

# India's services PMI hits 6-mth high in Jan

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An increase in new business activity due to the buoyant demand from domestic and external clients pushed growth in India's dominant services sector to a six-month high in January, as the headline Purchasing Managers' Index (PMI) figure rose to 61.8 in January from 59 in December, showed the survey by S&P Global in partnership with HSBC on Monday.

"The upturn was cemented by the quickest rise in new business since last July, which stemmed from buoyant demand from domestic and external clients.

New export sales rose at the fastest pace in three months," the survey said.

The latest figure marks 30 months of the index remaining above the 50-mark since July 2021. A reading above 50 in the survey indicates expansion of the sector and a figure below that suggests contraction. The survey noted that firms reported a rise in overall

expenses at the start of 2024, with food, labour, and freight identified as the key sources of cost pressures. However, selling charges were raised to a lesser extent.

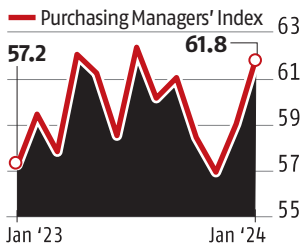
"Amid reports of higher food, freight and salary costs, there was another increase in the overall expense of Indian services firms in January. The

rate of inflation was marked the fastest in five months and above its long-run average. That said, with the vast majority of panellists opting to leave their charges unchanged and only 6 per cent hiking them, output prices rose to the lowest extent in 11 months," the survey notes.

Data showed that consumer services by far led the rise in input costs, but it was in transport, information & communication that the quickest increase in selling prices was registered.

Ines Lam, economist at HSBC, said that new business expanded at a faster pace and managers' expectations for future activity were strong.

## GAINING MOMENTUM



PMI is in points. A print above 50 denotes expansion, while one below it indicates contraction  
Source: S&P Global