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The 49.3 Problem: China’s factories shrink as its carmakers sell abroad

China’s factory gauge fell back into contraction in October just as its EV makers posted their strongest numbers of the year. Both are true: demand abroad is strong and demand at home is weak.

By **Manasee Kurlekar** | November 2, 2026



China just printed two numbers that refuse to agree.

The official manufacturing PMI fell to 49.3 in October from 50.1, with production, new orders and export orders all shrinking.

The same weekend, Xpeng cleared 50,000 deliveries for the first time and BYD posted its best month of the year. Both are true.

Look inside BYD’s number: exports doubled to 170,194 while sales at home fell 10.6%. High-tech factories are expanding; consumer-goods makers are not.

One China builds for the world. The other is waiting for a shopper who isn’t spending.

Europe has noticed: a 350,000-a-year cap on Chinese hybrids is due from 1 December.

Read online: https://worldbusinesswatch.com/news/15/354/the-49-3-problem-chinas-factories-shrink-as-its-carmakers-sell-abroad.html

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