

Services PMI growth slows, yet remains solid in July

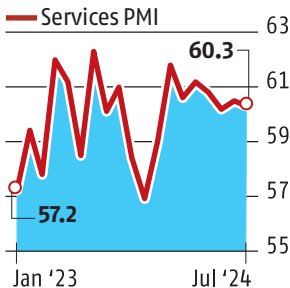
SHIVA RAJORA

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Growth in India's services sector slowed down a bit in June but remained upbeat, amid new business gains, online offerings and investment in technology, a private business survey revealed.

The headline Purchasing Managers' Index (PMI) figure, released by HSBC and compiled by S&P global, fell marginally to 60.3 in July from 60.5 in June. However, the index remained above the neutral 50-mark that separates contraction from expansion for the 36th straight month. Moreover, the cost pressures remained

HOLDING STEADY



PMI is in points. A print above 50 denotes expansion, while one below is indicates contraction Source: HSBC

elevated and pushed up selling-price inflation to a seven-year high in July which also recorded stronger job creation.

“Indian service providers

experienced a further upturn in business activity during July. Survey respondents mostly cited investment in technology, online offerings, new business gains and rosy demand as the main drivers of growth. The third-fastest expansion in international sales for nearly ten years supported another robust increase in overall new order intakes, which in turn underpinned the hiring of full- and part-time workers,” the survey noted.

Pranjul Bhandari, chief India economist at HSBC, said service sector activity rose at a slightly slower pace, with new business increasing further, driven by domestic demand.