

# News Release

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## HSBC India Manufacturing PMI®

### New order growth strengthens despite softer rise in exports

#### Key findings

Quicker increases in factory orders and production

International sales growth slows, but remains strong

Fastest drop in finished goods stocks in over three years

Manufacturing sector growth in India recovered the ground lost in February, picking up to its highest in eight months as a faster upturn in total sales underpinned a sharper increase in output. March's acceleration came despite a mild slowdown in international order growth. Buoyant demand led companies to tap into their inventories to meet increased client appetite, resulting in the most rapid decline in finished goods stocks since January 2022.

Firms aimed to counter declining stock levels by acquiring additional inputs for their production processes at the quickest pace seen in seven months. Meanwhile, a stronger increase in purchase prices contrasted with a softer rise in selling charges.

Registering 58.1 in March, the seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index™ (PMI®) was up from 56.3 in February to its highest mark in eight months. The latest reading showed a substantial improvement in the health of the sector that was above its long-run average.

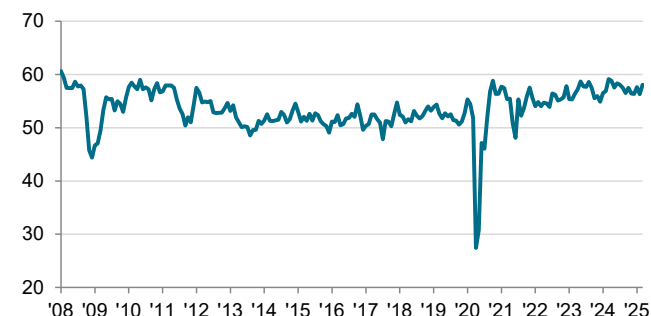
Helping boost the PMI was a stronger contribution from its largest sub-component: the New Orders Index. March saw total sales expand to the greatest extent since July 2024, with companies remarking on positive customer interest, favourable demand conditions and successful marketing initiatives.

Subsequently, firms scaled up production volumes at the end of the 2024/25 fiscal year. The rate of expansion was sharp, above its historical average and the strongest in eight months.

Although new export orders continued to increase strongly in March, the pace of growth retreated to a three-month low. Where international sales expanded, panellists cited gains from Asia, Europe and the Middle East.

Several companies indicated that warehoused goods were used to meet rising sales requirements, which triggered the

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



Sources: HSBC, S&P Global PMI.  
Data were collected 11-25 March 2025.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"India registered a 58.1 manufacturing PMI in March, up substantially from 56.3 during the previous month. Although international orders slightly slowed, overall demand momentum remained robust, and the new orders index recorded an eight-month high of 61.5. Strong demand prompted firms to tap into their inventories, causing the fastest drop in finished goods stocks in over three years. Business expectations remained fairly optimistic, with around 30% of survey participants foreseeing greater output volumes in the year ahead, compared to less than 2% that anticipate a contraction."

quickest drop in post-production inventories in over three years. The decline was the fourth in consecutive months and marked overall.

To address potential stockouts, Indian manufacturers stepped up buying activity in March. Inputs were purchased to the greatest extent in seven months, and at a rate that was well above the series average.

Despite the upturn in input demand, suppliers to the Indian manufacturing industry were generally able to deliver materials in a timely manner. Lead times shortened for the thirteenth successive month, albeit to the second-least degree over this period.

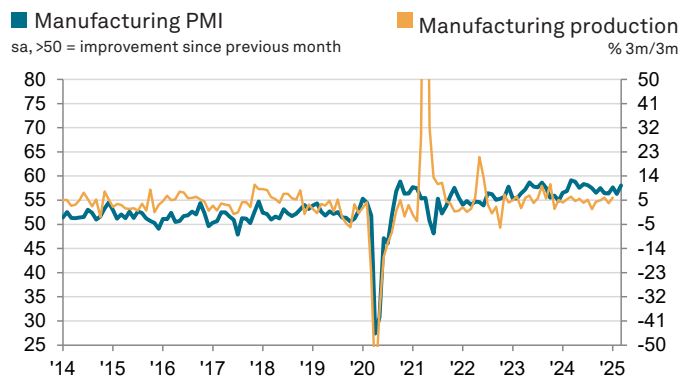
Meanwhile, pre-production inventories rose sharply in March, and at the quickest pace in five months.

March data showed that capacity pressures among manufacturers remained mild. Outstanding business rose at a marginal pace that was slower than in February. In turn, recruitment drives were reigned in. Employment nevertheless rose at solid rate in the context of survey data.

Amid reports of higher prices for copper, electronic items, leather, LPG and rubber, cost burdens rose further. The overall rate of inflation accelerated to a three-month high, but was well below its long-run average.

Conversely, there was a softer increase in prices charged for Indian goods. March's rise was moderate and the weakest in exactly one year.

Finally, favourable demand conditions, better customer relations and projects pending approval underpinned upbeat forecasts for output levels in the coming 12 months.



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](mailto: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](http://www.spglobal.com/marketintelligence/en/mi/products/pmi)

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