

PMI Report on China Manufacturing

CFLP

中國物流與採購聯合會

China Federation of Logistics & Purchasing (CFLP) is the logistics and purchasing industry association approved by the State Council. CFLP's mission is to push forward the development of the logistics industry and the procurement businesses of both government and enterprises, as well as the circulation of factors of production in China. The government authorizes the CFLP to produce industry statistics and set industry standards. CFLP is also China's representative in the Asian-Pacific Logistics Federation (APLF) and the International Federation of Purchasing and Supply Management (IFPSM).

NBS

國家統計局

The National Bureau of Statistics (NBS), an agency directly under the State Council in China, is in charge of the country's statistics. It is responsible for formulating statistical policies and establishing the national statistical system, drafting and enforcing the statistical laws and regulations, setting up and improving the national economic accounting system, conducting censuses, as well as making statistical analyses and forecasts of the macroeconomy, social development, scientific advancement, resources and environment.

China Manufacturing PMI

中國製造業採購經理指數

The CFLP China Manufacturing Purchasing Managers' Index (PMI) provides an early indication each month of economic activities in the Chinese manufacturing sector. The CFLP and the NBS collaborate to collect data, compile and publish the index.

Global Sourcing

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PMI stayed stable at 50.1 in April

Output, New Orders, Purchases of Inputs, expanding.

New Export Orders, Stocks of Finished Goods, Backlogs of Orders, Imports, Stocks of Major Inputs, contracting.

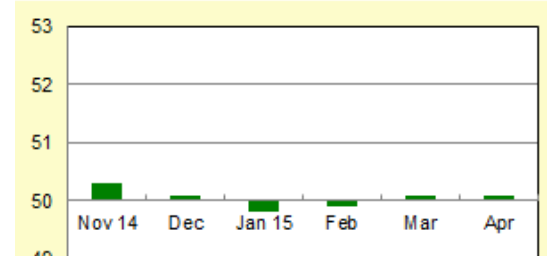
Input Prices, falling.

Suppliers' Delivery, faster.

Business Expectations, optimistic

China Manufacturing PMI, seasonally adjusted

14/15	PMI
Nov	50.3
Dec	50.1
Jan	49.8
Feb	49.9
Mar	50.1
Apr	50.1



China's manufacturing PMI came in at 50.1 in April, the same as in March. The April reading suggests growth stabilization of the Chinese economy.

5 of the 12 sub-indices were higher than their respective levels in the previous month, and 6 sub-indices were lower than their respective levels in the previous month. The output index went up to 52.6 in April, rising for the second month in a row. This latest index reading indicates that output growth has continued to accelerate. Besides, the purchases of inputs index rose above the critical 50-mark in April, showing signs of recovery in purchasing activities. However, both the new orders index and the new export orders index stayed at low levels in April, indicating sluggish domestic and foreign demand.

By size of enterprises, the PMI of 'large enterprises' went down to 50.6 in April from 51.5 in March. On the contrary, the PMI of 'medium enterprises' improved to 49.8 in April from 48.3 in March, while the PMI of 'small enterprises' rose to 48.4 in April from 46.9 in March.

The output index rose to 52.6 in April from 52.1 in March. The output indices of 'large enterprises' and 'medium enterprises' were 53.7 and 52.1 respectively in April. Meanwhile, the output index of 'small enterprises' remained in the contractionary zone, registering 49.1 in April.

The new orders index was 50.2 in April, the same as in March. By size of enterprises, the new orders index of 'large enterprises' was 50.8 in April, down from 52.7 in March. On the contrary, the new orders indices of 'medium enterprises' and 'small enterprises' were 50.1 and 47.5 respectively in April, up from 47.1 and 45.2 respectively in March.

The new export orders index dropped slightly to 48.1 in April, compared to 48.3 in March. The new export orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all below the neutral level of 50, registering 48.8, 47.4 and 43.1 respectively in April.

The backlogs of orders index went down to 43.8 in April, compared to 44.1 in March. The backlogs of orders indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all below the neutral level of 50, registering 44.8, 42.6 and 41.4 respectively in April.

The stocks of finished goods index came in at 48.0 in April, down from 48.6 in March. By size of enterprises, the stocks of finished goods indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all below the neutral level of 50, registering 48.7, 47.0, and 47.0 respectively in April.

The purchases of inputs index rose to 50.1 in April, compared to 49.7 in March. The purchases of inputs indices of 'medium enterprises' and 'small enterprises' were both below the neutral level of 50, registering 48.6 and 46.3 respectively in April. Meanwhile, the purchases of inputs index of 'large enterprises' was 51.6 in the month, staying above the critical 50-mark.

The imports index was 47.8 in April, down from 48.1 in March. The imports indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all below the neutral level of 50, recording 48.6, 46.0 and 44.1 respectively in April.

The input prices index went up to 47.8 in April, compared to 45.0 in March. The input prices indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all below the neutral level of 50, registering 47.0, 48.6 and 49.9 respectively in April.

The stocks of major inputs index came in at 48.2 in April, up slightly from 48.0 in March. The stocks of major inputs indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all below the neutral level of 50, registering 48.5, 47.3 and 48.5 respectively in April.

The employment index came in at 48.0 in April, down from 48.4 in March. The employment indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all below the neutral level of 50, recording 48.2, 48.0 and 47.4 respectively in April.

The suppliers' delivery time index went up to 50.4 in April, compared to 50.1 in March. A reading above 50 implies faster delivery; below 50, slower delivery time. The suppliers' delivery time indices of 'large enterprises', 'medium enterprises' and 'small enterprises' registered 50.5, 50.7 and 49.5, respectively, in April.

The business expectations index fell from 61.3 in March to 59.5 in April, but was still well above the neutral 50-mark. The latest index reading indicates that purchasing managers remain optimistic about the near term outlook for their respective industries. The business expectations indices of 'large enterprises', 'medium enterprises' and 'small enterprises' were all above the neutral level of 50, ranging from 58.5 to 62.4 in April.

China Manufacturing at a Glance — April 2015

Index	S. Adj Index	Index Compared with the Previous Month	Direction
PMI	50.1	Unchanged	Expanding
Output	52.6	Higher	Expanding
New Orders	50.2	Unchanged	Expanding
New Export Orders	48.1	Lower	Contracting
Backlogs of Orders	43.8	Lower	Contracting
Stocks of Finished Goods	48.0	Lower	Contracting
Purchases of Inputs	50.1	Higher	Expanding
Imports	47.8	Lower	Contracting
Input Prices	47.8	Higher	Falling
Stocks of Major Inputs	48.2	Higher	Contracting
Employment	48.0	Lower	Contracting
Suppliers' Delivery Time	50.4	Higher	Quickening
Business Expectations	59.5	Lower	Optimistic

About China Manufacturing PMI:

China Manufacturing Purchasing Managers' Index (PMI) provides an early indication each month of economic activities in the Chinese manufacturing sector. It is jointly published by China Federation of Logistics & Purchasing (CFLP) and the National Bureau of Statistics (NBS). The Fung Business Intelligence Centre is responsible for drafting and disseminating the English PMI report.

Every month questionnaires are sent to 3,000 manufacturing enterprises all over China. The data presented herein is compiled from the enterprises' responses about their purchasing activities and supply situations. CFLP makes no representation regarding the data collection procedures, nor does it disclose any data of individual enterprises. The PMI should be compared to other economic data sources when used in decision-making.

3,000 manufacturing enterprises in 21 industries from Eastern, Northeastern, Central and Western China are surveyed. The sampling of the enterprises involves the use of Probability Proportional to Size Sampling (PPS), which means the selection of enterprises surveyed is largely based on each industry's contribution to GDP, and the representation of each geographical region.

There are 12 sub-indicators in the survey: Output, New Orders, New Export Orders, Backlogs of Orders, Stocks of Finished Goods, Purchases of Inputs, Imports, Input Prices, Stocks of Major Inputs, Employment, Suppliers' Delivery Time and Business Expectations. An index reading above 50 indicates an overall positive change in a sub-indicator; below 50, an overall negative change.

The PMI is a composite index based on the seasonally adjusted indices for five of the sub-indicators with varying weights: New Orders—30%; Output—25%; Employment—20%; Suppliers' Delivery Time—15%; and Stocks of Major Inputs—10%. A PMI reading above 50 indicates an overall expansion in the manufacturing sector; below 50, an overall contraction.

Currently there are more than twenty countries and regions conducting the PMI survey and compilation, based on an internationally standardized methodology.



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The Fung Business Intelligence Centre (FBIC) collects and analyses market data on sourcing, supply chains, distribution and retail. It also provides thought leadership on technology and other key issues shaping their future.

Headquartered in Hong Kong, FBIC leverages unique relationships and information networks to track and report on trends and developments in China and other Asian countries. In addition, its New York-based Global Retail & Technology research team follows broader retail and technology trends, specialising in how they intersect and building collaborative knowledge communities around the revolution occurring worldwide at the retail interface.

Since its establishment in 2000, the FBIC (formerly known as the Li & Fung Research Centre) has served as the knowledge bank and think tank for the Fung Group. Through regular research reports and other publications, it makes its market data, impartial analysis and expertise available to businesses, scholars and governments around the world. It also provides advice and consultancy services to colleagues and business partners of the Fung Group on issues related to doing business in China, ranging from market entry and company structure, to tax, licensing and other regulatory matters.

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