

# Services sector growth steady in May: PMI

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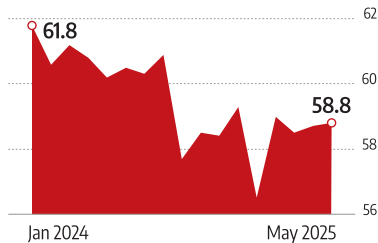
India's dominant services sector maintained its growth in May, helped by strong export demand and record hiring, said a private survey on Wednesday.

The HSBC India services purchasing managers' index (PMI), compiled by S&P Global, stood at 58.8 in May, marginally up from 58.7 in April. The index has been above the neutral 50 mark, which separates contraction from expansion, for 46 months straight.

"A key area of strength was exports, with survey participants reporting one of the strongest improvements in international demand in 19-and-a-half years of data collection," said the survey.

Growth was helped by healthy

## The trend



Note: PMI is in points. A print above 50 denotes expansion while the one below indicates contraction

Source : HSBC

demand conditions, new client wins and greater staffing capacity. New orders rose at a sharp pace, largely aligning with those registered from February to April.

Pranjul Bhandari, chief India economist at HSBC, said that services PMI in May was broadly in line with readings in recent months.

Firms observed a near-record improvement in international demand for their services in May.

"Over the course of the survey's 19-and-a-half-year history, faster increases in new export orders were only recorded in May and June 2024. When citing sources of growth, firms mentioned Asia, Europe and North America in particular," said the survey.

It noted that almost 16 per cent of panellists reported higher payroll numbers, while 1 per cent indicated a fall. The resulting overall rate of job creation was the strongest in the survey's history.