

# Services growth in May slows to 5-month low

## Local demand weakens, exports up

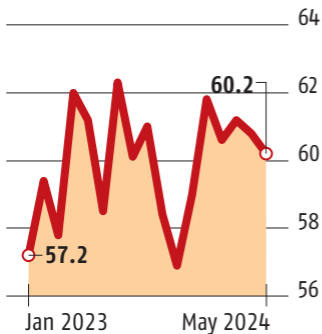
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Growth in India's services sector slowed in May to a five-month low as domestic demand weakened, according to a survey, which also showed exports growing and job creation improving.

The headline Purchasing Managers' Index (PMI) figure released by HSBC on Wednesday saw a decline to 60.2 in May

### SERVICES PMI



Note: A reading above 50 denotes expansion, while one below it shows contraction  
Source: HSBC

from 60.8 in April. "May data showed that robust increases in new business intakes continued to underpin output growth across India's service economy. Rates of expansion eased to the slowest in the calendar year-to-date, however, amid fierce competition, price pressures and a severe heat wave," it said.

The survey noted that new orders from international markets expanded at the steepest pace since the inception of the monthly survey nearly a decade ago, with a

rebound in business confidence to its strongest in eight months. Maitreyi Das, global economist at HSBC, said India's service activity rose at a softer pace in May, with domestic new orders easing slightly but remaining robust to imply strong demand and successful advertising.

"New export orders surged at a record pace, with broad-based demand from across the globe," said Das.

The survey noted that new export orders improved substantially in May with the fastest growth since the survey's inception in September 2014. The survey participants noted strong growth in demand from Asia, Africa, Europe, West Asia and the United States.