

Services sector activity at 13-year high in July: Survey

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NEW DELHI: Services sector activity rose to a 13-year high in July on the back of strong demand and sharp increase in new business, and companies have predicted higher activity levels in the months ahead, a survey showed on Thursday.

Rising from 58.5 in June to 62.3 in July, the S&P Global India Services PMI Business activity index signalled the sharpest increase in output since June 2010. The 50-point mark separates expansion from contraction. The survey is compiled from responses to questionnaires sent to a panel of around 400 service sector companies. The survey results showed that demand for Indian services improved to the greatest extent in over 13 years during July, with around 29% of survey participants reporting higher intakes of new business. The sector has staged a robust recovery after the crushing impact of the pandemic, which prompted several businesses to down shutters.

The upturn in total new orders was boosted by a pick-up in international sales. Service providers noted the second fastest increase in new export orders since the series started in September 2014. Bangladesh, Nepal, [Sri Lanka](#) and the UAE were key sources of growth, the survey showed.

"The resilience of the service sector underscores its vital role in fuelling India's economy, with the PMI results for July so far pointing to a notable contribution from the sector to GDP for the second quarter. The broad increases in sales across the domestic and international markets are particularly welcoming news, especially in light of the challenging global economic scenario," said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.