

Manufacturing PMI at 2-year low in Dec

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New Delhi, 2 January

India's private-sector manufacturing activity grew at its slowest pace in two years during December 2025, dragged down by slower output and new orders, according to data compiled by S&P Global on Friday.

HSBC's India Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, which measures monthly change in manufacturing output, fell to 55 in December from 56.6 in November.

The latest figure — a weighted average of new orders, output, employment, suppliers' delivery times and stocks of purchases indices — was this low for the first time since December 2023, when it was 54.9. The reading was also significantly lower than the Flash PMI reading of 58.4 released last month.

A figure above 50 in the survey denotes expansion in activity, while below that signifies contraction. The headline figure has been in the expansion zone for the 54th month running.

"Even with growth momentum easing, India's manufacturing industry wrapped up 2025 in good shape. The sharp rise in new business intakes should keep companies busy as we head into the final quarter of the financial year. And, the lack of major inflationary pressures could continue to support demand," said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.

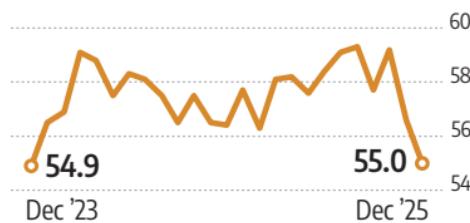
Intake of new work rose at the weakest rate since December 2023, while output levels expanded at the slowest pace since October 2022, according to the survey. The fall in total sales was also reflected in the volume of international orders, which rose at the slowest pace in 14 months.

Input costs rose at a historically-neg-



Output drag

Manufacturing PMI



Note: PMI is in points. A figure above 50 indicates expansion and one below 50 signifies contraction.

Source: HSBC

ligible pace and at the same time, final prices of products also grew at the slowest pace in nine months. As the overall level of activity in the manufacturing sector eased, job creation took a major hit. It rose at the slowest pace in the current 22-month period of job creation.

"We have seen a steady spell of softer growth in new export orders. In fact, the share of companies signalling higher international sales in December was about half of the average for 2025. The survey's anecdotal evidence has also pointed to a narrower range of export destinations, with goods mainly heading to Asia, Europe and the Middle East. With Indian manufacturers facing less intense cost pressures than elsewhere, many will be hoping that competitive pricing can help bring in new business from other regions in the New Year," De Lima said.

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