

News Release

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HSBC India Services PMI®

Domestic market fuels growth of services activity

Key findings

New orders and output expand at quicker rates...

...supporting hiring activity

April sees mild reduction in inflationary pressures

Indian services companies welcomed a recovery in growth of both output and new order intakes during April. In addition to increased e-commerce and greater underlying demand, firms indicated that a shift from international to domestic suppliers amid the war in the Middle East particularly boosted transport activity. Meanwhile, external sales expanded at the weakest pace in five months, dampened by the war and subdued inbound tourism.

Input costs rose at a softer rate, but one that was still among the highest in around a year-and-a-half. A great degree of cost absorption was highlighted by a relatively moderate rise in output charges that was the weakest in three months.

The seasonally adjusted HSBC India Services PMI® Business Activity Index – based on a single question asking how the level of business activity compares with the situation the month before – rose from 57.5 in March to 58.8 in April, showing the strongest rate of expansion since last November. Mirroring this trend, inflows of new work increased to the greatest extent in five months.

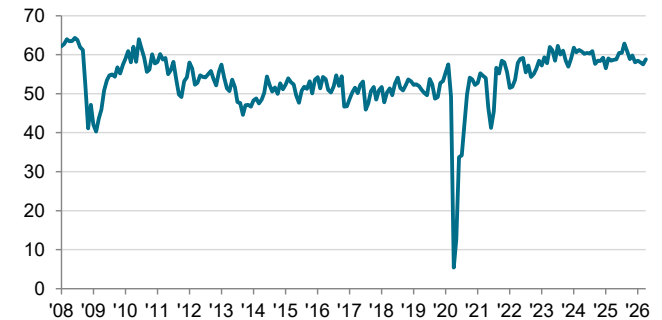
According to survey participants, competitive pricing, e-commerce and particularly strong customer demand for relocation and logistic services boosted sales growth.

Consumer Services led April's expansion in new orders and output, followed by Transport, Information & Communication.

Growth of international demand for Indian services lost strength. Companies indicated that the war in the Middle East and subdued inbound tourism dampened the expansion. The seasonally adjusted New Export Business Index fell by more than five points and reached its second-lowest print in over a year (surpassing November 2025).

Services companies reported another substantial increase in their operating expenses. Despite slowing in April, the rate of inflation was one of the highest seen since November 2024.

HSBC India Services PMI Business Activity Index
sa, >50 = growth since previous month

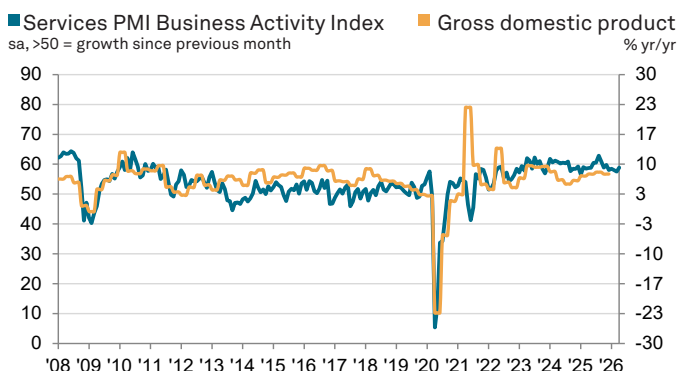


Sources: HSBC, S&P Global PMI.
Data were collected 8-28 April 2026.

Comment

Pranjul Bhandari, Chief India Economist at HSBC, said:

"India's services PMI climbed to a five-month high of 58.8 in April. Activity and new orders strengthened, even as new export orders eased, suggesting that demand is rotating from overseas markets to domestic consumers amid the Middle East conflict. Input cost inflation moderated but remained elevated, while output price inflation stayed subdued, indicating that some firms are absorbing higher costs rather than passing them on. India's composite PMI also rose to 58.2 last month, up from 57.0 in March, pointing to renewed momentum across the manufacturing and services sectors."



Monitored firms cited greater food (cooking oil, egg, meat and vegetables), gas and labour costs, as well as shortages of gas.

Only part of this additional cost burden was transferred through to customers, as signalled by an increase in selling prices that was moderate in comparison. The overall rate of charge inflation receded to a three-month low.

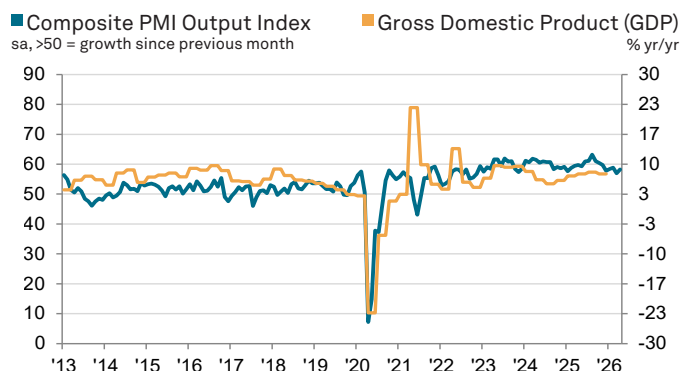
Rates of input and output price inflation were highest in the Consumer Services and Transport, Information & Communication categories.

Indian services companies were confident of a rise in output over the course of the coming 12 months. Optimism was supported by forecasts of demand growth, marketing initiatives and rising client enquiries. The level of positive sentiment nevertheless fell from March, dampened by worries surrounding the war in the Middle East and cost pressures.

Still, companies recruited more workers at the start of the first fiscal quarter. According to them, rising volumes of new business boosted the recruitment of short-term staff and junior-level trainees.

Quicker expansions in employment were noted in each of the four broad areas of the service economy monitored by the survey.

Sustained hiring growth enabled firms to reduce outstanding business levels for the first time in four months. The rate of backlog depletion was only marginal, however.



HSBC India Composite PMI®

Private sector growth strengthens in April

With both factory production and services activity regaining some of the momentum lost in March, there was a faster expansion in Indian private sector output during April.

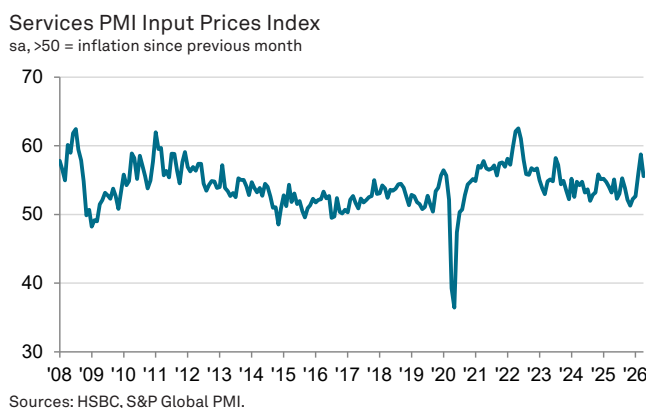
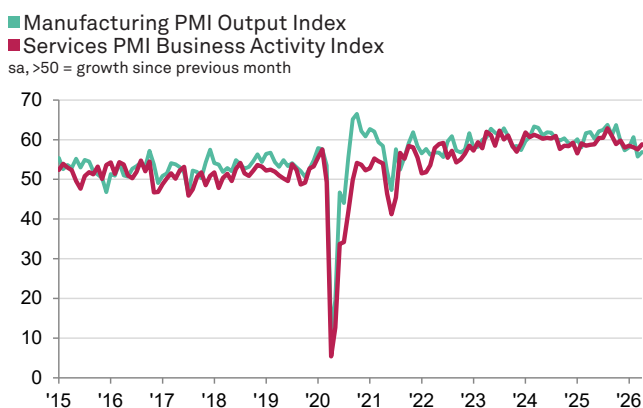
The HSBC India Composite PMI® Output Index* was up from 57.0 to 58.2, signalling a historically strong rate of expansion. That said, the latest rise was among the slowest in around two-and-a-half years.

Aggregate new orders likewise rose at a quicker pace than in March and one that was above its long-run average. As was the case for output, growth of overall sales was stronger among service providers than at goods producers.

Manufacturing firms topped the rankings when it came to inflation, noting stronger increases in input costs and output charges than their services counterparts.

At the composite level, the rate of input price inflation eased from March but was the second-highest since August 2023. Meanwhile, selling charges rose to the least extent in three months.

*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.



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Survey methodology

The HSBC India Services PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The sectors covered include consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in December 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 Services Business Activity Index. This is a diffusion index calculated from a question that asks for changes in the volume of business activity compared with one month previously. The Services 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 figure.

The Composite Output Index is a weighted average of the Manufacturing Output Index and the Services Business Activity Index. The weights reflect the relative size of the manufacturing and service sectors according to official GDP data. The Composite Output Index may be referred to as the 'Composite PMI' but is not comparable with the headline manufacturing PMI figure.

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.

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