

# Manufacturing PMI rose to 58.3 in June

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Growth in the Indian manufacturing sector recovered some of the ground lost in May, as the headline Purchasing Managers Index (PMI) figure released by HSBC on Monday rose to 58.3 from 57.5 in May. The recovery in the sector was based on the back of buoyant demand conditions that spurred the expansions in new orders, output and buying levels.

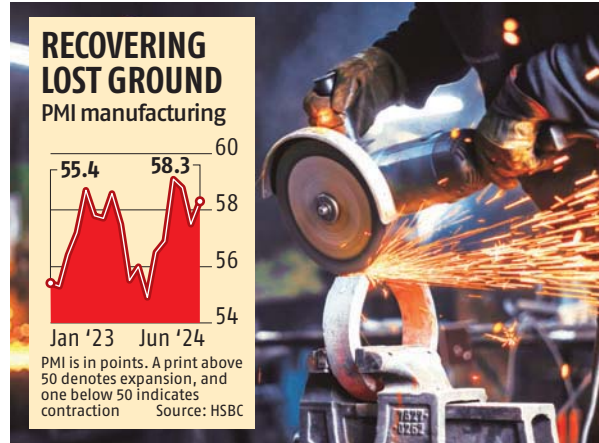
Besides, companies raised employment at the fastest rate seen in over 19 years of data collection. Meanwhile, cost pressures receded from May, but were among the highest over the past two years, leading firms to lift selling prices to the greatest extent since May 2022.

“Growth in the Indian manufacturing sector recovered some of the ground lost in May, with the headline PMI posting nearly five points above its long-run average. June data showed that buoyant demand conditions spurred the expansions in new orders, output and buying levels,” the survey noted.

A figure above 50 in the index denotes expansion and that below signifies contraction.

The survey noted that the performance of the consumer goods industry was especially strong, although substantial increases were also noted in the intermediate and investment goods categories.

“June saw a stronger expansion in sales at manufacturers in India. Buoyant underlying demand, higher export vol-



umes and successful advertising fuelled growth. As a consequence of ongoing rise in new order intakes, firms stepped up recruitment,” it noted.

Maitreyi Das, global economist, HSBC, said that “On the price front, input costs moderated slightly in June, but remained at elevated levels.

Manufacturers were able to pass on higher costs to customers, as demand remained robust, resulting in improved margin. While the overall outlook for manufacturing sector remains positive, the future output index receded to a three-month low, albeit it remains above the historical average,” she added.

The survey noted that June saw new export orders increase again with firms attributing higher inflows of new work from overseas to better demand from Asia, Australia, Brazil, Canada, Europe and US.

The June manufacturing PMI came below the flash estimate of 58.5 for the month and it marks the manufacturing output rising for the 36th consecutive month since July 2021.