

Manufacturing PMI surges to 57.8 in Dec

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Manufacturing sector ended 2022 on a strong note with the Purchasing Managers' Index (PMI) rising to 57.8 in December. It was 55.7 in November. More good news: Fresh hiring also saw an improvement.

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, which surveys purchasing managers, said that after a promising start to 2022, the manufacturing industry maintained a strong performance, wrapping the year with the best expansion in production seen since November 2021.

YEAR-END HIRING

The agency noted that to address backlog work, producers hired additional staff at the end of the year. "The



latest increase in employment was for the tenth consecutive month but the slowest since September," it said.

Manufacturing has a share of around 15 per cent in the GVA (Gross Value Added) and is a job multiplier.

The agency said that the PMI average for the third fiscal quarter (56.3) was the highest in the last one year.

LOW FOREIGN ORDERS

Demand resilience boosted sales growth in December, with the rate of increase

quickest since February 2021.

"International demand for Indian goods also improved, but did so to a lesser extent than in November. Overall, new orders from abroad increased at the slowest rate in five months as several companies reportedly struggled to secure new work from key export markets," it said.

"Less challenging supply-chain conditions also supported the upturn. "While some may question the resilience of the Indian manufacturing industry in 2023 amid a deteriorating outlook for the global economy, manufacturers were strongly confident in their ability to lift production from present levels," De Lima said.

Cost pressures remained relatively muted in December, with the overall rate of inflation little changed from November.