

# News Release

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## S&P Global India Manufacturing PMI®

### Input cost inflation slips to 40-month low

#### Key findings

Purchase prices and selling charges rise at slower rates

Expansions in factory orders and production strengthen

Firms scale up input buying

The Indian manufacturing industry continued to perform well in November. After slowing in October, growth of output gathered pace as strengthening client demand and more favourable input supply boosted production volumes. Inflationary pressures retreated, with purchase costs rising at the weakest pace since the current sequence of increases began in August 2020. Charges rose modestly, as the vast majority of firms opted to leave their fees unchanged since October.

Picking up from October's eight-month low of 55.5 to 56.0 in November, the seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index™ (PMI®) indicated a stronger improvement in operating conditions. The reading was below the average for the second fiscal quarter (57.9), but outpaced the series trend.

A key feature of the latest results was a substantial easing of price pressures. Although average purchasing costs rose again, the rate of inflation eased to the lowest in the current 40-month sequence of increases and was negligible by historical standards.

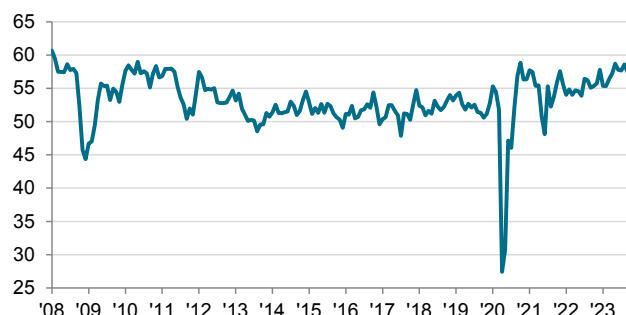
Rising costs translated into increased selling prices, albeit one that was the weakest in seven months. Manufacturers that hiked their fees, which were fewer than 7% of panellists, mentioned demand strength, greater labour costs and the usage of higher-quality inputs in production processes.

November data showed another substantial increase in overall levels of new work received by Indian goods producers. Moreover, the growth rate improved from October's one-year low and outpaced the series average. Surveyed companies commonly reported positive demand trends, greater client requirements and favourable market conditions.

The trend for new export business showed signs of resilience, despite weakening in November. New export orders rose for the twentieth month in a row and solidly, albeit at the slowest rate since June. On the upside, companies signalled higher

India Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global PMI.

Data were collected 9-24 November 2023.

#### Comment

Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence, said:

*"India's manufacturing industry maintained its robust performance in November, with output regaining growth momentum. Firms' ability to secure new business, both domestically and from abroad, remained central to the success of the sector."*

*"Sustained new order growth continued to be good news for the sector's labour market, with recruitment remaining on an upward path. Expanded capacities, rising workloads and the need to replenish stocks of finished goods collectively indicated that India's manufacturing economy is clearly in good shape as 2023 draws to a close, with expectations for a continued strong performance in 2024."*

*"Prices for raw materials and components still rose in November, but improved availability at suppliers amid subdued global demand for inputs led to a considerable retreat in cost pressures. Some concerns over prices increasing in the near-term were reflected in the data for business sentiment, but there was also a softer uptick in output charges amid a reduced inflationary environment."*

PMI®

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