

# News Release

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## HSBC India Services PMI®

### Upturn in new business gathers pace as charge inflation eases

#### Key findings

Quicker expansions in sales and activity

Job creation softens, but remains strong

Weaker increases in input costs and output charges

Indian service providers ended the first fiscal quarter on strong footing. Output and new order intakes rose at the fastest rates since August 2024, aided by another robust expansion in international sales and job creation. Despite slowing to the weakest in three months, the increase in export orders was among the strongest in the series history.

Price pressures eased in June, with both input cost and output charge inflation softening since May.

The seasonally adjusted HSBC India Services PMI® Business Activity Index – based on a single question asking how the level of business activity compares with the situation the month before – rose from 58.8 in May to a ten-month high of 60.4 in June. Monitored companies linked the upturn to positive demand trends and ongoing improvements in sales.

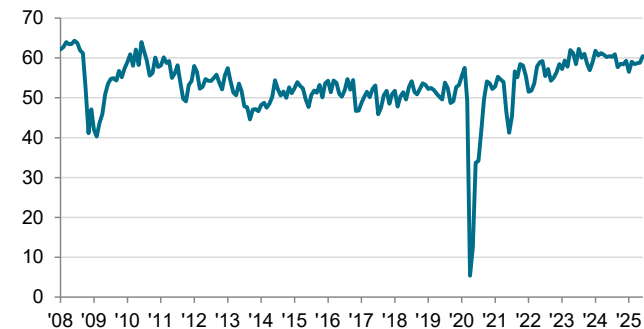
New orders expanded at the quickest rate since August 2024. Services companies benefited most from the continued strength of the domestic market, alongside a marked increase in new export business.

Overseas demand particularly improved from the Asian, Middle Eastern and US markets, according to panel members. The level of incoming new export orders rose at the slowest pace in three months halfway through the 2025 calendar year, albeit one that was among the strongest seen since this question entered the questionnaire in September 2014.

Sector data indicated that expansions in output and new orders remained broad-based during June. Once again, Finance & Insurance topped the growth rankings. For both measures, the slowest expansions were in Real Estate & Business Services.

The ongoing expansion of the Indian service sector had a positive impact on recruitment. Employment rose for the thirty-seventh consecutive month in June, with the rate of

HSBC India Services PMI Business Activity Index  
sa, >50 = growth since previous month

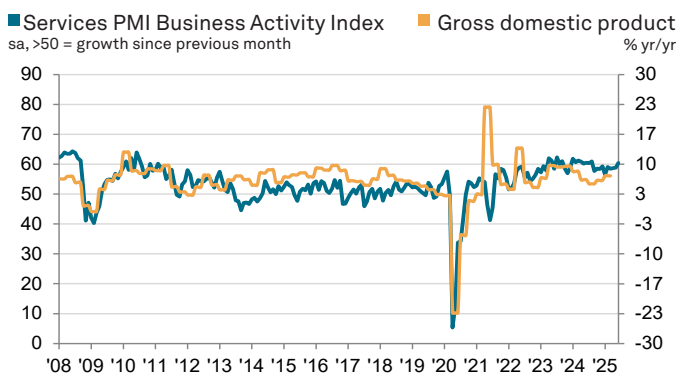


Sources: HSBC, S&P Global PMI.  
Data were collected 9-26 June 2025.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

*"The Services PMI business activity index was up to a ten-month high, led by a sharp rise in new domestic orders. New export orders also expanded, albeit at a softer pace. Margins improved, as the rise in input costs was below that seen for output charges. Service providers remained optimistic about future growth, though their confidence faded a tad."*



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

job growth outpacing its long-run average despite slowing from May's record.

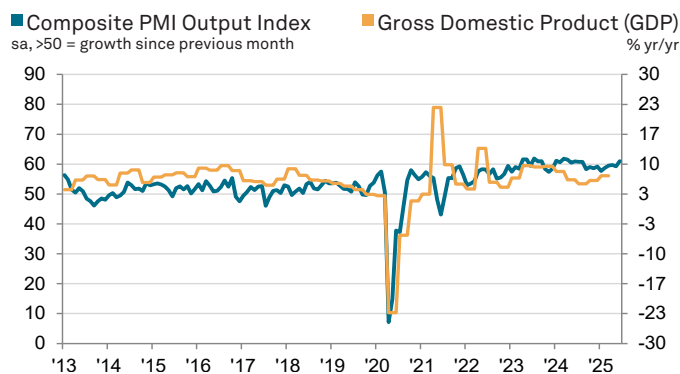
The rate of input cost inflation across India's service economy eased to a ten-month low in June, and was below its long-run average. Where expenses increased, panel members commonly cited greater staff salaries and wages.

Several service providers noted that they had maintained sufficient pricing power to pass on higher costs to clients. Despite easing from May, the rate of charge inflation remained above the series trend.

Cost pressures were most intense in the Consumer Services category, while the fastest upturn in output charges was noted in the Finance & Insurance segment.

Elsewhere, Indian services companies noted a mild intensification of capacity pressures. Outstanding business expanded at a slight rate that was nevertheless faster than in May.

Optimism regarding the outlook for output levels in one year time was sustained, with 18% of service providers forecasting growth. This proportion of upbeat firms was, however, the lowest since mid-2022. Hence, the overall level of confidence fell and was below its long-run average.



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

## HSBC India Composite PMI®

### Private sector output rises strongly and inflation rates recede

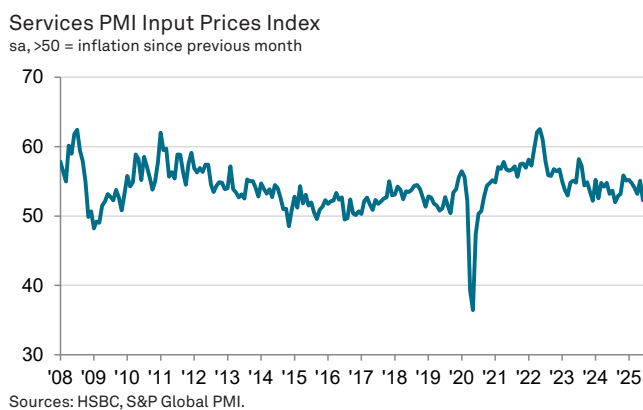
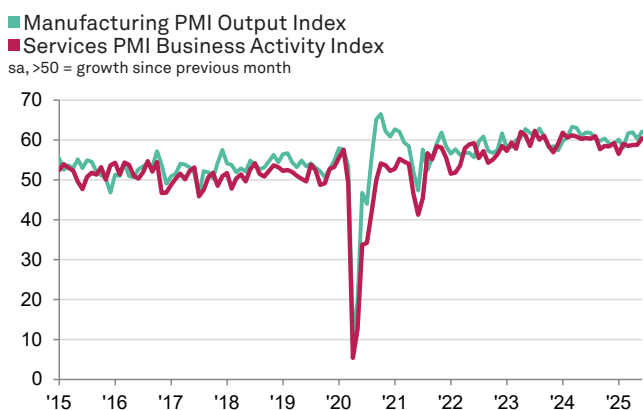
June data highlighted another substantial increase in Indian private sector activity. The HSBC India Composite PMI® Output Index\* rose from 59.3 in May to 61.0, indicating the fastest rate of expansion in 14 months. Growth quickened at both manufacturers and service providers.

Similarly, there were stronger improvements in demand for goods and services. Aggregate new business increased at a sharp pace that was the quickest since August 2024. This was supported by a record expansion in international sales.

Despite an uptick in job creation among manufacturers, employment growth in the private sector softened. This reflected a slowdown among service providers. The overall rate of expansion was nevertheless historically elevated.

Prices charged by private sector companies rose at the slowest pace in three months at the end of the first fiscal quarter. Concurrently, cost burdens increased at the weakest rate since August 2024. For both indicators, slowdowns were broad-based across the manufacturing and service economies.

\*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.



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## Survey methodology

The HSBC India Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in December 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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services 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 figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

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](mailto:economics@spglobal.com).

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