

News Release

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HSBC India Manufacturing PMI®

Second-fastest upturn in exports for 14 years

Key findings

Total sales supported by sharp rise in international orders

Production growth quickens

Charge inflation hits 11-and-a-half-year peak

Growth momentum in the Indian manufacturing industry improved in April, with output increasing at the fastest pace since June 2024 on the back of another strong expansion in order books. Total sales were supported by the second-fastest upturn in international orders since March 2011. This positive trend was accompanied by notable rises in employment and purchasing activity.

Robust demand for Indian goods boosted firms' pricing power, with selling charges hiked to the greatest degree since October 2013. This was despite a modest uptick in input costs.

Despite rising only fractionally from 58.1 in March to 58.2 in April, the seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index™ (PMI®) showed the strongest improvement in the health of the sector for ten months. The headline figure was spurred by faster increases in stocks of purchases, employment and production.

Indeed, output rose at a sharp rate that was the quickest since June 2024. Sub-sector data showed widespread expansions, with the fastest increase registered at consumer goods makers.

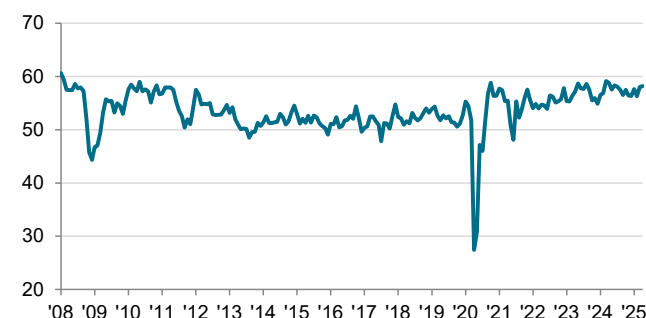
A key factor contributing to the latest improvement in output growth was a sharp rise in new business. Little-changed from March, the rate of expansion was the second-strongest for nine months. Respondents attributed growth to better domestic and international demand.

With the sole exception of January, new business from abroad grew to the greatest degree in over 14 years at the start of the 2025/26 fiscal year. When reporting sources of demand growth, survey participants cited Africa, Asia, Europe, the Middle East and the Americas.

The substantial improvement in order book volumes occurred despite a marked increase in prices charged for Indian goods. The overall rate of inflation was the highest

HSBC India Manufacturing PMI

sa, >50 = improvement since previous month



Sources: HSBC, S&P Global PMI.

Data were collected 8-24 April 2025.

Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"The notable increase in new export orders in April may indicate a potential shift in production to India, as businesses adapt to the evolving trade landscape and US tariff announcements. Manufacturing output growth strengthened to a ten-month high on robust orders. Input prices increased slightly faster, but the impact on margins could be more than offset by the much-faster rise in output prices, of which the index jumped to the highest level since October 2013."

seen in 11-and-half years. Anecdotal evidence indicated that companies continued to transfer cost increases to clients.

Input prices rose at the fastest pace in four months during April, with firms mentioning higher building maintenance, labour, leather, paper, rubber, steel and transportation costs. That said, the rate of inflation was moderate and below that seen for selling charges.

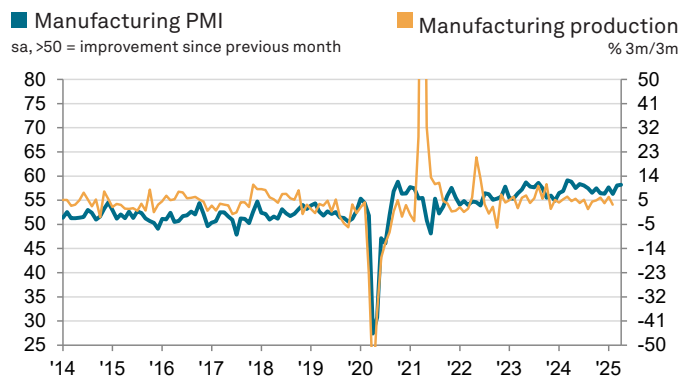
The strength of new order inflows also led to another accumulation of outstanding business. Although slight, the rate of increase was at a 15-month high.

Manufacturers continued to enhance their staffing levels in April to meet growing output requirements. Exactly 9% of survey participants took on extra workers, with a combination of permanent and temporary contracts reportedly being offered. The rate of job creation was marked by historical standards.

Purchasing activity rose in tandem with new business growth, and the latest sharp expansion in input buying was also partly attributed to stock building initiatives. Input holdings increased to the greatest extent since August 2024. Conversely, post-production inventories fell at the quickest pace in nearly three-and-a-half years.

Vendor delivery times shortened in April amid a lack of pressure on supplier capacity. Although the fastest in three months, lead times shortened only slightly.

Strong optimism regarding output prospects over the coming year was evident in the April data, driven by expectations of demand strength. Marketing efforts, efficiency gains and new client enquiries also underpinned positive forecasts.



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

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Survey methodology

The HSBC India Manufacturing PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in March 2005.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey 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.

The headline figure is the 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.

Underlying 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.

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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