

Highlights

Manufacturing PMI:

India Manufacturing PMI was revised down to 57.6 in May 2025 from 58.2 in April, below the preliminary estimate of 58.3. While this marks a three-month low, it still signals a solid improvement in business conditions.



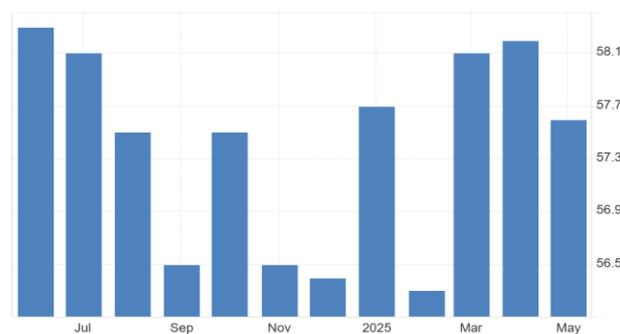
Inflation:

Growth in new orders and output eased but remained strong, supported by robust demand. However, gains were partly weighed down by inflation, intense competition, and geopolitical tensions between India and Pakistan.

Employment & Backlogs:

Employment rose to a record high in May 2025, reflecting strong business optimism and capacity expansion. Meanwhile, backlogs of work remained unchanged, halting a six-month streak of accumulation.

IN Manufacturing PMI - points



Source: tradingeconomics.com | S&P Global

Pollyanna de Lima, Principal Economist at IHS Markit, said that the continuous growth in Indian manufacturing PMI in February was due to stable domestic and foreign demand, which led to strong growth in companies' orders and production.

Note:

1. PMI stands for Purchasing Managers' Index.
2. PMI is one of the closely watched indicators of business activity across the world.
3. The magic number is 50. A reading of 50 or higher generally indicates that the industry is expanding.
4. Share of the manufacturing sector in GDP in India is nearly 17%.
5. The PMI is prepared by IHS Market.
6. PMI was first prepared by ISM USA in 1948.

Highlights

Services PMI:

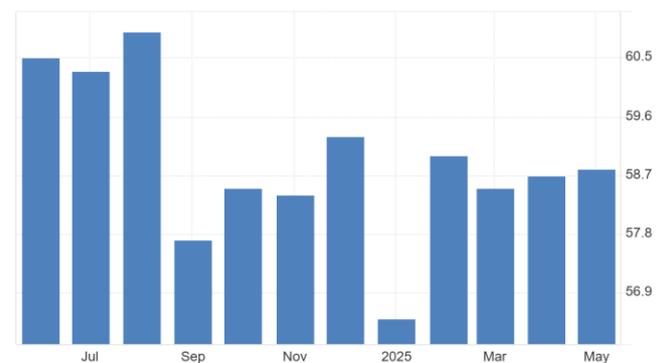
India Services PMI was revised lower to 58.8 in May 2025 from 61.2 in the preliminary estimates. However, the latest reading remained above April's 58.7 and marked the fastest expansion since February, as output and new orders continued to rise.



Inflation:

Input costs rose to their highest level in 2025, fuelled by increased prices for cooking oil, materials, and meat. In response, firms raised their selling prices, pushing output price inflation to a six-month high.

IN Services PMI - points



Source: tradingeconomics.com | S&P Global

Source - S&P Global India Services PMI®

Business Growth :

Employment in the services sector grew at the fastest pace in the survey's history, reflecting strong business momentum. Meanwhile, backlogs of work declined, though the rate of reduction softened compared to previous months.

"Output charge inflation softened only marginally from April, being the second-highest in just under five years, as several companies mentioned the need to transfer mounting costs through to clients," added De Lima.

Note:

1. PMI stands for Purchasing Managers' Index.
2. PMI is one of the closely watched indicators of business activity across the world.
3. The magic number is 50. A reading of 50 or higher generally indicates that the industry is expanding.
4. Share of the Services sector in GDP in India is nearly 50%.
5. The PMI is prepared by IHS Markit.
6. PMI was first prepared by ISM USA in 1948.