

# News Release

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## HSBC India Manufacturing PMI<sup>®</sup>

### Manufacturers start 2025 on strong footing as international sales growth nears 14-year high

#### Key findings

Fastest upturn in new export orders since February 2011

Total sales and output rise at quicker rates...

...boosting growth of input purchases and jobs

Following a moderation in growth during December, Indian goods producers kicked off 2025 on a robust note. With new orders rising at the quickest pace since last July, fuelled by the steepest upturn in exports in nearly 14 years, there was a stronger expansion in output. January data also showed a pick-up in growth of buying levels and record job creation.

Cost pressures retreated to their weakest in 11 months, but selling prices rose solidly amid buoyant demand. Meanwhile, business confidence strengthened.

Rising from December's one-year low of 56.4 to 57.7 in January, the seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index™ (PMI<sup>®</sup>) signalled a robust improvement in the health of the sector. The rate of expansion was the quickest since last July and outpaced its long-run average.

Goods producers welcomed another substantial increase in new orders, which they attributed to better domestic demand and a pick-up in international sales. Total new business expanded at the fastest rate in six months.

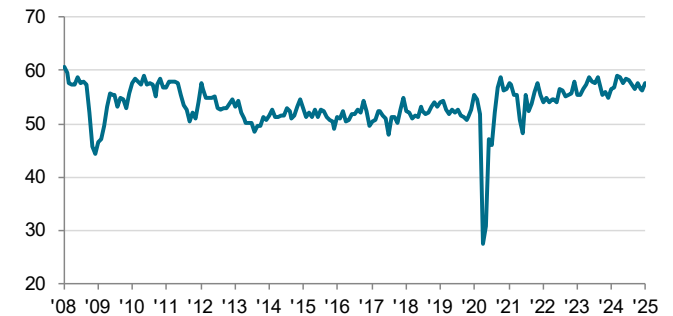
International demand for Indian goods strengthened in January, with panellists noting gains from across the globe. Notably, the rate of expansion in new export orders was the best seen in just under 14 years.

Subsequently, manufacturers in India continued to scale up production volumes. The latest increase was substantial and the fastest since October 2024.

Companies turned more optimistic about output prospects, with nearly 32% of firms forecasting growth and just 1% expecting a reduction. According to panel members, buoyant underlying demand, better customer relations, favourable economic conditions and marketing efforts all bode well for growth prospects.

Robust sales gains and upbeat forecasts prompted companies to recruit additional workers at the start of the fourth fiscal

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



Sources: HSBC, S&P Global PMI.

Data were collected 8-27 January 2025.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

*“India’s final manufacturing PMI marked a six-month high in January. Domestic and export demand were both strong, supporting new orders growth. The employment PMI suggested robust job creation in the manufacturing industry, as the index increased to its highest level since the series was created. Input cost inflation eased for a second month, relieving pressure on manufacturers to raise final output prices.”*

quarter. The extent to which employment expanded was the greatest seen in nearly 20 years of data collection.

Indian manufacturers also accelerated the rate at which inputs were purchased. January's upturn was the strongest in three months and sharp by historical standards.

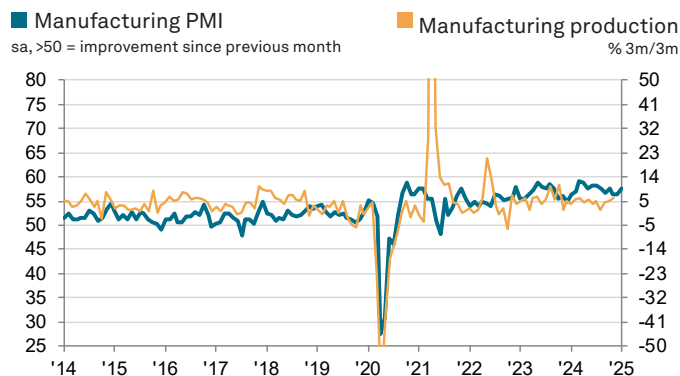
Firms were successful in their efforts to lift inventories as suppliers were able to deliver materials in a timely manner. Vendor performance improved to the greatest extent in eight months, while the accumulation in input stocks was the fastest since October 2024.

Finished goods inventories decreased for the second month running in January, as a mismatch in growth of demand over production compelled firms to dig into their warehouses. The rate of stock depletion was marked and the most pronounced in close to three years.

Input costs increased in January, amid reports of greater outlays on freight, labour and materials. The rate of inflation was modest overall and the weakest since February 2024, however.

Prices charged for Indian goods rose at the slowest pace in four months during January, albeit one that was marked and above the long-run series average. According to survey participants, hikes to selling prices were supported by positive client appetite.

Finally, capacity pressures among manufacturers in India remained mild, as indicated by only a fractional increase in outstanding business volumes. Underlying data showed that strong job creation in recent months enabled companies to stay on top of their workloads.



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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