

CKGSB BCI

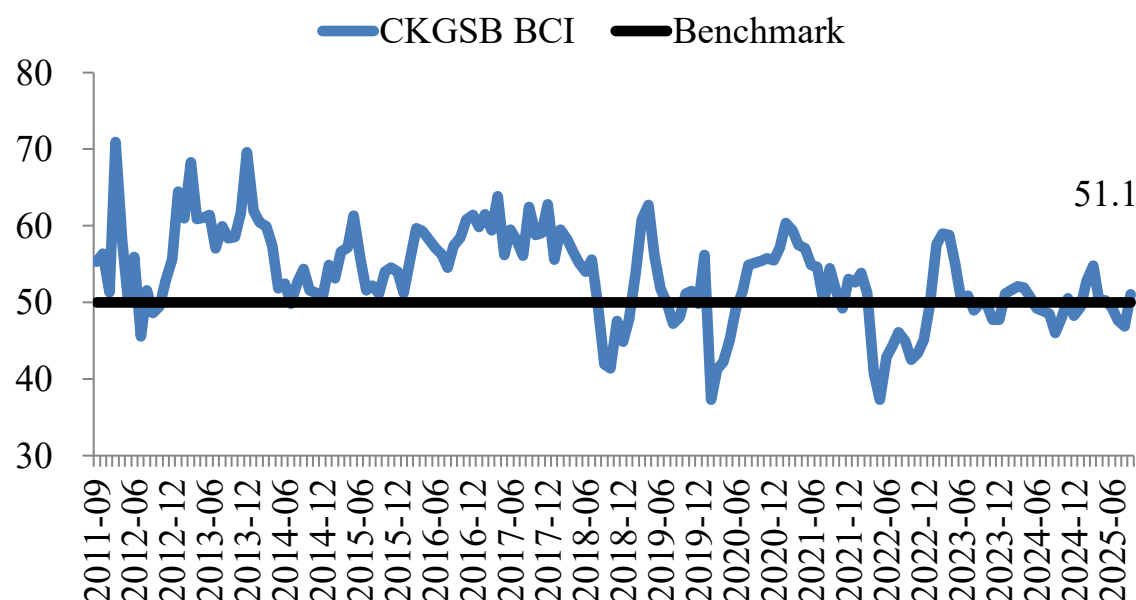
September 2025

September 24, 2025

Case Center and Big Data Economic Research Center

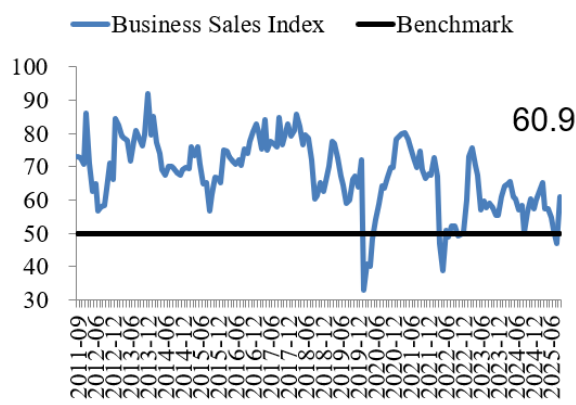
We are pleased to share the September results of the CKGSB Business Conditions Index (BCI), an executive survey-based index that tracks the outlook of China's private economy. The CKGSB Business Conditions Index (BCI) for September 2025 registered at 51.1, representing a modest increase from the 46.9 in August 2025 (**Figure 1**).

Figure 1

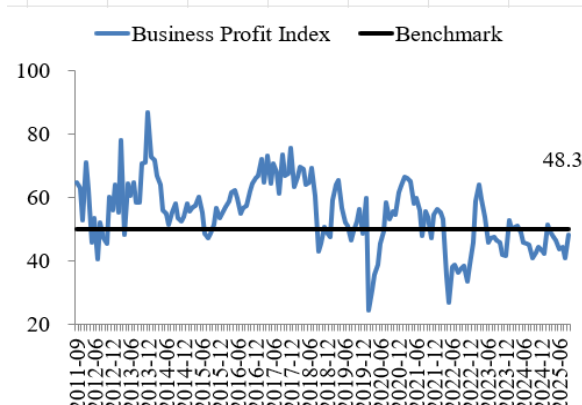


Source: CKGSB Case Center and Big Data Economic Research Center.

The CKGSB BCI is calculated as the arithmetic mean of four sub-indices: the Business Sales Index, the Business Profit Index, the Business Financing Index, and the Business Inventory Index. Among these, three serve as forward-looking indices, while only the Financing Index reflects the current state. The following section examines the performance of these four indices for September 2025:

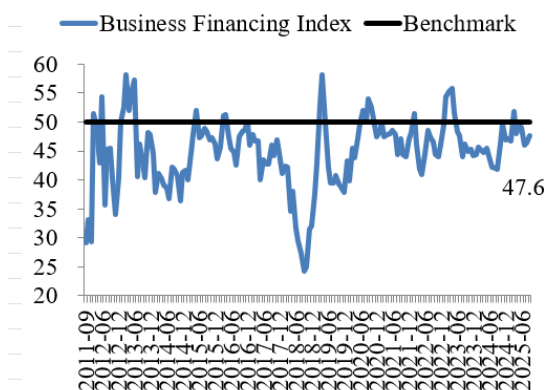
Figure 2


Source: CKGSB Case Center and Big Data Economic Research Center.

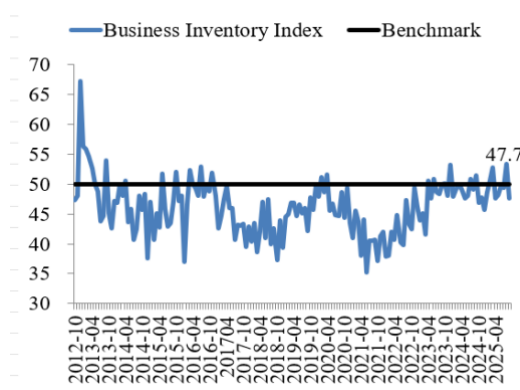
Figure 3


Source: CKGSB Case Center and Big Data Economic Research Center.

This month, the four sub-indices saw a mixed performance, with three rising and one declining. The Business Sales Index registered a sharp increase this month, rising from 47.0 in August to 60.9 in September (**Figure 2**). In contrast, the Business Profit Index demonstrated a sharp increase, rising from 41.0 last month to 48.3 this month (**Figure 3**).

Figure 4


Source: CKGSB Case Center and Big Data Economic Research Center.

Figure 5


Source: CKGSB Case Center and Big Data Economic Research Center.

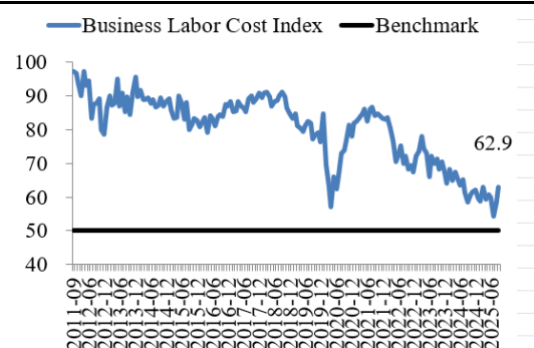
The Business Financing Index recorded a modest increase, rising from 46.4 in August to 47.6 in September (**Figure 4**). On the other hand, the Business Inventory Index exhibited a slight decrease, with this month's index at 47.7, down from 53.4 last month (**Figure 5**).

It is crucial to understand the specific meanings of the four sub-indices: sales, profit, financing, and inventory. In essence, an increase in the first three sub-indices signals an improvement in business conditions, while a decrease points to a worsening situation. By contrast, a rise in the Inventory Index reflects a reduction in inventory levels, while a decline indicates an accumulation of inventory.

Beyond the BCI, our survey also gathered companies' expectations regarding costs, prices, investment, and employment, creating the following indices that complement the BCI. We begin

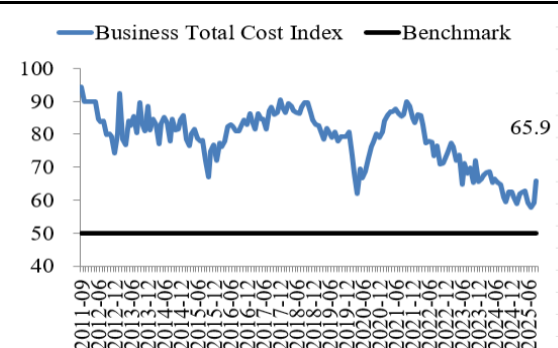
by an analysis of the cost-related indices:

Figure 6



Source: CKGSB Case Center and Big Data Economic Research Center.

Figure 7



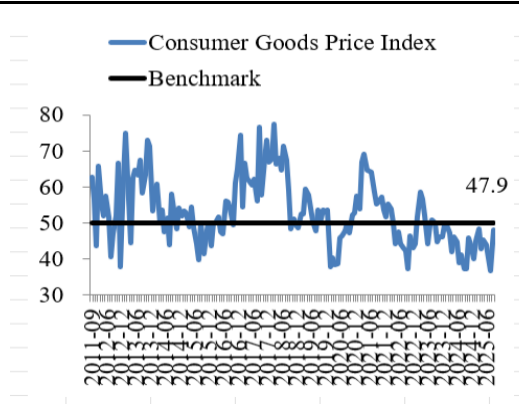
Source: CKGSB Case Center and Big Data Economic Research Center.

The Business Labor Cost Index saw a modest increase this month, rising from 58.4 in August to 62.9 in September. However, the Business Total Cost Index registered a marginal increase, rising from 59.2 last month to 65.9 this month. A rise in the Labor Cost Index suggests that more companies expect an increase in total labor costs over the next six months, and the same logic applies to the Total Cost Index. It is important to note, however, that an increase in cost-related indices does not necessarily imply a deterioration in business conditions.

When the economy is on an upswing, companies may increase production or sales, thereby requiring greater inputs of labor and materials, which could actually indicate an improvement in business health. It is only when the cost per unit of production or sales rises significantly that it truly reflects a deterioration in business conditions. For detailed data, please refer to **Figure 6** and **Figure 7**.

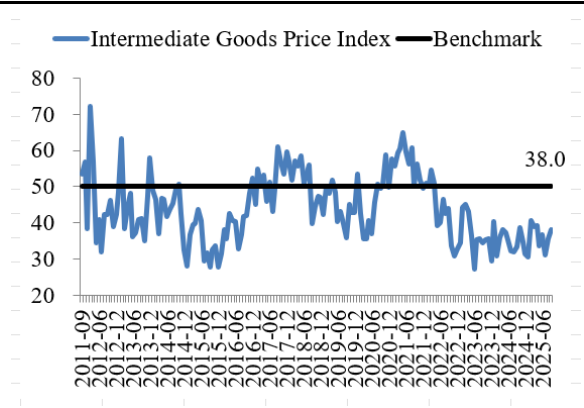
On the pricing front, the Consumer Goods Price Index saw a sharp increase, rising from 36.5 last month to 47.9 this month (**Figure 8**). Meanwhile, the Intermediate Goods Price Index saw a slight increase this month, rising from 35.5 last month to 38.0 this month (**Figure 9**).

Figure 8



Source: CKGSB Case Center and Big Data Economic Research Center.

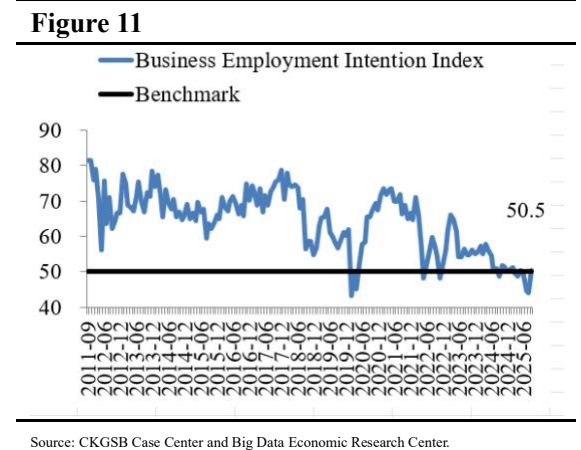
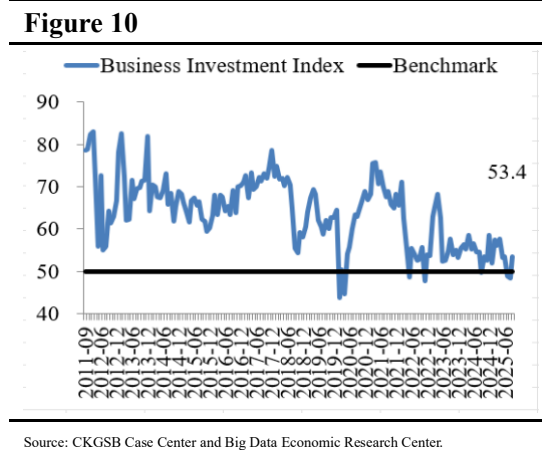
Figure 9



Source: CKGSB Case Center and Big Data Economic Research Center.

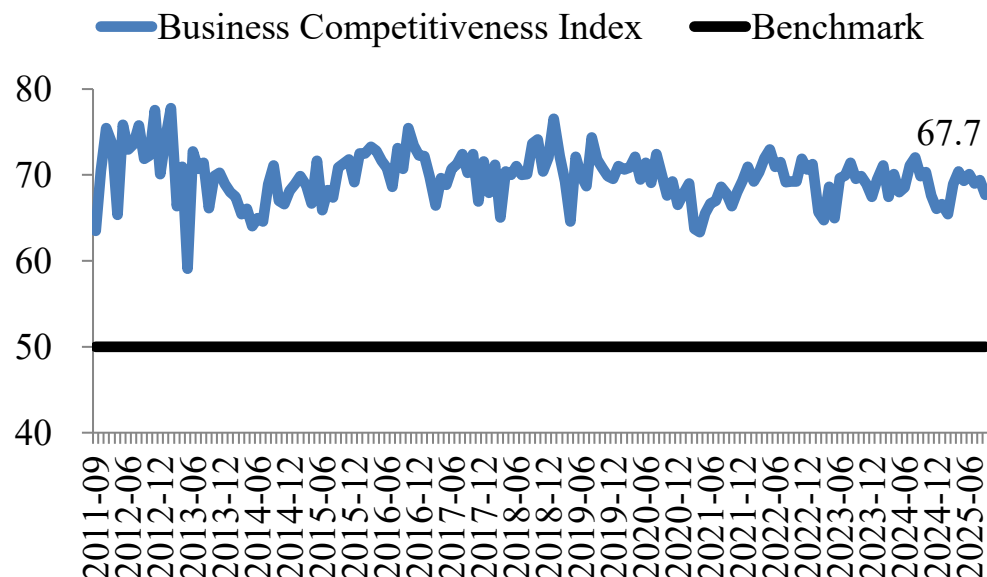
Shifting our focus from cost and price indices, we now examine the Investment and Employment

Intention Indices as the following focal points of discussion. This trend is particularly noteworthy given that China's economy is heavily reliant on investment and the strong correlation between investment and employment. This month, the Investment Index has seen a slight increase, ascending to 53.4 from 48.4 last month (**Figure 10**); Meanwhile, the Employment Intention Index experienced a slight increase, rising to 50.5 this month from 44.1 last month (**Figure 11**).



Finally, our survey incorporates a question designed to evaluate business competitiveness. Respondents are asked to assess their standing within their respective industries—whether they are above, below, or on par with the industry average. These responses are aggregated into our Business Competitiveness Index, where a higher index value signifies a more dominant position of the business within its industry. The survey data reveals that a majority of the surveyed enterprises perceive themselves as top performers in their respective sectors (**Figure 12**). This indicates our sample is composed of high-performing small and medium-sized private enterprises. In contrast, the broader economic reality for Chinese enterprises is likely more severe than our data indicates.

Figure 12



Notes:

1. Survey Introduction

In June 2011, Cheung Kong Graduate School of Business (CKGSB) launched the “CKGSB Business Conditions Index” project. This project aims to collect first-hand data on business operations through questionnaire surveys and develop a series of indices that track macroeconomic trends in China. The survey targets participants from CKGSB's executive education programs.

In July 2011, under the guidance of Professor Wei Li, the Case Center and the Big Data Economic Research Center initiated preliminary work, including questionnaire design and testing. In September 2011, the first round of the survey was successfully launched. From then until August 2025, the Case Research Center and the Big Data Economic Research Center conducted 166 rounds of surveys among participants (with a 3-month hiatus during the early stages of the project). To date, the centers have published 161 rounds of survey results, with the data covering from May 2012 to August 2025.

2. Index Explanation

All indices presented in this report are diffusion indices, with the majority being forward-looking, thereby offering strong predictive capabilities. The indices use 50 as the benchmark: readings above 50 indicate improvement or positive trends, while readings below 50 signal deterioration or negative trends. This standard aligns with the Purchasing Managers' Index (PMI).

The survey asks companies to specify whether their products are consumer-facing or producer-facing, alongside their expectations regarding the price trends of their primary products over the next six months. By combining responses to these two questions, we are able to gauge the anticipated price trends for consumer goods and intermediate goods. The resulting price trend index for consumer goods is referred to as the Consumer Goods Price Index, while that for intermediate goods is designated the Intermediate Goods Price Index.

Additionally, the survey assesses companies to evaluate their performance relative to their industry—whether they are performing better, worse, or similarly compared to the industry average. Based on these responses, we calculate the Business Competitiveness Index. A higher index indicates a more significant proportion of sampled companies outperforming the overall industry conditions.

3. Calculation Methodology

In the survey, respondents were asked to forecast whether a specific operational index of their company is expected to “increase”, “remain unchanged”, or “decrease” over the next six months compared to the same period last year. Based on the collected data, we calculated the percentages of responses for “increase”, “remain unchanged”, or “decrease”. We then computed the diffusion index for each question, which is the percentage of “increase” responses plus half of the percentage of “remain unchanged” responses. Crucially, the interpretation of an “increase” sometimes signifies an improvement in the index, such as in the case of the Business Sales Index, but at other times, it indicates a deterioration, such as with the Business Labor Cost Index.

Among all the indices, the CKGSB Business Conditions Index (BCI) holds paramount importance. This index is calculated as the arithmetic mean of four sub-indices: sales, profit, financing, and inventory. Owing to multiple adjustments in the composition of the sub-indices throughout the survey, the statistical caliber has varied over time, making simple comparisons inappropriate. Nevertheless, the underlying calculation method for this index has remained consistent: First, the BCI is calculated for each questionnaire, after which the index for the entire round of surveys is computed as the arithmetic mean of all individual indices.



About CKGSB

Established in Beijing in November 2002, CKGSB is China's first privately-funded and research-driven business school. The school aims to cultivate transformative business leaders with a global vision, sense of social responsibility, innovative mindset, and ability to lead with empathy and compassion. Today, CKGSB is the preferred choice in management education for business elites and future leaders, as well as the leading choice for academics returning to China from top global schools. Most of our 55 faculty members held tenure or senior professorships at top business schools—such as University of Chicago, Columbia, Darden School of Business, University of Michigan, MIT, Wharton, and Yale - prior to joining CKGSB. More than half of our 23,000 alumni are at the CEO or chairman level and, collectively, they lead one fifth of China's 100 most valuable brands. Through our unique partnerships with leading schools and companies, we have nurtured 1,188 founders of companies with at least Series A funding, including the founders of 151 unicorn companies.

Disclaimer

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