

Pvt sector growth at 6-mth high: Flash PMI

SHIVA RAJORA

New Delhi, 21 February

Private sector output in India increased at the fastest pace in six months during February, amid a quicker expansion in services activity, according to the HSBC flash Purchasing Managers' Index (PMI) survey released on Friday. The index compiled by S&P Global rose to 60.6 in February from January's final reading of 57.7.

The latest survey showed stronger growth of aggregate sales, which exerted upward pressure on operating capacities and prompted companies to step up hiring.

The index, which measures monthly change in the combined output of India's manufacturing and service sectors, has been above the 50-level separating growth from contraction for the 43rd consecutive month.

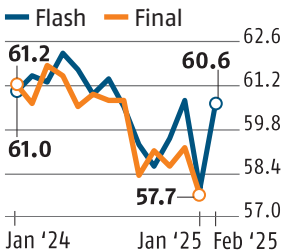
"The rate of growth was also well above its long-run average. Service providers noted a quicker increase than manufacturers, and one that was the strongest in just under a year," the survey said.

In the manufacturing sector, the flash PMI, noted that the majority of the manufacturing PMI sub-components retreated since January.

"Factory orders rose sharply, albeit at a softer pace than in January. The slow-

STRONG SHOWING

Manufacturing PMI



Note: PMI is in points. A figure above 50 denotes expansion, while one below it shows contraction
Source: HSBC

down was often attributed to competitive pressures. On the other hand, service providers welcomed the steepest upturn in new business intakes since August 2024. At the composite level, the rate of growth improved to a six-month high," it said.

On the export front, the survey noted that private sector continued to see improved international demand with new orders rising at the fastest rate in seven months.

Pranjul Bhandari, chief India economist at HSBC said that rapid restocking around the world continues to lift new export orders and a healthy acceleration and output is keeping firms optimistic.

"Input prices eased while output prices rose at a faster pace, leading to improved margins, especially for goods producers," she added.