

Services activity rises at fastest pace in 13 yrs on strong demand

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New Delhi: Activity in the crucial services sector rose at its fastest pace in over 13 years in September on the back of strong demand and new business, which helped create fresh jobs and prompted business confidence to hit the highest in more than nine years, a survey showed on Thursday.

The S&P Global India Services PMI business activity index rose from 60.1 in August to 61 in September, signalling a sharp upturn in output that was one of the strongest in over 13 years. The uptick meant that the index averaged 61.1 over the fiscal's second quarter, above that seen in the prior three-month period (60.6). September's expansion in output was attributed to effective marketing, favourable de-

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— POLLYANNA DE LIMA |
ECONOMICS ASSOCIATE DIRECTOR AT S&P GLOBAL MARKET INTELLIGENCE

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The survey is compiled from responses to questionnaires sent to a panel of around 400 service sector companies and the 50-point mark separates expansion from contraction.

The services sector has surged since the lifting of pandemic-induced curbs and staged a robust rebound, due to strong domestic and overseas demand.

The latest data showed a substantial increase in new business placed with Indian

service providers, the second-fastest since June 2010. Anecdotal evidence indicated that market dynamics remained favourable, supporting demand. Advertising was also cited as a key factor boosting sales. Besides the rise in total sales, firms noted an upturn in demand from abroad, particularly from clients based in Asia, Europe and North America. The overall growth was marked and one of the quickest seen in the series history (since September 2014), despite slowing to a three-month low, the survey results showed.

“An upturn in optimism about the year ahead, fuelled by buoyant demand conditions, bodes well to further growth across services. Job creation was sustained,” said Pollyanna De Lima, economics associate director at S&P Global Market Intelligence.