

# Manufacturing PMI hit 3-month high of 56.4 in March

Companies expect new products, advertising to support sales for 12 months, says S&P Global survey

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New Delhi, 3 April

India's purchasing managers' index (PMI) for manufacturing in March increased to a three-month high of 56.4, from 55.3 in February, as input costs declined and output expanded, said a private survey on Monday.

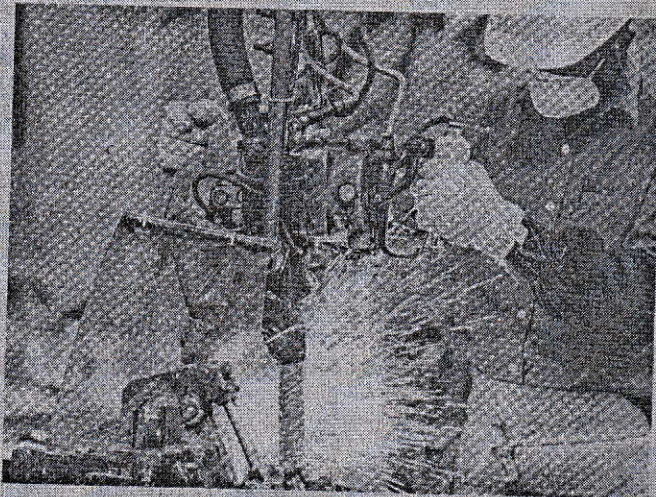
"March data highlighted a further upturn in new business placed with Indian manufacturers. Moreover, the rate of expansion was sharp and the quickest in three months. Firms suggested that marketing efforts bore fruit. Demand resilience and competitive pricing were also cited as growth drivers," said the survey by S&P Global.

A survey print above 50 by the global rating agency indicates expansion in manufacturing, and one below marks contraction. March data pointed to a consecutive 21-month rise in manufacturing production.

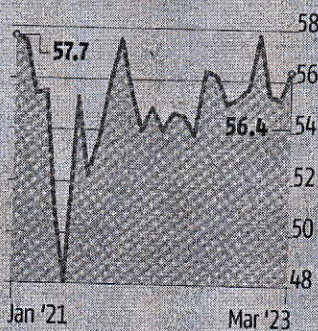
The survey noted that moderation in cost pressures prompted buying, as the March data showed the second-weakest increase in input prices in two-and-a-half years.

"In fact, close to 96 per cent of firms signalled no change in cost burdens since February. Although selling prices increased further at the end of the last fiscal quarter, the rate of inflation was moderate and broadly similar to February," it said.

Pollyanna De Lima, eco-



THE GRAPH  
Manufacturing PMI



Source: S&P Global

nomics associate director at S&P Global Market Intelligence, said that production in March continued to expand robustly and firms stepped up stock building.

"Companies reported abundant capacity among themselves and their suppliers. As for supply chains, improved availability of raw materials among vendors resulted in shorter delivery

times and retreating price pressures. Overall, input costs rose at the second-slowest rate since September 2020," she said.

Indian manufacturers expect improved customer relations, new products and advertising to support sales and production for 12 months, said the survey, noting that the overall level of positive sentiment slipped to an eight-month low due to concerns surrounding competitiveness and general inflation.

However, the goods producers kept payroll numbers broadly unchanged in March, as there was only mild pressure on the capacity of goods producers and the outstanding business volumes rose at a marginal rate that was the weakest in a year.

De Lima said that pending workloads expanded only marginally in March, hindering job creation.