

# India's PMI better than most economies; shows optimistic outlook of businesses

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The monthly survey data on the Purchasing Managers Index (PMI) show that India's PMI across manufacturing and services is growing faster than most of the global economies, such as the US, China and Brazil, as of January. Particularly, India's PMI manufacturing recorded a six-month high in January, showcasing optimistic outlook of companies regarding the future.

## DATA FOCUS.

The PMI primarily measures the condition of a country's sectors, including manufacturing, services and overall business activity, through monthly surveys of respondents in different countries. It is a type of economic indicator which is compiled by agencies such as S&P Global, HSBC and others, using data from major companies representing key global economies. The index varies between 0 and 100; a reading above 50 is a sign of progress, whereas below 50 shows a decline in the overall production activity.

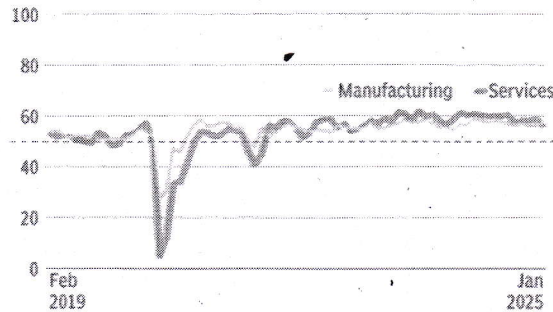
The manufacturing sector appears to be under duress in most other economies, though India is on a better footing. India's PMI for manufacturing stood at 57.7 in January, which shows good progress. The US' PMI manufacturing was at 50.1, indicating a tentative outlook for manufacturing. The indices for China and Germany were at 49.1 and 44.4, implying contraction in the manufacturing sector.

### SERVICES PMI

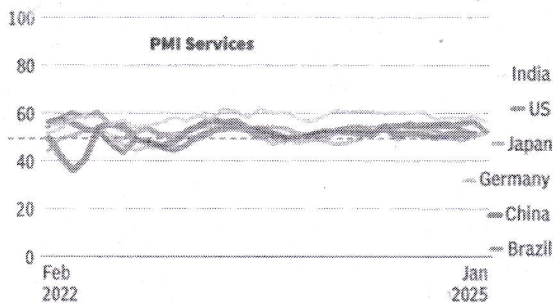
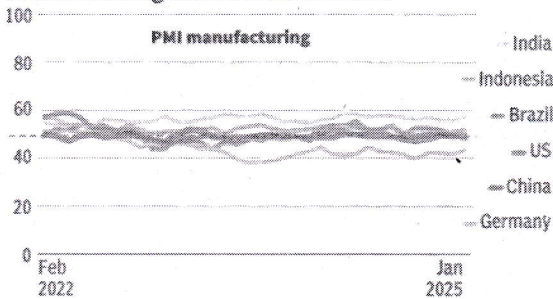
The services sector is doing better globally, but India's figures are far better than most others. India's PMI for services in January topped at 56.8, while the indices for the US, Germany and Japan un-

## India leads

### India PMI Manufacturing is at a six-month high



### Outperforms global economies in manufacturing and services indicator



Source: Bloomberg, Investing.com

der the same category stood at 52.8, 52.5, and 52.7, respectively.

Paras Jasrai, Senior Economic Analyst at India Ratings & Research, explained that India's growth prospects stand out higher than those of other countries. Reasons such as increasing capex to correct infra bottlenecks and recovering rural demands are primary reasons for better PMI.

Sujan Hajra, Chief Economist & Executive Director, Anand Rathi Group, explained, "The manufacturing

sector has been growing at a rate significantly faster than both China and the US, with the former now facing challenges from US tariffs and price deflation. The latter is a service-based economy with only 10 per cent of its total value added coming from manufacturing."

"The variation in the overall PMI was due to a decline in services PMI, which faced weak demand internationally and domestically amid the heightened economic policy uncertainty," Hajra added.