

# News Release

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## HSBC Flash India PMI<sup>®</sup>

### Indian companies signal record upturn in new export orders

#### Key findings

HSBC Flash India Composite PMI Output Index: 61.0 (May final: 59.3)

HSBC Flash India Services PMI Business Activity Index: 60.7 (May final: 58.8)

HSBC Flash India Manufacturing PMI Output Index: 61.5 (May final: 60.3)

HSBC Flash India Manufacturing PMI: 58.4 (May final: 57.6)

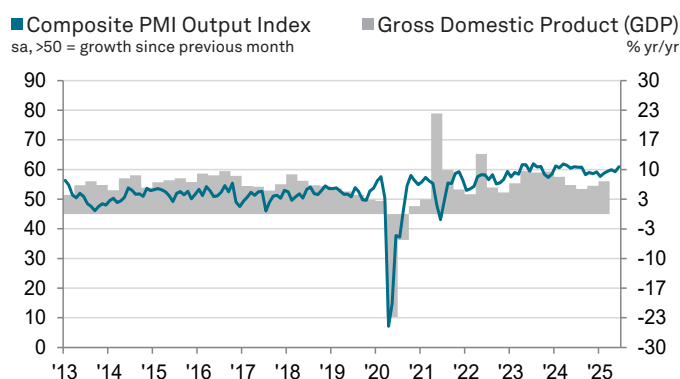
Several positive developments emerged from the June HSBC 'flash' PMI<sup>®</sup> data, as Indian companies scaled up output in response to faster increases in total new business intakes and international sales. Notably, the upturn in export orders was the strongest since comparable data became available in September 2014. With pending workloads continuing to accumulate, firms remained in hiring mode. Meanwhile, charge inflation softened as input costs rose at the slowest pace in ten months.

The **HSBC Flash India Composite\* Output Index** – a seasonally adjusted index that measures the month-on-month change in the combined output of India's manufacturing and service sectors – climbed to a 14-month high of 61.0 in June. Rising from 59.3 in May, the latest reading was consistent with a sharp rate of expansion that was well above the long-run series average.

Manufacturers led the upturn in business activity, though growth also picked up pace in the service economy. Rates of increase were at two- and ten-month highs, respectively. According to panellists, output was boosted by favourable demand trends, efficiency gains and tech investment.

The **HSBC Flash India Manufacturing PMI** – a weighted average of the New Orders, Output, Employment, Suppliers' Delivery Times and Stocks of Purchases indices – rose from 57.6 in May to 58.4 in June, signalling the best improvement in operating conditions since April 2024.

New business placed with goods producers and service providers increased at the end of the first fiscal quarter, with the faster upturn among the former. At the composite level, the rate of expansion was the strongest seen since July 2024. When explaining June's rise, survey participants remarked on healthy demand conditions and successful marketing.



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

\*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.

Data were collected 9-18 June 2025.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

*"India's flash PMI indicated strong growth in June. New export orders continued to fuel private sector business activity, especially in manufacturing. Meanwhile, the combination of robust global demand and rising backlogs prompted manufacturers to increase hiring. Employment growth is also healthy in the services sector despite slightly weakening on a sequential basis from May to June. Finally, input and output prices continued to rise for both manufacturing and services firms, but rates of increase showed signs of softening."*

Private sector firms in India signalled an unprecedented increase in new export orders during June. The sharp rise was boosted by a pick-up in growth among manufacturers. There was a slower expansion in international sales at services firms, but the rate of increase was nevertheless marked. Monitored companies reported stronger demand from Asia, Europe, the Middle East and the Americas.

June data showed an intensification of capacity pressures among Indian companies. Outstanding business volumes rose at a modest pace that was faster than in May and a tick above its long-run average. Moreover, the current sequence of rising backlogs was extended to three-and-a-half years. Rates of accumulation were broadly similar among manufacturing firms and their services counterparts.

The combination of demand strength and rising backlogs prompted Indian companies to recruit additional staff in June. Anecdotal evidence indicated that both full- and part-time employees were hired for permanent and temporary positions. Employment growth reached a series peak in the manufacturing industry, while service providers signalled a slower upturn in job creation than in May.

Meanwhile, input prices across the private sector increased only modestly during June. Where a rise was reported, firms cited higher labour and metal (copper, iron and steel) costs. That said, the rate of inflation softened to a ten-month low and was below its long-run average. Slower increases were noted in both the manufacturing and service economies.

Although prices charged for Indian goods and services continued to increase in June, the rate of inflation retreated from May's six-month high. Qualitative data showed that while some firms hiked their fees in response to greater expenses, others refrained from doing so in order to secure new business. Services companies indicated a slower increase in output prices, while the rate of inflation in the manufacturing industry matched that recorded in May and was therefore among the highest since November 2013.

Indian companies remained strongly upbeat towards the year-ahead outlook for business activity. The overall level of positive sentiment slipped to its lowest in just over two years, but was broadly aligned with its trend. At the sector level, there was a mild improvement in confidence at manufacturers and a downgrade in expectations at service providers.

HSBC India Manufacturing PMI

sa, >50 = growth since previous month

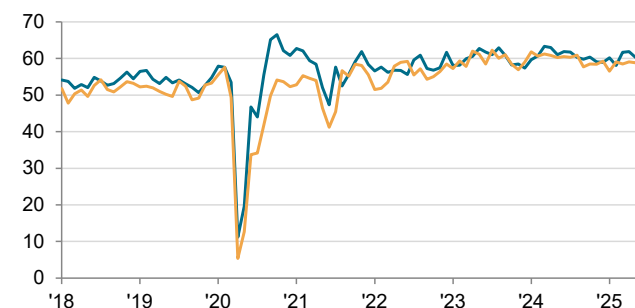


Sources: HSBC, S&P Global PMI.

Manufacturing PMI Output Index

Services PMI Business Activity Index

sa, >50 = growth since previous month

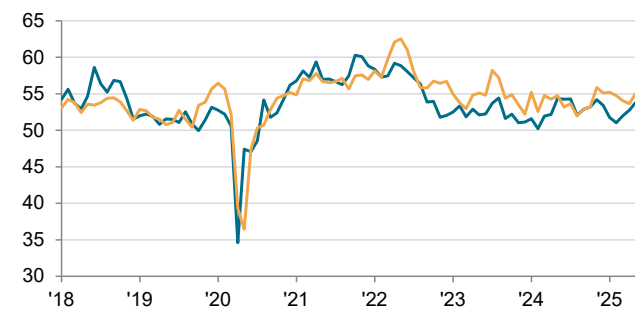


Sources: HSBC, S&P Global PMI.

Manufacturing PMI Input Prices Index

Services PMI Input Prices Index

sa, >50 = inflation since previous month



Sources: HSBC, S&P Global PMI.

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### Survey methodology

The HSBC Flash India PMI® is compiled by S&P Global from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers. The panels are each stratified by detailed sector and company workforce size, based on contributions to GDP. The services sector is defined by S&P Global as consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. The following variables are monitored:

**Manufacturing:** Output, new orders, new export orders, backlogs of work, stocks of finished goods, employment, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, future output.

**Services:** Business activity, new business, new export business, outstanding business, employment, input prices, prices charged, future activity.

A diffusion index is calculated for each manufacturing and services 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.

Composite indices for are calculated by weighting together comparable manufacturing and services indices using official manufacturing and services annual value added.

The headline figure is the Composite Output Index. This is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. It may be referred to as the 'Composite PMI' but is not comparable with the headline Manufacturing PMI, which is a weighted average of five manufacturing indices (including the Manufacturing Output Index).

The headline manufacturing figure is the Manufacturing 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.

The headline services figure is the Services Business Activity Index. This is a diffusion index calculated from a single question that asks for changes in the volume of business activity compared with one month previously. The 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.

Flash data are calculated from around 80-90% of total responses and are intended to provide an accurate early indication of the final data. Since flash data were first processed, the average differences between final and flash index values for the headline indices are:

Composite Output Index = -0.1 (absolute difference = 0.5)

Services Business Activity Index = -0.1 (absolute difference = 0.7)

Manufacturing PMI = -0.1 (absolute difference = 0.4)

Underlying final 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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### 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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