

News Release

Embargoed until 1030 IST (0500 UTC) 2 January 2026

HSBC India Manufacturing PMI®

Manufacturers signal robust, albeit softer, expansions in new orders and output

Key findings

Production growth slows to 38-month low...

...amid weakest upturn in new orders for two years

Firms limit input purchases and job creation

The end of the 2025 calendar year was characterised by a loss of growth momentum across several measures tracked by the HSBC India Manufacturing PMI® survey. Positive demand trends continued to underpin sharp increases in new business intakes and production, but rates of expansion eased on the back of competitive pressures and subdued sales of specific items. Employment rose at the slowest pace in the current 22-month period of job creation, while the latest upturn in buying levels was the least pronounced in two years.

As was the case in the previous two months, input costs rose at a historically negligible pace. Concurrently, the rate of charge inflation eased to a nine-month low.

The seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index™ (PMI) – a single-figure indicator of sector performance – fell from 56.6 in November to 55.0 in December, signalling the weakest improvement in the health of the sector in two years. The current figure was nevertheless above its long-run average.

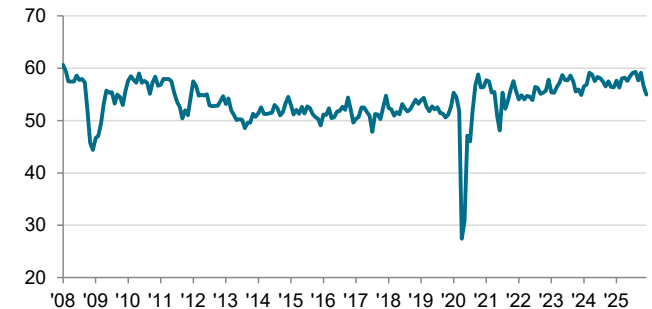
Intakes of new work rose at a sharp rate, albeit one that was the weakest since December 2023. Similarly, output levels expanded at the slowest pace since October 2022.

Part of the slowdown in total sales reflected a softer increase in international orders. New export orders rose to the least extent in 14 months. Where growth was signalled, panellists cited better demand from clients in Asia, Europe and the Middle East.

A softer increase in new business intakes prompted companies to limit the extent to which inputs were purchased. Buying levels still rose substantially, but the rate of growth retreated to a two-year low.

Amid a general lack of pressure on operating capacities, there was only a marginal increase in factory employment during December. The pace of job creation was the lowest in

HSBC India Manufacturing PMI
sa, >50 = improvement since previous month



Sources: HSBC, S&P Global PMI.
Data were collected 3-17 December 2025.

Comment

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

"Even with growth momentum easing, India's manufacturing industry wrapped up 2025 in good shape. The sharp rise in new business intakes should keep companies busy as we head into the final fiscal quarter, and the lack of major inflationary pressures could continue to support demand.

"We have seen a steady spell of softer growth in new export orders. In fact, the share of companies signalling higher international sales in December was about half of the average for 2025. The survey's anecdotal evidence has also pointed to a narrower range of export destinations, with goods mainly heading to Asia, Europe and the Middle East. With Indian manufacturers facing less intense cost pressures than elsewhere, many will be hoping that competitive pricing can help bring in new business from other regions in the new year."

the current period of growth that began in March 2024.

Outstanding business volumes did rise in December, but the pace of accumulation was only marginal as indicated by the respective seasonally adjusted index registering close to the no-change mark of 50.0.

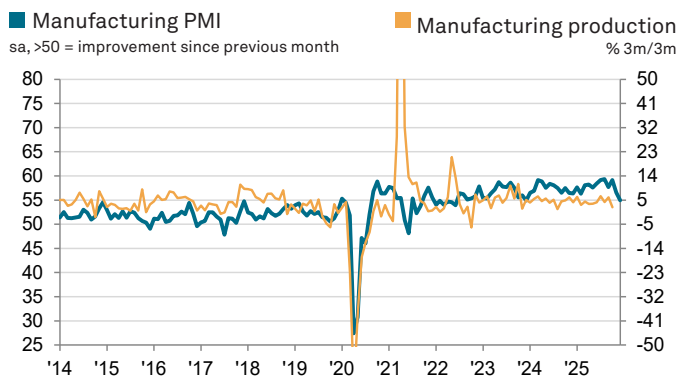
Stock trends continued to diverge in December, with input inventories rising sharply and holdings of finished products falling solidly.

The latter saw its joint-fastest drop in eight months, as firms reportedly used recently-manufactured goods to fulfil current sales.

The rise in stocks of purchases was the least pronounced in two years amid a softer upturn in buying levels and the usage of materials to supplement production.

December data indicated another increase in input costs at Indian manufacturers, which they attributed to greater prices for bamboo, chemicals, glass, leather and packaging. Little-changed from November, however, the rate of inflation was below its long-run average and among the lowest seen in 2025. Output prices likewise increased at a softer pace, one that was the least pronounced in nine months.

Indian goods producers foresee an increase in output during 2026 relative to present levels, but the overall level of sentiment faded to its lowest in close to three-and-a-half years. While advertising, positive demand trends and new product releases were seen as tailwinds to the outlook, some firms were concerned about competitive pressures and market uncertainty.



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

Contact

HSBC India
 Shalaka Kagathra
 T: +91 22 22681046
shalaka.kagathra@hsbc.co.in

Snehha Madhyani
 T: +91 22 22685341
snehha.madhyani@hsbc.co.in

S&P Global Market Intelligence
 Pollyanna De Lima
 Economics Associate Director
 T: +44 1491 461 075
pollyanna.delima@spglobal.com

Eri Amano
 APAC Senior Communications Manager
 T: +81 (0) 80 3714 7658
eri.amano@spglobal.com
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

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

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates, suppliers and any sponsor (including their affiliates) of the Content ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.