

News Release

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HSBC Flash India PMI[®]

Survey-record expansion in private sector business activity in August

Key findings

HSBC Flash India Composite PMI Output Index: 65.2 (July final: 61.1)

HSBC Flash India Services PMI Business Activity Index: 65.6 (July final: 60.5)

HSBC Flash India Manufacturing PMI Output Index: 64.2 (July final: 62.5)

HSBC Flash India Manufacturing PMI: 59.8 (July final: 59.1)

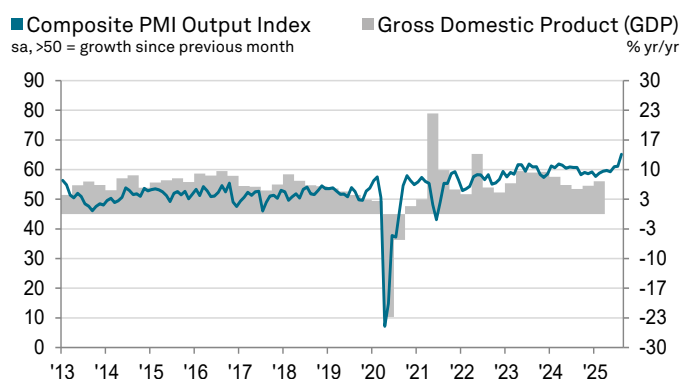
India's private sector economy posted its sharpest expansion since survey data were first collected in December 2005 during August, latest HSBC Flash PMI[®] data revealed. The rapid upturn in business activity was driven by a surge in sales volumes, with total new order intakes rising at one of the quickest rates on record. Hiring picked up, with jobs growth accelerating, while firms also registered their most optimistic assessment of the year-ahead outlook since March. The latest survey data also revealed a strong degree of pricing power among companies as the rate of output charge inflation jumped to a 12-and-a-half-year high.

The **HSBC Flash India Composite* Output Index** – a seasonally adjusted index that measures the month-on-month change in the combined output of India's manufacturing and service sectors – rose by over four points in August to 65.2, from 61.1 in July, signalling a rapid expansion in private sector business activity that was the quickest on record.

Sub-sector data revealed broad-based strength across India's economy as growth in both manufacturing and services output accelerated. Services was the better performer of the two, with its expansion in business activity hitting a fresh survey high.

The **HSBC Flash India Manufacturing PMI** – a weighted average of the New Orders, Output, Employment, Suppliers' Delivery Times and Stocks of Purchases indices – ticked up to 59.8 in August, from 59.1 in July, indicating a faster improvement in factory operating conditions across India. In fact, the index registered its highest reading since January 2008.

There was considerable strength in demand for Indian goods and services in August. Both manufacturers and service providers saw new order intakes rise at sharp and accelerated



Sources: HSBC, S&P Global PMI, CSO via S&P Global Market Intelligence.

*Composite PMI indices are weighted averages of comparable manufacturing and services PMI indices. Weights reflect the relative size of the manufacturing and service sectors according to official GDP data.

Data were collected 7-18 August 2025.

Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"The Services flash PMI touched an all-time high of 65.6, led by a sharp pick up in new business orders, both export and domestic. The Manufacturing flash PMI rose further, inching closer to the 60-mark, led by a smart rise in new domestic orders. Growth of new export orders, however, remained unchanged at July's levels. Margins improved as the rise in output prices was much faster than that for input costs."

rates on the month, underpinning a near survey-record overall expansion. Export markets supported August's uplift in overall new business, underlying survey data showed, with new business from abroad increasing at the quickest pace since the composite data were first published in 2014. Respondents mentioned greater workloads from customers in Asia, the Middle East, Europe and the US.

As has been the case on a monthly basis since June 2022, private sector companies in India bolstered their workforce capacity in August. The rate of jobs growth accelerated and was above the long-run average as a quicker upturn at services firms offset a fractional softening among goods producers. Sharp activity growth and sustained hiring efforts kept the rate of backlog accumulation at bay, with outstanding business volumes rising only marginally and to the slowest degree since May.

As for pricing trends, the latest survey data indicated an intensification of inflationary pressures across India's private sector. Input costs rose markedly amid reports of higher wage bills (particularly at services companies) and greater raw material prices. Notably, charges set by surveyed businesses were raised to the sharpest extent since February 2013. In many instances, firms reported that strong demand had encouraged them to mark up the prices for their goods and services.

Looking ahead, private sector companies in India anticipated further growth in business activity over the next 12 months. In fact, expectations improved strongly on the month and were their most optimistic since March. Positive forecasts were underpinned by the demand outlook, anecdotal evidence revealed. Stronger sentiment was seen at both manufacturing and services companies.

HSBC India Manufacturing PMI

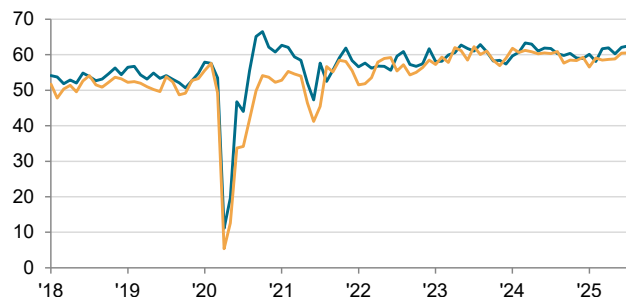
sa, >50 = growth since previous month



Sources: HSBC, S&P Global PMI.

Manufacturing PMI Output Index
Services PMI Business Activity Index

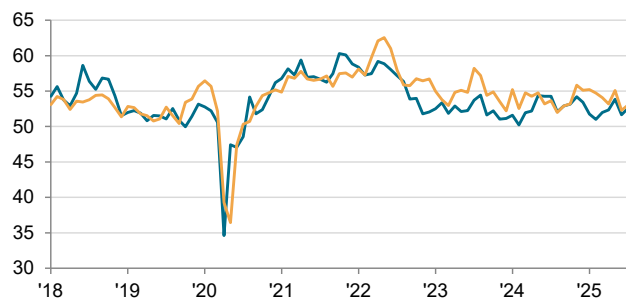
sa, >50 = growth since previous month



Sources: HSBC, S&P Global PMI.

Manufacturing PMI Input Prices Index
Services PMI Input Prices Index

sa, >50 = inflation since previous month



Sources: HSBC, S&P Global PMI.

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Survey methodology

The HSBC Flash India PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined by S&P Global as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

Manufacturing: Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

Services: Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The Business Activity Index is comparable to the Manufacturing Output Index. It may be referred to as the 'Services PMI' but is not comparable with the headline Manufacturing PMI.

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = -0.1 (absolute difference = 0.5)

Services Business Activity Index = -0.1 (absolute difference = 0.7)

Manufacturing PMI = -0.1 (absolute difference = 0.4)

Underlying final survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

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About PMI

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. www.spglobal.com/marketintelligence/en/mi/products/pmi

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