

# News Release

Embargoed until 1030 IST (0500 UTC) 1 October 2025

## HSBC India Manufacturing PMI®

### Fastest rise in output charges in nearly 12 years

#### Key findings

Stronger increases in input costs and selling prices

Growth of factory orders and production moderates

Tax relief boosts business optimism

The HSBC PMI® data for September highlighted continued growth across India's manufacturing industry, albeit with a mild loss of momentum. New orders, output and input buying all rose at the slowest rates since May, while job creation retreated to a one-year low. Still, companies were strongly confident regarding the outlook for production, with changes in GST (goods and services tax) rates boosting optimism.

The survey, which took place between 10 and 24 September, indicated quicker increases in input costs and selling prices. The latter in fact rose to the greatest extent since October 2013.

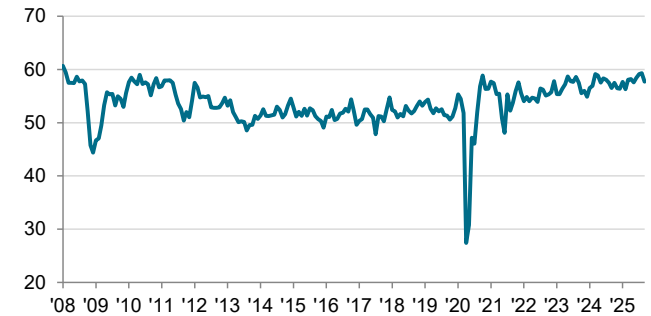
At 57.7 in September, down from 59.3 in August, the seasonally adjusted HSBC India Manufacturing Purchasing Managers' Index™ (PMI®) – a single-figure indicator of sector performance – pointed to the weakest improvement in the health of the sector since May. That said, registering comfortably above the neutral mark of 50.0, the latest reading was indicative of a marked rate of expansion.

Amid reports of demand buoyancy, new business volumes rose further in September. The rate of expansion was sharp, but eased to a four-month low. Growth was curbed by competitive conditions, anecdotal evidence showed. Likewise, production levels increased at a substantial pace that was nonetheless the weakest since May.

There was a pick-up in growth of international orders at the end of the second fiscal quarter, as Indian manufacturers welcomed improvements in demand from Asia, Europe, the Americas and the Middle East.

Survey members indicated that input costs continued to increase in September. Panel members reported greater battery, cotton, electronic component and steel prices. The overall rate of inflation was solid and the quickest since May, though remained below its long-run average.

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



Sources: HSBC, S&P Global PMI.  
Data were collected 10-24 September 2025.

#### Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

*"The September headline index softened, but it remained well above the long-term average. New export orders increased at a faster rate in September, indicating demand outside of the US might be offsetting any decline in demand from the US as a result of tariffs. Business confidence, as indicated by expectations for future output, showed a big jump in September, potentially reflecting optimism about the boost in demand from the cuts in goods and services tax (GST), although US tariffs remain a strong headwind to the economy."*

Selling charges increased at a sharp pace, and one that was faster than that seen for input costs. Monitored firms suggested that greater outlays on labour, raw materials and transportation prompted hikes to output prices, which was facilitated by positive demand trends. The rate of charge inflation reached a near 12-year high.

Indian companies continued to signal upbeat forecasts for production in the coming 12 months. Moreover, the overall level of confidence rose to a seven-month high. In addition to favourable demand conditions, investment in marketing and better customer relations, panellists identified GST cuts as a tailwind to growth.

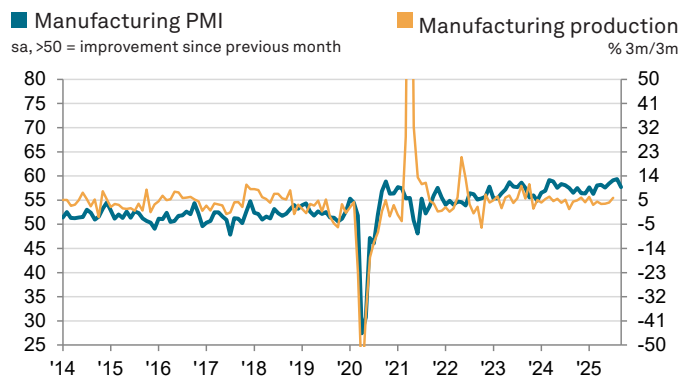
Concurrently, buying levels rose further at the end of the second fiscal quarter. Although the slowest in four months, the rate of expansion was sharp by historical standards.

Indian goods producers also took on extra staff in September, but the rate of job creation was modest and the slowest in a year. In fact, only 2% of companies indicated headcount growth.

Despite weak job creation relative to sales growth, outstanding business volumes increased only marginally in September. The pace of accumulation was below that seen in August and its long-run average.

For the ninth time in ten months, manufacturers reported a fall in stocks of finished goods. According to them, with growth of sales outpacing that of production in recent months, orders were often fulfilled from inventories.

On the other hand, stocks of purchases increased sharply in September. The rate of accumulation was one of the most pronounced in a year-and-a-half.



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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