

Manufacturing PMI hits nine-month low in Nov

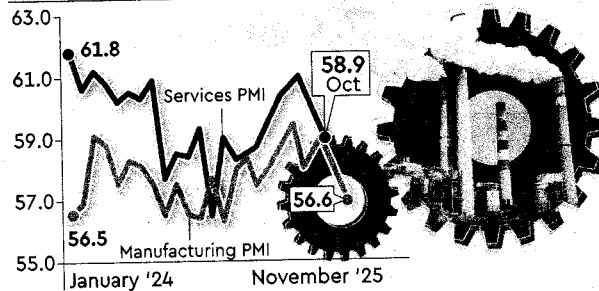
FE BUREAU
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MANUFACTURING ACTIVITY IN November decelerated to a nine-month low with the high US tariff dragging momentum and pushing new export orders to a 13-month low, according to a HSBC survey. Job creation hit a 9-month low in the month. "A softer rise in sales restricted growth of buying volumes and job creation, while positive sentiment towards output prospects slipped to its lowest level since mid-2022," the survey revealed.

Business confidence weakened sharply amid rising concerns over tariff impacts, while the earlier boost from GST cuts appeared to be fading and was insufficient to counter softening demand.

Registering 56.6 in November, the seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index (PMI) – a single-figure indicator of sector performance – was comfortably above the neutral mark of 50.0 and its long-run average of 54.2. Falling from 59.2 in October, however, the latest figure highlighted the slowest improvement in operating conditions since February.

SLOWING DOWN



Note: Reading below 50 suggests contraction and above it indicates expansion Source: PMI by S&P Global

Pranjul Bhandari, Chief India Economist at HSBC, said: "India's final November PMI confirmed that US tariffs caused the manufacturing expansion to slow."

"Business confidence, as indicated by expectations for future output, showed a big fall in November, potentially reflecting increasing concerns about the impact of tariffs," Bhandari said.

"The boost from the cuts in goods and services tax (GST) may be fading and it might be insufficient to offset the tariff headwind to demand, she added.

Manufacturers reported another month of substantial increases in new orders and output, supported by compet-

itive pricing and favourable demand trends across key markets. However, these gains were the slowest in nine months. Firms cited challenging market conditions, delays in project starts and stronger competition as factors weighing on order books.

Export demand also lost momentum, with new export orders rising at the weakest pace in over a year, despite healthy interest from clients in Africa, Asia, Europe and the Middle East.

The slowdown in sales translated into weaker hiring and purchasing activity. Job creation fell to a 21-month low, while input buying rose at the slowest pace in nine months.