

# PMI

Caixin China  
General Manufacturing  
PMI Press Release

2024.02



# Caixin China General Manufacturing PMI®

## Business conditions continue to improve slightly in February

Chinese manufacturers signalled a sustained improvement in operating conditions midway through the first quarter of 2024, according to latest PMI® data. Companies noted further upturns in both production and new work, with rates of growth quickening slightly from January, helped in part by a rise in new export orders. The business mood also brightened, with confidence around the year-ahead outlook for output reaching a ten-month high. However, firms maintained a cautious approach to staff numbers, which fell marginally in February.

Turning to prices, average input costs rose at the weakest rate in seven months and only fractionally. Average selling prices meanwhile fell slightly as firms looked to attract and secure new business.

The headline seasonally adjusted *Purchasing Managers' Index™ (PMI)* – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – edged up from 50.8 in January to 50.9 in February, to signal another marginal improvement in the health of the sector. Business conditions have now strengthened in each of the past four months, with the latest PMI reading the best recorded since August 2023.

Helping to nudge the headline index higher was a slightly quicker rise in manufacturing production across China during February. Though modest, the rate of output growth was the fastest seen since May 2023, with companies generally attributing this to a sustained improvement in market conditions and greater new order volumes.

The total amount of new work placed with Chinese goods producers also rose at a quicker pace in February, albeit one that remained marginal overall. The upturn was partly driven by a second successive monthly increase in new export business, albeit only slight, with firms citing an improvement in underlying global demand conditions.

The sustained rise in production led firms to expand their purchasing activity again in February. Though modest, the rate of growth was the most pronounced since March 2023. As a result, inventories of purchased items also increased in February, and at the fastest pace since late-2020. In contrast, stocks of finished items fell for the first time since last June, which was often linked to the fulfilment of orders.

After a slight improvement at the start of 2024, goods producers recorded a fractional deterioration in average vendor performance in February. According to panellists, transportation delays had constrained lead times.

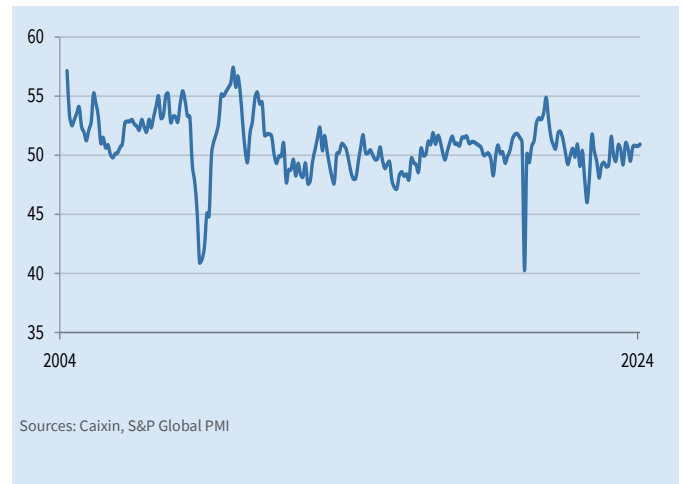
With output expanding at a faster rate than new work, firms registered another decline in unfinished business during February. This was despite a further reduction in headcounts across the manufacturing sector, as company restructuring efforts and cost considerations weighed on hiring decisions. That said, the rate of job shedding remained marginal overall.

The rate of cost inflation continued to slow across China's manufacturing sector during February. Notably, input prices rose at a fractional pace that was the weakest in seven months. Companies meanwhile cut their selling prices slightly for the second month in a row as part of efforts to stimulate new business.

Chinese manufacturers expressed the strongest degree of optimism towards the one-year outlook for output since April 2023. Expectations were often buoyed by forecasts of firmer global economic conditions, new product lines and investment in new equipment.

### China General Manufacturing PMI

sa, >50 = improvement since previous month



Sources: Caixin, S&P Global PMI

#### Key findings:

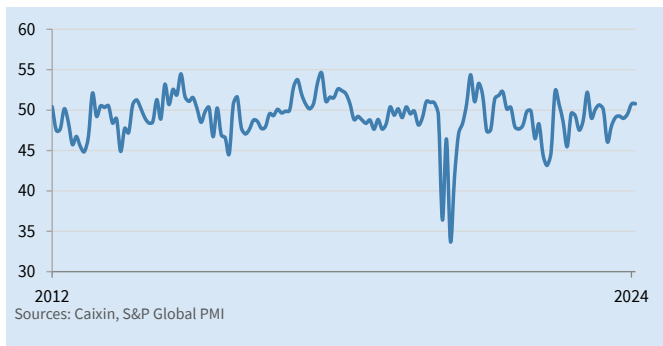
Firms signal sustained increases in output and new orders

Business optimism strengthens for second straight month

Input cost inflation edges down to seven-month low, selling prices fall

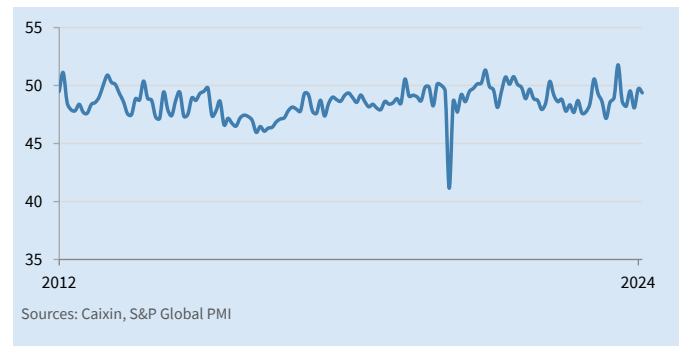
## New Export Orders Index

sa, >50 = growth since previous month



## Employment Index

sa, >50 = growth since previous month



Commenting on the China General Manufacturing PMI® data, Dr. Wang Zhe, Senior Economist at Caixin Insight Group said:

*“The Caixin China General Manufacturing PMI ticked up 0.1 of a point in February from the previous month to 50.9, keeping the index in growth territory for the fourth straight month. That indicated a sustained improvement in the sector.”*

*“Supply and demand continued to expand. Growth in production along with domestic and overseas demand accelerated at different paces amid the market upturn. In February, gauges for manufacturers’ output, total new orders, and new export orders picked up between 0.1 and 0.3 of a point, with the last indicator reaching a 12-month high.”*

*“Employment was subdued. The improvement in the market failed to turn around the contraction of the job market, with companies under pressure to reduce costs while enhancing efficiency.”*

*“The increase in workforces at consumer goods producers was unable to offset the decline in the staff of investment goods and intermediate goods manufacturers. Manufacturing employment shrank for the sixth straight month, with the corresponding subindex coming in lower than in January.”*

*“Because growth in demand lagged increases in production, existing capacity was sufficient to absorb additional orders, leading to a slight decrease in backlogs of work.”*

*“Price levels were weak. Some surveyed companies reported an increase in raw material prices, but input costs overall remained stable. The corresponding gauge fell to the lowest since July, though it remained in expansionary territory.”*

*“Manufacturers faced greater pressure on sales as intense market competition limited their bargaining power, resulting in their output prices declining for a second straight month.”*

*“Supplier logistics were slightly delayed. Affected by poor weather in some regions, logistics efficiency fell accordingly, with suppliers’ delivery times increasing slightly. Manufacturers’ purchases and inventories of raw materials increased as a result of active production, with the gauge for inventories hitting the highest since November 2020.”*

*“Market optimism continued to grow, with the measure for future output expectations hitting the highest since April as some surveyed companies anticipated a global economic recovery and increased demand at home and abroad in the new year.”*

*“Overall, the manufacturing sector continued to improve in February. Sustained expansion in supply and demand resulted in increased purchases, rising stocks of raw materials and greater optimism. However, the job market continued to shrink, which, along with depressed prices, indicated that deflationary pressures persisted.”*

*“The Caixin China manufacturing PMI showed the sector has grown for four straight months. That’s the first time that has happened since the second half of 2021, indicating an overall economic recovery.”*

*“However, the economy still faces headwinds with unfavorable factors and uncertainties remaining prevalent. This was reflected by total new orders growing more slowly than output, and subdued prices on both the production and sales sides. In addition, domestic and foreign demand remained insufficient while employment continued to contract, showing businesses retained a cautious approach to hiring and suggesting optimistic expectations need further consolidation.”*

*“At the start of 2024, policymakers doubled down on measures aimed at stabilizing growth and strengthening market confidence, which was conveyed through a series of meetings hosted by local governments after the Lunar New Year holiday. Looking ahead, the focus should be on the effectiveness of the measures. Further efforts may be required to improve people’s livelihoods and market expectations.”*



---

## Survey methodology

The Caixin China General Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 650 private and state-owned manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. For the purposes of this report, China is defined as mainland China, excluding Hong Kong SAR, Macao SAR and Taiwan.

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

---

## Survey dates and history

Data were collected 02-21 February 2024.

Data were first collected April 2004.

---

## About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

[www.spglobal.com/marketintelligence/en/mi/products/pmi](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

---

## About Caixin

Caixin is an all-in-one media group dedicated to providing financial and business news, data and information. Its multiple platforms cover quality news in both Chinese and English. Caixin Insight Group is a high-end financial research, data and service platform. It aims to be the builder of China's financial infrastructure in the new economic era.

Read more: <https://www.caixinglobal.com/index/>

For more information, please visit

[www.caixin.com](http://www.caixin.com)

[www.caixinglobal.com](http://www.caixinglobal.com)

---

## About S&P Global

S&P Global (NYSE: SPGI) S&P Global provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today.

[www.spglobal.com](http://www.spglobal.com)

---

## Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

---

## Contact

Dr. Wang Zhe

Senior Economist

Caixin Insight Group

T: +86-10-8590-5019

[zhewang@caixin.com](mailto:zhewang@caixin.com)

Ma Ling

Brand and Communications

Caixin Insight Group

T: +86-10-8590-5204

[lingma@caixin.com](mailto:lingma@caixin.com)

Annabel Fiddes

Economics Associate Director

S&P Global Market Intelligence

T: +44 1491 461 010

[annabel.fiddes@spglobal.com](mailto:annabel.fiddes@spglobal.com)

SungHa Park

Corporate Communications

S&P Global Market Intelligence

T: +82 2 6001 3128

[sungha.park@spglobal.com](mailto:sungha.park@spglobal.com)

**PMI**<sup>®</sup>

by **S&P Global**