

# News Release

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## HSBC Flash India PMI<sup>®</sup>

### Buoyant international demand continues to support growth of total sales and output

#### Key findings

HSBC Flash India Composite PMI Output Index: 60.7 (June final: 61.0)

HSBC Flash India Services PMI Business Activity Index: 59.8 (June final: 60.4)

HSBC Flash India Manufacturing PMI Output Index: 62.5 (June final: 62.1)

HSBC Flash India Manufacturing PMI: 59.2 (June final: 58.4)

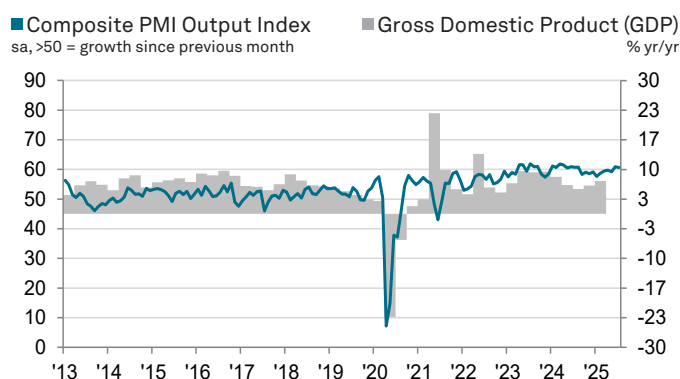
Operating conditions across India's private sector continued to improve in July, with the latest HSBC 'flash' PMI<sup>®</sup> data showing sharp expansions in total sales, export orders and output levels. On the price front, there were quicker increases in both input costs and output charges. While business confidence remained positive, it retreated to its lowest mark in close to two-and-a-half years as some panellists were concerned about competition and inflationary pressures. Subsequently, job creation eased to the weakest rate in 15 months.

At 60.7 in July, 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 – was little-changed from June's final print of 61.0 and therefore signalled another substantial rate of growth. Moreover, the headline figure remained well above its long-run average of 54.8.

Goods producers registered a faster increase in output than service providers, as the pace of expansion picked up to the strongest since April 2024. There was a softer upturn in services activity during July, though growth remained sharp by historical standards.

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 58.4 in June to 59.2 in July, its highest reading in close to 17-and-a-half years and indicative of a robust improvement in the health of the manufacturing industry.

As was the case for output, new orders increased to a greater extent in the manufacturing industry than in the service economy, as growth quickened in the former whilst it eased in the latter. At the composite level, overall sales expanded



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 9-21 July 2025.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"India's flash composite PMI remained healthy in July at 60.7. The strong performance was bolstered by growth in total sales, export orders, and output levels. Indian manufacturers led the way, recording faster rates of expansion than services for all of the three aforementioned metrics. Meanwhile, inflationary pressures continue to heat up as both input costs and output charges rose in July. Finally, business confidence fell to its lowest mark since March 2023, while employment growth moderated to its weakest pace in 15 months."

at a sharp pace that was the fastest in exactly one year.

International orders placed with private sector companies in India increased sharply at the start of the second fiscal quarter. The rate of expansion was broadly similar to June and among the strongest in the series history. Survey participants noted gains from across the globe, including Asia, Europe and the US. Growth of new export orders accelerated in the service economy whilst it slowed among goods producers.

July data highlighted a pick-up in cost pressures across the private sector. According to monitored firms, aluminium, cotton, foodstuffs (cooking oil, egg, meat, vegetables), rubber, steel and transportation all rose in price. The rate of inflation was solid, but remained below its long-run average. Services companies recorded a faster increase in input prices than their manufacturing counterparts.

Charge inflation likewise intensified in July, as private sector companies sought to share additional cost burdens with their clients by lifting selling prices. Moreover, the pace of increase surpassed the series trend, with stronger rates of inflation seen in both the manufacturing and service sectors.

Although Indian firms continued to forecast output growth over the course of the coming 12 months, the overall level of positive sentiment fell to its lowest mark since March 2023. Dampening sentiment were concerns around price pressures and heightened competition for new work.

Subsequently, job creation eased in July. Employment rose at a moderate pace that was the weakest in 15 months. A notable slowdown in growth was seen in the service economy, where the respective seasonally adjusted index fell by nearly four points.

This moderation in job creation, coupled with robust intakes of new business, added to firms' capacity constraints. Outstanding business volumes across the private sector rose at a solid rate that was the fastest in nearly five years. Pressures were more intense in the service economy than in the manufacturing industry.

Finally, manufacturing-only data showed another sharp increase in buying levels among goods producers, who in turn recorded a substantial accumulation of input inventories during July. This was supported by another improvement in supplier delivery times. Finished goods stocks fell further, however, as firms often utilised warehoused goods to meet rising demand needs.

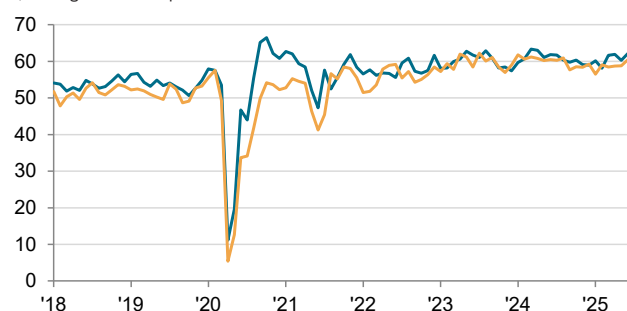
HSBC India Manufacturing PMI

sa, >50 = growth since previous month



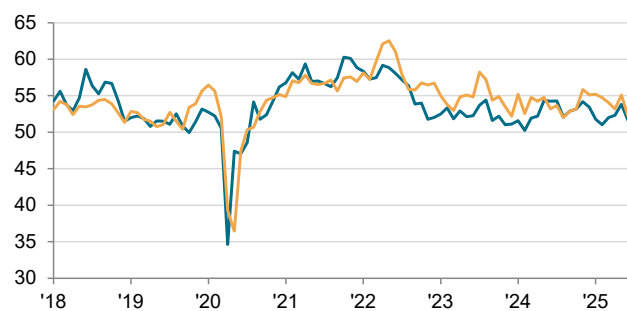
Sources: HSBC, S&P Global PMI.

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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