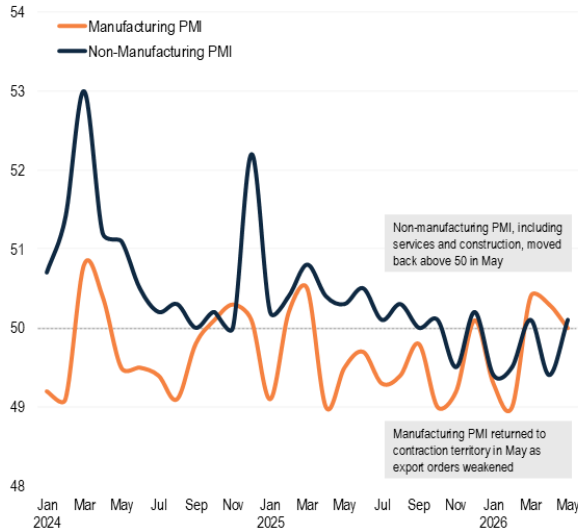


China's PMI Indicators Point to Uneven Momentum and Rising Cost Pressures in 2026

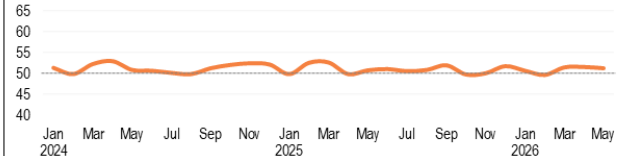
Manufacturing activity remained close to the expansion threshold in early 2026, while weaker export orders and rising raw material prices continued to pressure China's industrial economy.

China Purchasing Managers Index (PMI): Manufacturing & Non-Manufacturing, % (Jan. 2024-May 2026)

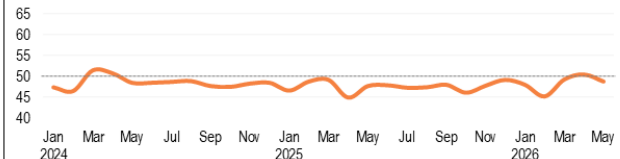


Source: National Bureau of Statistics of China, ANDAMAN PARTNERS Analysis

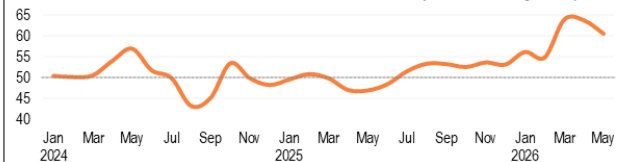
China PMI Production Sub-Index, % (Jan. 2024-May 2026)



China PMI New Export Orders Sub-Index, % (Jan. 2024-May 2026)



China PMI Raw Material Purchase Price Sub-Index, % (Jan. 2024-May 2026)



China's PMI indicators point to an economy that remains active but continues to lack broad-based momentum. Manufacturing PMI remained close to the 50-point expansion threshold through early 2026, while non-manufacturing activity, including services and construction, stayed comparatively firmer. Together, the data suggest that China's economy is continuing to expand, though unevenly and without a sustained acceleration in industrial activity.

Beneath the headline indicators, the underlying trends are more mixed. Production sub-indices remained relatively stable, indicating that factories continue to operate at moderate activity levels despite weaker global demand. However, new export orders remain subdued, highlighting continued softness in external demand and persistent pressure on China's export-oriented manufacturing sectors. At the same time, raw material purchase price indices rose sharply in recent months, pointing to growing input cost pressures across parts of the industrial economy.

China remains a critical manufacturing and industrial centre, but the operating environment is becoming more uneven, with weaker export conditions, rising cost pressures and more selective areas of domestic demand shaping industrial performance in 2026.



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