

Biz activity robust, job creation at 18-year high

TIMES NEWS NETWORK

New Delhi: Business activity remained robust in May, led by the services sector and strong growth in exports while job addition was highest in 18 years, data showed on Thursday.

The HSBC Flash India Composite Output Index — an index that measures the month-on-month change in the combined output of India's manufacturing and service sectors — rose from a final reading of 61.5 in April to 61.7 in May. The flash PMI is compiled from responses to questionnaires sent to survey panels of around 400 manufacturers and 400 service providers.

The data, compiled by S&P Global, indicated the

third-strongest rate of expansion in private sector output since July 2010. Although the manufacturing industry continued to lead growth of both

**Survey indicates
third-strongest
expansion in May in
private sector output
since July 2010**

sales and output, it was the services economy that was responsible for the latest acceleration in overall economic expansion, according to data.

Other positive developments highlighted by May's survey included a series record rise in aggregate exports, the steepest expansion in private sector jobs since Sept 2006 and improvement in business confidence.

"The data showed strength in new export orders for both sectors, which rose at the fastest pace since the series started in Sept 2014. The level of optimism about the year-ahead increased to its highest in over 11 years, resulting in firms increasing their staffing levels. However, higher input costs in both sectors led to further margin squeezes, particularly for service providers," said Pranjul Bhandari, chief India economist at HSBC.

Persistently strong increases in new orders underpinned job creation across the private sector. Employment has risen on a monthly basis throughout the past two years, with May seeing the rate of expansion quicken to the sharpest since Sept 2006.