

# Services PMI in Feb remained robust but slowed slightly

**SHIVA RAJORA**  
New Delhi, 5 March

India's service sector activity continued to expand in February, but a tad lower than January when it had hit a six-month high.

A slowdown in growth in new orders and output in the country's dominant services sector pulled the headline Purchasing Managers' Index (PMI) figure in February to 60.6 from a six month high of 61.8 in January, according to a survey released by S&P Global in partnership with HSBC on Tuesday. "India's service sector continued to grow during February as positive demand trends supported sales and business activity. Growth rates slowed since January, though remained historically substantial," the survey noted.

The February figure marks 31 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 polled around 400 companies in transport, information, communication, finance, insurance, real estate, non-retail consumer and business services.

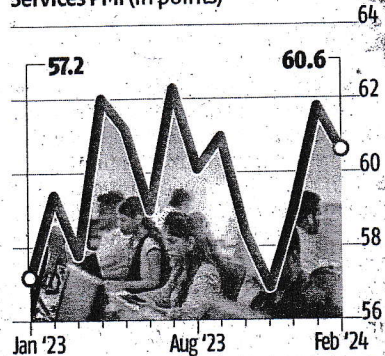
Granular data showed that business activity increased across all parts of the service sector, with the Finance & Insurance sector seeing the strongest pace of growth by a considerable margin, while Real Estate & Business Services registered the slowest rise.

Ines Lam, economist, HSBC said that India's services PMI suggests that the pace of expansion in the services sector eased in February from January.

"Due to a slowdown in growth in new orders and output, services firms'

## LOSING STREAK

Services PMI (in points)



Note: A survey print above 50 indicates expansion of services activity and below it marks contraction.  
Source: HSBC

outlook for future business activity, while remaining strongly positive, weakened slightly. Prices charged for services rose at the slowest rate in 24 months as input prices inflation moderated," he added.

The survey also noted that Indian companies operating in the service sector sought to protect their margins by raising prices charged to customers, however, the rate of inflation was slightly below its long-run average and cooled to the weakest in two years. Outstanding business volumes expanded for the 26th month halfway through the final fiscal quarter, highlighting sustained pressure on the capacity of service providers.

The survey also found that new business from abroad placed with services firms in India rose for the thirteenth successive month as the survey participants reported gains from Australia, Asia, Europe, the US, and the UAE.