

Services grow fastest in over 10 years in Oct

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NEW DELHI: Activity in the country's crucial services sector rose at its fastest pace in more than a decade in October on the back of new orders and robust demand after the lifting of restrictions strengthened the economic recovery, a survey showed on Wednesday.

Rising from 55.2 in September to 58.4 in October, the India Services Business Activity Index signalled the strongest rate of growth in 10-and-a-half years, triggering more job creation but inflationary pressures emerged as a concern due to rising input costs. The India services PMI is compiled by IHS Markit from responses to questionnaires sent to a panel of around 400 services sector companies. The sectors covered include

consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services.

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JOB CREATION STRONGEST SINCE FEB 2020

➤ New work intakes increased at a sharp and accelerated rate, the strongest since July 2011

➤ October data highlighted a sixteenth successive monthly increase in input costs at Indian services firms

➤ Services sector includes consumer (excluding retail), transport, information, communication, finance, insurance, real estate and business services

The pace of job creation in October quickened to the strongest since February 2020



The services sector had been hit hard by the pandemic-induced lockdowns and jobs were shed in the key segment. But lifting of curbs after the second wave has triggered a strong recovery, while the acceleration in vaccination has added to the confidence. According to panel members, ongoing improvement in demand boosted sales growth, and subsequently output. New work intakes increased at a sharp and accelerated rate, the strongest since July 2011. Survey participants linked sales growth to better underlying demand and successful marketing.