

# News Release

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## S&P Global India Manufacturing PMI®

### Faster expansion in production coincides with notable slowdown in inflation

#### Key findings

Output and sales rise at quickest rates in three months...

...supporting job creation and input purchasing

Joint-weakest increase in input costs in 28 months

Demand resilience boosted manufacturing growth in India, with companies noting the quickest increases in new orders and production for three months. Moreover, firms were strongly confident towards growth prospects, with optimism driving another round of job creation and restocking initiatives. Buying levels expanded at a marked and accelerated rate as firms also sought to benefit from relatively mild price pressures. Input cost inflation receded to the joint-weakest rate in 28 months, while charges rose at the slowest pace since February.

Posting 55.7 in November, up from 55.3 in October, the seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index® (PMI®) signalled the strongest improvement in operating conditions for three months. The headline figure was also above its long-run average of 53.7.

A stronger upturn in factory orders helped drive the headline PMI higher in November. According to survey participants, demand strength and successful marketing efforts boosted overall sales.

Companies also reported a notable improvement in international demand for their goods, with new export orders expanding at the second-fastest pace since May.

November data highlighted a seventeenth successive expansion in manufacturing production across India, as companies responded to ongoing increases in new work intakes. The upturn in output was sharp, above trend and the strongest since August.

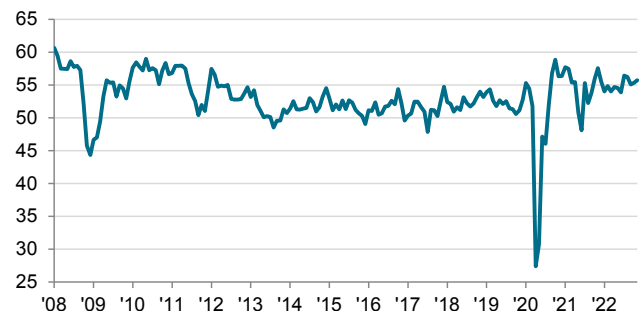
New orders and production rose at quicker rates in the consumer and intermediate goods categories, with slowdowns registered at capital goods makers.

Companies readjusted operating capacities in line with a pick-up in sales. Employment rose solidly, and for the ninth month in a row.

Spending on inputs likewise increased midway through the

India Manufacturing PMI

sa, >50 = growth since previous month



Source: S&P Global.

Data were collected 11-24 November 2022.

#### Comment

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

*"India's manufacturing sector continued to perform well in November, besides heightened recession fears elsewhere and a deteriorating outlook for the global economy. It was business as usual for goods producers, who lifted production volumes to the greatest extent in three months amid impressive evidence of demand resilience. New orders and exports expanded markedly in the latest month.*

*"Survey participants were also strongly confident in both the buoyancy of demand for their goods and their ability to further lift production in 2023. The level of positive sentiment recorded in November was the best in nearly eight years.*

*"Companies were also aided by a substantial cooling of cost pressures in November, a factor that prompted them to purchase more inputs and add to their inventories. The overall rate of input cost inflation slipped to the joint-lowest in 28 months. Buyers of Indian manufactured goods likewise gained from this retreat in cost inflation, as 92% of surveyed firms left their selling prices unchanged from October."*

PMI®

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