

Manufacturing growth hits 16-yr high in March

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NEW DELHI: Manufacturing activity in India rose to its highest in 16 years in March on higher production and sales, according to statement on Tuesday by S&P global, a financial information provider that compiles the HSBC Purchasing Managers' Index (PMI).

The seasonally adjusted index showed a value of 59.1 in March, higher than February's 56.9 but marginally lower than 59.2 estimated in the HSBC Flash PMI on March 21. A reading over 50 indicates expansion.

The index that measures manufacturing activity in India has now been expanding for 33 consecutive months.

"India's March manufacturing PMI rose to its highest level since 2008," said Ines Lam, an economist at HSBC. "Manufacturing companies expanded hiring in response to strong production and new orders."

New orders were up 3.3 to 64 points in March. Output PMI rose 2.6 points to 63.3, Rahul Bajoria, managing director and head of emerging markets Asia (ex-China) economics at Barclays, said in a research note, which includes data of all the subindices.

Export orders remained



Manufacturing output rose for the 33rd month running in March, and to the greatest extent since October 2020.

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more or less the same as the previous month but followed a 3-point increase in the month, keeping it elevated at 56.9 in March, he added. "A strong trend for manufacturing was reflected in stocks of finished goods remaining in the contractionary territory," Bajoria said. The employment PMI increased to 51.8 after contracting for two consecutive months, said the Barclays note.

Input costs rose in March, with its subindex increasing 1.7 points to 51.9 in the reporting month, but the selling prices

continued to be muted, as output price PMI fell 0.4 points to 51.7 in March, Bajoria said in his note. "Any increase in cost pressures on firms is not being passed," he added.

"The results for March provided a mixed picture regarding the outlook for the Indian manufacturing sector," S&P Global said. "Companies remained confident on average, with 28% forecasting output growth in the year ahead and 1% expecting a contraction."

Services PMI data for February will be released on April 5.