

Services PMI eases to 58.1 in February

India's services sector growth moderated slightly in February as new order growth slowed to a 13-month low amid slower improvement in demand and a pick-up in inflation, a monthly survey said on Wednesday.

The seasonally adjusted HSBC India Services PMI Business Activity Index eased to 58.1 in February from 58.5 in January.

In the Purchasing Managers' Index (PMI) parlance, a print above 50 means expansion, while a score below 50 denotes contraction.

"India's Services PMI registered 58.1 in February, largely unchanged from January's 58.5, signalling another month of robust expansion in the sector. While new order growth

slowed to a 13-month low amid rising competition, service providers saw a notable pick-up in international sales and responded with increased hiring to meet operational needs," said Pranjul Bhandari, Chief India Economist at HSBC. According to panel members, greater client enquiries and marketing efforts supported sales at some units, while a few companies suggested that an increasingly competitive environment dampened growth.

One area of outperformance was exports, as services firms reported gains from many parts of the world, including Canada, Germany, mainland China, Singapore, the UAE, the UK and the US.