

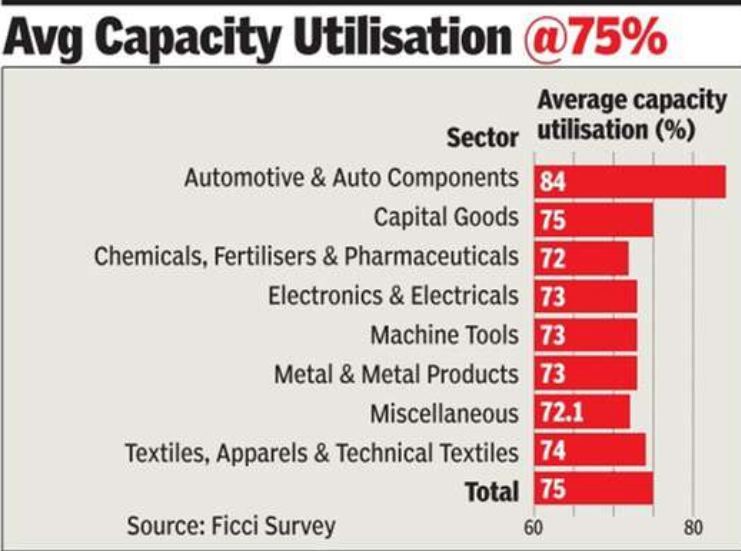
42% mfg cos plan to invest: Survey Sees Higher Q3 Inventory, Increased Exports, More Hiring

TIMES NEWS NETWORK

New Delhi: The average capacity utilisation in the manufacturing sector is around 75%, which reflects sustained economic activity in the sector; and the future investment outlook is also positive, a survey showed on Monday.

About 42% of respondents indicated plans for investments and expansions in the next six months, according to the Ficci quarterly survey of the manufacturing sector. Govt expects private investments to gather pace and add strength to overall GDP growth, which is estimated to have slowed to 6.4% in 2024-25.

“Domestic demand conditions show optimism in Q3 of 2024-25. This assessment of Indian manufacturing is also reflected in the higher order books. 83% of the respondents are expecting a higher number of orders in



Q3 FY25 compared to the previous quarter,” according to the survey results.

“Challenges faced by respondents in expanding capacities include rising raw material costs, high interest rates, which are creating financial pressures. Respondents expect weak domestic and export demand,

further contributing to market uncertainties going forward,” the survey said, but added that measures unveiled in the Budget may help in overcoming some of the challenges.

The latest quarterly survey on manufacturing (QSM) assessed the performance of manufacturers for Q3 (Oct-

Dec), 2024-25, for eight major sectors that include automotive & auto components, capital goods, chemicals, fertilisers & pharmaceuticals, electronics & electricals, machine tools, metal & metal products, textiles, apparels & technical textiles and miscellaneous.

Responses have been drawn from manufacturing units from both large and SME segments with a combined annual turnover of over Rs 4.7 lakh crore.

In the third quarter of 2024-25, more than 75% of the respondents are expecting higher or the same level of inventory. In exports, about 65% reported higher exports in Q2, 2024-25 and in Q3, 2024-25, more than 70% expect their exports to be higher as compared to previous year’s similar quarters.

About 35% of the respondents are looking at hiring an additional workforce in the next three months.