Despite improved intakes of new orders, there was still evidence of spare capacity across the Hong Kong SAR private sector. Firms were able to work through their existing orders for the tenth month in a row, albeit at a slower rate. At the same time, businesses signalled a renewed increase in staffing levels, though the rate of job creation was only fractional.

October data also showed that firms raised their purchasing

S&P Global Hong Kong SAR PMI
Index, sa, >50 = improvement m/m



Data were collected 9-28 October 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:

"S&P Global's Hong Kong SAR PMI data for October showed that business conditions improved as we entered the final quarter of 2025. Business activity expanded at the quickest rate for a year, supported by the first increase in demand for nine months. However, the boost to sales appears to be limited to local markets and demand from Mainland China, as overall export orders continued to deteriorate.

"Positive movements were also recorded for the employment and purchasing indices. Private sector companies reported higher employment for the second time in three months, while increased production requirements encouraged firms to raise their input buying for the first time since January.

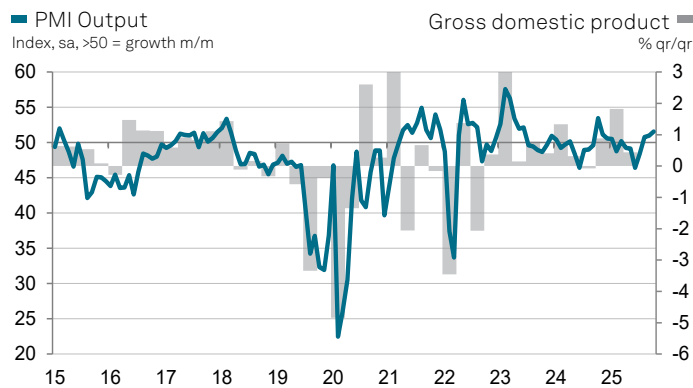
"Price pressures meanwhile persisted, as firms experienced another solid increase in average cost burdens during October. As a result, average prices charged by private sector firms rose to the greatest extent in a year, as companies sought to pass on higher expenses to clients where possible as part of efforts to protect their margins."

activity for the first time since the start of the year in response to improved sales. Consequently, firms increased their holdings of inputs for the fifth consecutive month. However, lead times for purchased items lengthened again in October, extending the current period of deteriorating vendor performance to five months. That said, the rate of deterioration was only marginal and the softest since June. Where delivery times increased, firms mentioned that shipping delays were a key factor.

Average input prices rose at a slower pace at the start of the fourth quarter, which firms largely attributed to signs of more stable wage inflation. At the same time, average purchase costs increased markedly due to rising raw material prices. Detailed sector data revealed that all four monitored sub-sectors recorded higher input costs, led by wholesale and retail.

Hong Kong SAR private sector companies opted to partially pass on higher operating expenses to customers by raising their selling prices for the fourth consecutive month. While only modest, the rate of charge inflation was the most pronounced in exactly one year.

Finally, the outlook for business activity over the coming year remained downbeat among private sector firms in Hong Kong SAR. The level of pessimism deepened from that seen in September, but was less pronounced than that seen on average over the course of 2025 so far. Negative sentiment was often linked by firms to weak global economic conditions, a preference for online consumption, and the long-term impact of US trade policy.



Sources: S&P Global PMI, HKSAR Census and Statistics Department. ©2025 S&P Global.

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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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