

Mfg activity hits 31-mth high as supply woes ease

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New Delhi: Manufacturing activity remained robust in May and rose to a 31-month high on the back of firm demand, improvement in supply chains and stronger increase in new orders, a survey showed on Thursday.

The S&P Global India Manufacturing Purchasing Managers' Index (PMI) rose from 57.2 in April to 58.7 in May, indicating the strongest improvement in the health of the sector since October 2020. The 50-point mark separates expansion from contraction. The survey is compiled from responses to questionnaires sent to purchasing managers in a panel of around 400 manufacturers.

The manufacturing sector has improved since the lifting of curbs imposed to prevent the spread of the co-

New Orders Surge



ronavirus. Latest data showed the sector grew 4.5% in the fourth quarter of 2022-23 after contracting 1.4% in the previous quarter.

The survey results showed that a surge in sales paved the way for stronger increases in production, emp-

loyment and quantities of purchases. With supply chain conditions improving further, companies noted a record accumulation in input inventories, it said.

Out of the five PMI sub-components, stocks of purchases showed notable vigour, increasing at an unprecedented pace in May.

"The PMI's spotlight on soaring sales showcases robust demand for India-made products both domestically and internationally. While the upturn in domestic orders strengthens the foundations of the economy, rising external business foster international partnerships and boost India's position in the global market. Combined, they also generated more employment opportunities in May," said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.