

Services PMI rises to 58.7 in April on export boost

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With a rise in export orders, the Purchasing Managers' Index (PMI) for services rose to 58.7 in April, up from 58.5 in March, S&P Global reported on Tuesday. The services sector holds the largest share in the Indian economy, contributing over 54 per cent.

"India services activity grew at a faster pace than last month. After taking a breather in March, new export orders gained momentum, accelerating at its fastest pace since July 2024," Pranjul Bhandari, Chief India Economist at HSBC, said.

The index is based on the responses of purchasing managers from 400 companies, and reflects the mood in advance before official data is released.

A PMI reading above 50 signals expansion, while below 50 means contraction. The good news is that job creation further picked up in April. Based on the response from the managers, the survey report said that Indian services companies increased their workforce for the 35th consecutive month in April. Moreover, the pace of job creation was marked and quicker than in March.

"Anecdotal evidence indicated that panellists enhanced operational capacity with full- and part-time employees to capitalise on increased client demand," it said.



HIRING UP. Job creation picked up in April as Indian services companies increased their workforce numbers REUTERS

The report said that input prices rose moderately and at the slowest pace for six months at the start of FY26.

optimistic about growth, their confidence waned slightly," Bhandari concluded.

RISE IN INPUT PRICES

Panellists noted greater chemical, cosmetic, fish, staff and transportation costs and lower vegetable prices. Indian services firms increased their average selling prices during April, as they sought to transfer higher cost burdens to clients. The rate of charge was faster than in March and above its long-run average. "Margins improved as cost pressures eased and prices charged rose at a faster pace," Bhandari said.

Although service providers expressed optimism regarding activity growth, they downgraded expectations. The overall level of business confidence was at its lowest in close to two years. Advertising, demand strength and productivity gains underpinned upbeat forecasts, which were dampened by competition concerns.

"Though firms remained