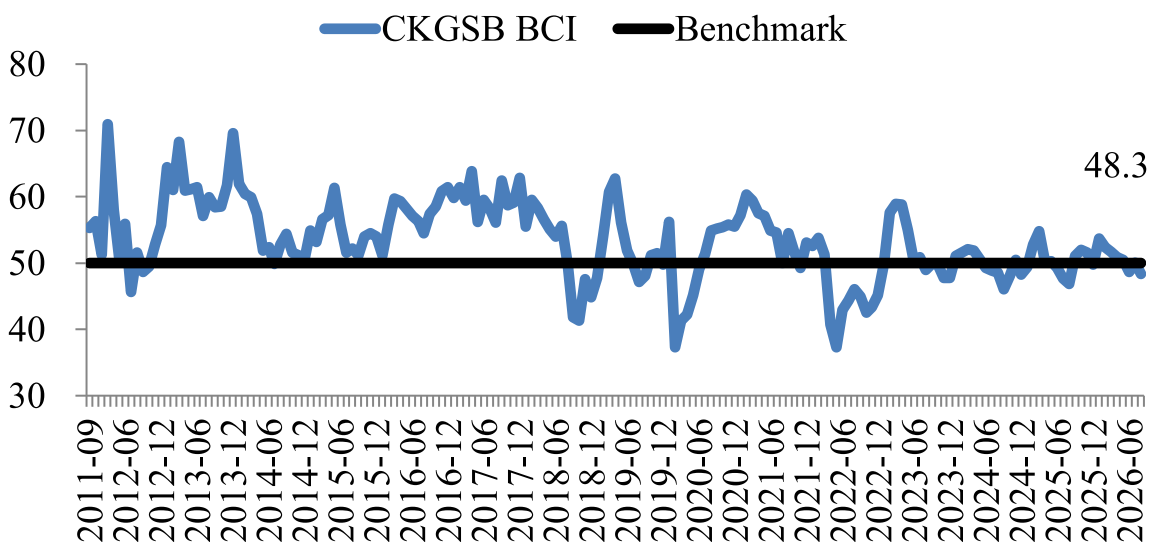
CKGSB BCI

August 2026

August 25, 2026 Department of Case Research and Department of Big Data Economic Research

The CKGSB Business Conditions Index (BCI) is an executive survey–based indicator that tracks the outlook of China's private economy. In August 2026, the CKGSB Business Conditions Index (BCI) was 48.3, representing a slight decrease from 50.1 in July 2026 (**Figure 1**).

Figure 1



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

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 four sub-indices, three are forward-looking indices, while only the Financing Index measures current conditions. The following section reviews the performance of these four sub-indices in August 2026:

Figure 2

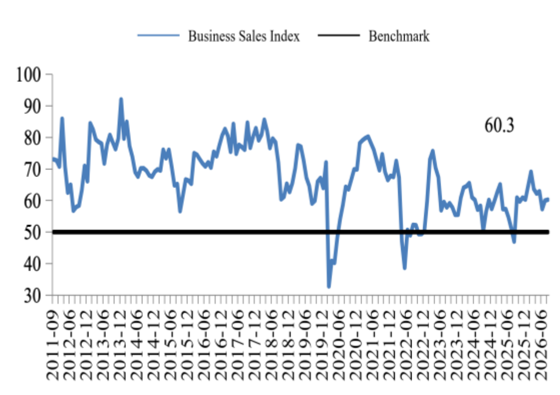
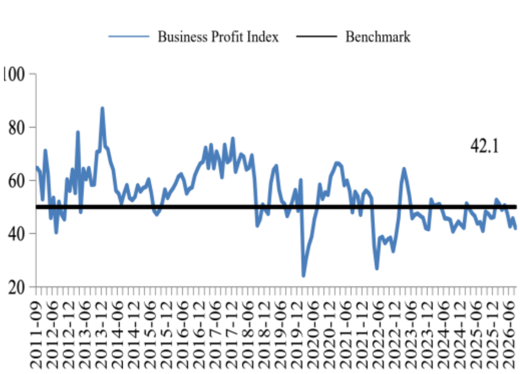


Figure 3



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

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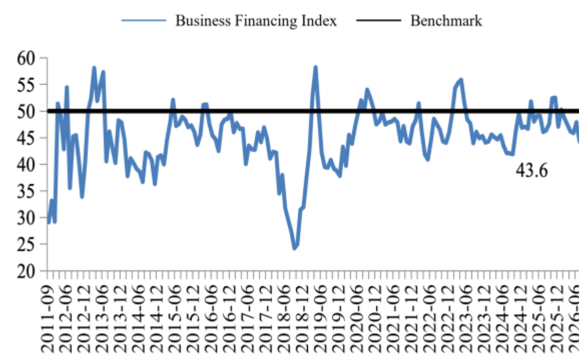
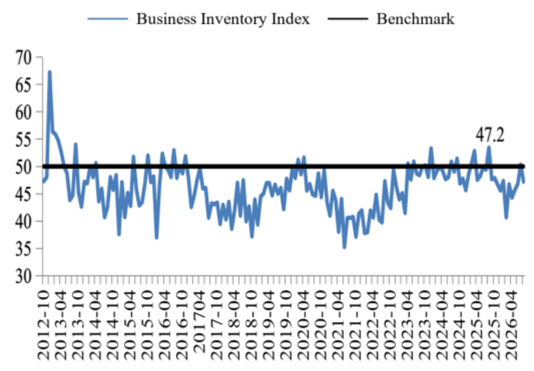
This month, one of the four sub-indices increased, while three decreased. The Business Sales Index edged up, from 60.0 last month to 60.3 this month (**Figure 2**). The Business Profit Index declined slightly, to 42.1 this month from 45.7 last month (**Figure 3**).

Figure 4



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

Figure 5



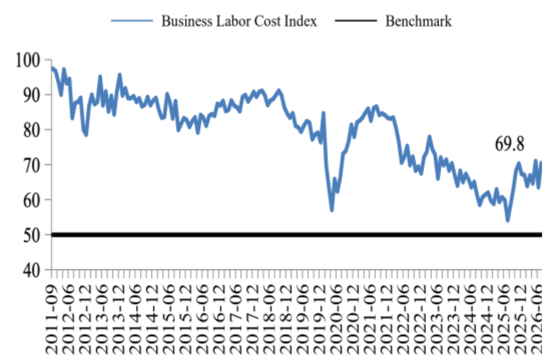
Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

The Business Financing Index edged down this month, to 43.6 from 44.3 last month (**Figure 4**). The Business Inventory Index declined slightly, to 47.2 this month from 50.3 last month (**Figure 5**).

It is important to understand the specific meanings of the four sub-indices: sales, profit, financing, and inventory. In simple terms, increases in the first three sub-indices indicate improving conditions, while decreases indicate worsening conditions. A rise in the Inventory Index indicates a reduction in inventories, while a decline indicates an increase in inventories.

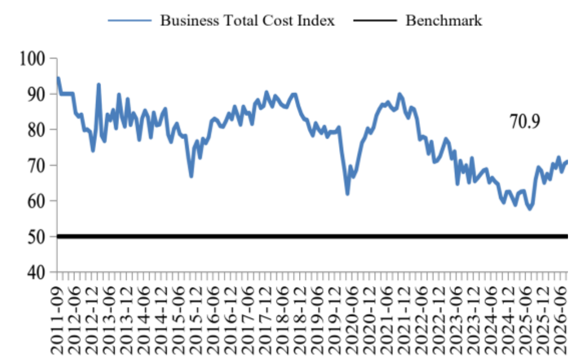
Beyond the BCI, the survey also asks companies about their expectations for costs, prices, investment, and employment, from which we construct the following indices alongside the BCI. We first look at the cost-side indices:

Figure 6



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

Figure 7



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

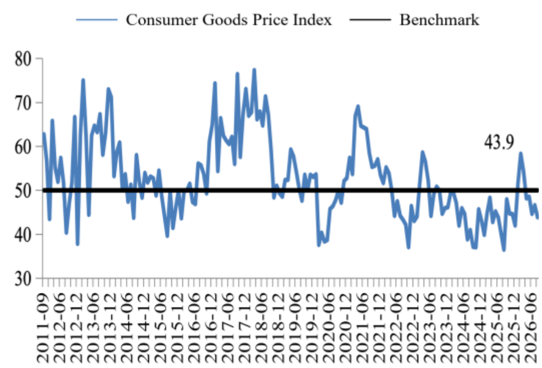
The Business Labor Cost Index edged down this month, from 70.4 last month to 69.8 this month.

The Business Total Cost Index edged up, from 70.4 last month to 70.9 this month. A rise in the Labor Cost Index means that more companies expect their total labor costs to increase over the next six months, and the same applies to the Business Total Cost Index. It is important to note that an increase in companies' cost-side indices does not necessarily indicate a deterioration in business conditions.

When the economy is improving, companies may increase production or sales and thus require more labor and materials in production, which may indicate that their business conditions are improving. Only when the cost per unit of output or sales rises does it indicate a deterioration in business conditions. For details, please refer to **Figures 6** and **7**.

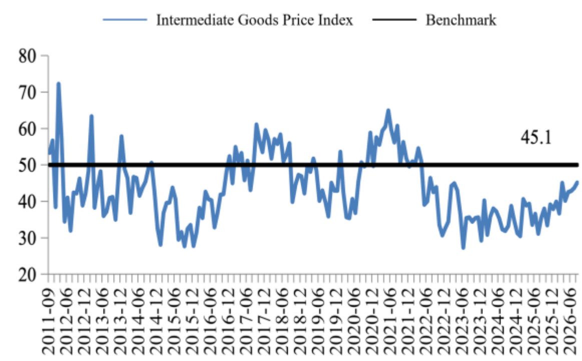
On the price side, the Consumer Goods Price Index declined slightly this month, from 46.6 last month to 43.9 this month (**Figure 8**). The Intermediate Goods Price Index rose slightly, from 43.7 last month to 45.1 this month (**Figure 9**).

Figure 8



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

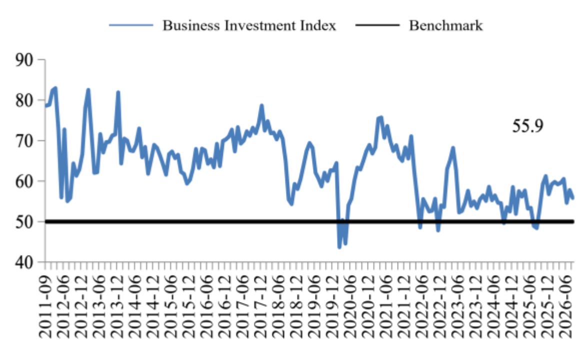
Figure 9



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

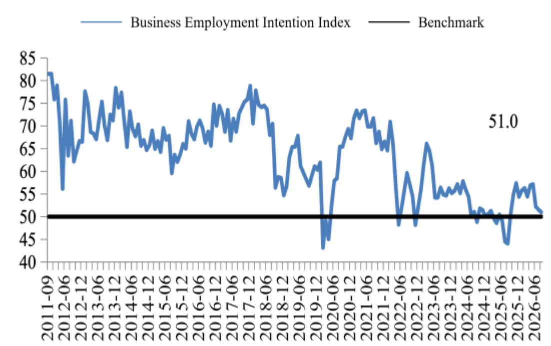
After reviewing the cost-side and price-side indices, the Investment Index and Employment Intention Index are the next topics for discussion. Given that China's economy is driven primarily by investment and that investment is closely linked to employment, the current situation merits attention. The Investment Index declined slightly this month, to 55.9 from 57.8 last month (**Figure 10**); the Employment Intention Index edged down, to 51.0 this month from 51.5 last month (**Figure 11**).

Figure 10



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

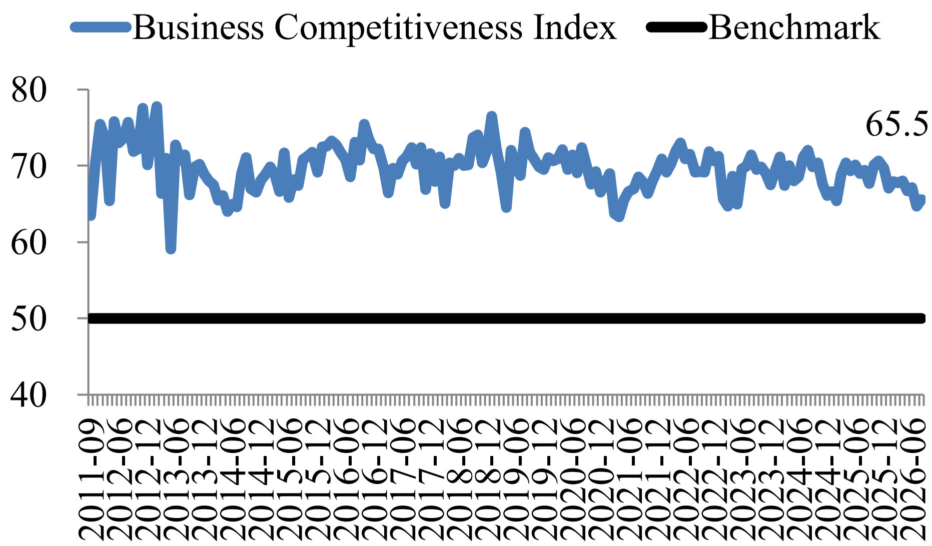
Figure 11



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

Finally, our survey includes a question on business competitiveness, asking companies where they stand within their industries—above the industry average, below it, or roughly on par. Based on responses to this question, we construct the Business Competitiveness Index. The higher the index, the higher a company's position in its industry. Survey responses show that most sample companies are among the better performers in their industries (**Figure 12**). This means that our sample consists of relatively strong private small and medium-sized enterprises. Conversely, the overall condition of Chinese companies is likely worse than what our index suggests.

Figure 12



Source: CKGSB Department of Case Research and Department of Big Data Economic Research.

Notes:

1. Survey Introduction

In June 2011, CKGSB began preparing the “China Business Conditions Index” project. The project is designed to collect first-hand data on business operations through questionnaire surveys and thereby develop a series of indices that reflect the overall performance of China’s macroeconomy. The survey targets CKGSB students from companies.

In July 2011, under the guidance of Professor Wei Li, the Department of Case Research and the Department of Big Data Economic Research began preliminary work, including questionnaire design and testing. In September 2011, the first survey was successfully launched. From then through August 2026, the Department of Case Research and the Department of Big Data Economic Research conducted 177 rounds of surveys among CKGSB students (with no survey conducted in three months during the early stage of the project). To date, the departments have published 172 sets of survey results, covering the period from May 2012 to August 2026.

2. Index Explanation

All indices covered in this report are diffusion indices, and the vast majority are forward-looking indices; therefore, they have strong predictive value. The indices use 50 as the threshold: readings above 50 indicate improvement, while readings below 50 indicate deterioration. This is the same standard used by the Purchasing Managers’ Index (PMI).

The survey asks companies whether their products are sold to consumers or producers, and also asks about the expected price trend of their main products over the next six months. By combining the answers to these two questions, we can calculate the future price trends of consumer goods and intermediate goods. The former is the Consumer Goods Price Index, and the latter is the Intermediate Goods Price Index.

The survey also asks companies about their position within their respective industries: whether the responding company is doing better, worse, or roughly the same as the overall industry. Based on these responses, we calculate the Business Competitiveness Index. The higher the index, the greater the proportion of sample companies outperforming the industry as a whole.

3. Calculation Methodology

In the survey, we ask all respondents (the sample population) whether a certain indicator of their company’s operating conditions over the next six months will “increase,” “remain unchanged,” or “decrease” compared with the same period last year. Based on the data collected, we calculate the percentages of responses of “increase,” “remain unchanged,” and “decrease.” We then calculate the diffusion index for each question, namely the percentage of “increase” responses plus half of the percentage of “remain unchanged” responses. It should be noted that an “increase” sometimes indicates improvement in the relevant indicator, such as the Business Sales Index, but sometimes indicates deterioration, such as the Business Labor Cost Index.

Among all the indices, the CKGSB BCI is the most important. It is derived from the arithmetic mean of four sub-indices: sales, profit, financing environment, and inventory. Because the composition of the sub-indices has been adjusted several times during the survey, the data are not fully consistent over time and should not be compared mechanically. However, the specific calculation method has remained consistent: first, each questionnaire's Business Conditions Index is calculated, and then the Business Conditions Index for all questionnaires in that survey round is calculated. Both are calculated as arithmetic means.

About CKGSB

Cheung Kong Graduate School of Business (CKGSB), established on November 21, 2002, is a non-profit Sino-foreign cooperative educational institution with independent legal-person status approved by the Ministry of Education of China. It is authorized by the Academic Degrees Committee of the State Council to grant Master of Business Administration degrees (including EMBA and MBA). CKGSB is a member of the Association to Advance Collegiate Schools of Business (AACSB) and the European Foundation for Management Development (EFMD), and is accredited by AACSB and EQUIS. Headquartered in Beijing, CKGSB currently offers the MBA program, EMBA program, Entrepreneur Scholars Program, Executive Education (EE) programs, and the Global Unicorn Program.

CKGSB takes as its mission "to cultivate a group of world-class business leaders for China and the world who have a global perspective, the ability to integrate global resources, the ability to align with global values, a sense of global responsibility, humanistic care, and an innovative spirit." It is committed to building a new-generation global business school. Through new perspectives, new thinking, new paradigms, new realms, and a new business civilization, CKGSB aims to cultivate the next generation of economically transformative leaders who value social innovation, contributing Chinese wisdom and Chinese solutions to major global challenges.

Disclaimer

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