News Release
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S&P Global Hong Kong SAR PMI®

Solid rise in private sector output amid stronger uplift in new business

January 2026

Companies signal sixth successive monthly increase in business activity

New export orders rise at sharpest rate in nearly three years

Firms remain downbeat regarding future output expectations

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

The rate of improvement quickened since December amid a stronger increase in new business inflows. As a result, business activity rose at a solid pace that was unchanged from the previous month. Demand from clients based outside of Hong Kong SAR strengthened again at the start of 2026. Notably, total new export business expanded at the fastest pace since February 2023. That said, business sentiment remained downbeat, with the degree of pessimism the most pronounced in five months.

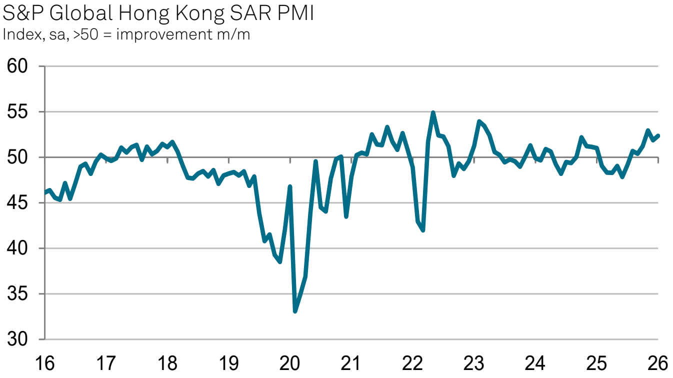
Turning to prices, overall input costs rose at a solid pace amid a sharper increase in raw material prices. Output charges were also raised, though the rate of inflation eased to a three-month low.

At 52.3 in January, the headline seasonally adjusted S&P Global Hong Kong SAR Purchasing Manager's Index™ (PMI®) – a composite single-figure indicator of performance – was up from 51.9 in December to signal a sustained and stronger improvement in the health of the Hong Kong SAR private sector economy.

Business activity across the private sector increased for the sixth successive month during January. The rate of growth was unchanged from December and solid overall. The service sector led the expansion, according to sub-industry data, followed by wholesale & retail firms. Activity levels meanwhile fell in the manufacturing and construction sectors.

New orders also increased at a marked pace, with the rate of expansion the second-steepest since April 2023 (after November 2025). Survey respondents often mentioned that new marketing strategies and the introduction of new products had supported the latest upturn in sales. At the same time, demand from overseas clients and those from Mainland China also improved at the start of 2026. In fact, the latest increase in new export orders was the most pronounced for nearly three years.

Amid rising volumes of incoming new business, backlogs of work rose for the second straight month in January. Notably, the rate of accumulation picked up from December amid a



Data were collected 12-27 January 2026.
Source: S&P Global PMI. ©2026 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 posted in positive territory for the sixth month in a row in January. The rate of growth picked up slightly from the end of 2025 amid a stronger rise in new business, which contributed to a further solid rise in activity. It was also encouraging to see purchasing activity expand at a quicker pace, while the level of outstanding business also increased, to suggest that activity levels will continue to rise in Q1 to meet customer demand.

"The improvement in sales was also more broad-based, as new export orders rose at the sharpest rate in just under three years.

"Firms continued to highlight concerns around the outlook for the year ahead, however. Anecdotal evidence suggested that intense market competition and US trade policy continued to weigh on projections."

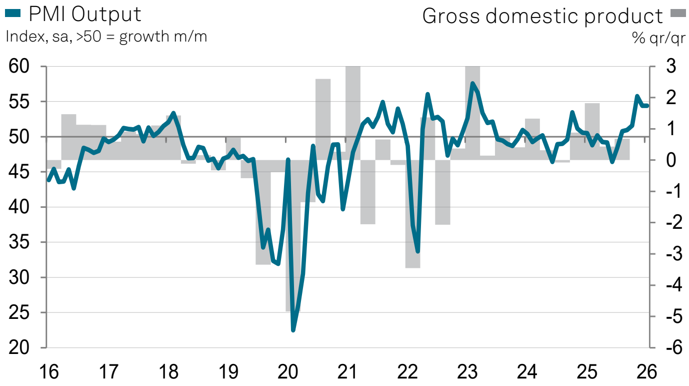
PMI®
by S&P Global

further reduction in employment. A number of panel members suggested that headcounts fell due to the non-replacement of voluntary leavers. However, the overall rate of job shedding was only marginal.

Input buying meanwhile rose at a quicker pace in January. The latest survey indicated a solid uplift in purchasing activity that was attributed by firms to increased sales pipelines and efforts to replenish existing stocks. Concurrently, pre-production inventories expanded at the steepest rate in seven months. Despite stronger demand for inputs, companies signalled an improvement in supplier performance for the second month running in January.

The overall rate of input price inflation slowed in January, but remained solid overall. The increase in expenses was often linked to a sharp rise in purchase costs amid reports of greater raw material prices. Staff costs meanwhile rose at a modest pace that was the slowest seen since last August. While companies often looked to pass on higher expenses to clients via increased selling prices, charges rose only modestly overall as some firms discounted their prices to stimulate sales.

Despite the improvement in demand conditions, business activity expectations for the year ahead remained downbeat during January. Moreover, the degree of negative sentiment was the most pronounced in five months. Panellists suggested that US trade policy, intense market competition and subdued global economic conditions could all weigh on future performance, but some firms expressed optimism regarding the health of the domestic economy.



Sources: S&P Global PMI, HKSAR Census and Statistics Department. ©2026 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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