

## Press Release

### **PMI indices showed resilience amid Global uncertainties Manufacturing & Service maintain a stable growth**

**June 4, 2025**

The India Manufacturing PMI registered 57.6 in May'25, moderating from 58.2 in Apr'25, yet still reflecting steady expansion in the sector. The India Services PMI edged up to 58.8 in May'25 from 58.7 in Apr'25, indicating continued robust growth, particularly supported by strong international demand and record hiring. Consequently, the India Composite PMI stood at 59.3 in May'25, only slightly below April's 59.7, and continued to signal a sharp upturn in private sector activity.

This positive PMI momentum aligns with the recently released Q4 FY25 GDP data, which showed India's economy expanding by a strong 7.4% in the January–March quarter. This outperformance lifted full-year FY25 GDP growth to 6.5%, matching the NSO projections. The Q4 surge was driven by double-digit growth in construction and strong gains in services, alongside resilient domestic consumption and a rebound in investment activity.

Despite ongoing global uncertainties and persistent cost pressures, the latest PMI and GDP figures together underscore the resilience of India's economy, supported by broad-based sectoral growth and improving business sentiment.

**Manufacturing Sector:** India Manufacturing PMI in May'25 stood at 57.6, down slightly from 58.2 in April, marking the eleventh consecutive month of expansion but the slowest pace since February. Growth was supported by continued rises in new orders and output, which, despite easing to three-month lows, remained well above long-run averages. Panellists attributed growth to strong domestic and international demand and successful marketing, though competition, inflation, and the India-Pakistan conflict weighed on expansion.

New export orders increased at one of the fastest rates in three years. Firms boosted purchasing activity and recorded a series-record rise in employment, with permanent hires outpacing temporary ones. Input cost inflation hit a six-month high due to higher prices for aluminium, cement, iron, leather, rubber, sand, freight, and labour. Despite this, selling prices rose sharply, the fastest in over eleven years, helping to offset cost pressures and protect margins.

Supply chains improved as lead times shortened to a four-month low, enabling a strong rise in stocks of purchases, the second-fastest since Aug'24. Finished goods inventories fell for the sixth month in a row, though at the slowest rate since February. Manufacturers remained highly confident about output growth over the next year, highlighting advertising and new customer enquiries as key growth drivers.

**Service Sector:** The India Services PMI registered 58.8 in May'25, slightly up from 58.7 in Apr'25, indicating continued strong expansion in the services sector. Growth in business activity and new orders remained broadly steady, mirroring the robust trends seen over the past three months supported by healthy demand, new client wins, and repeat orders

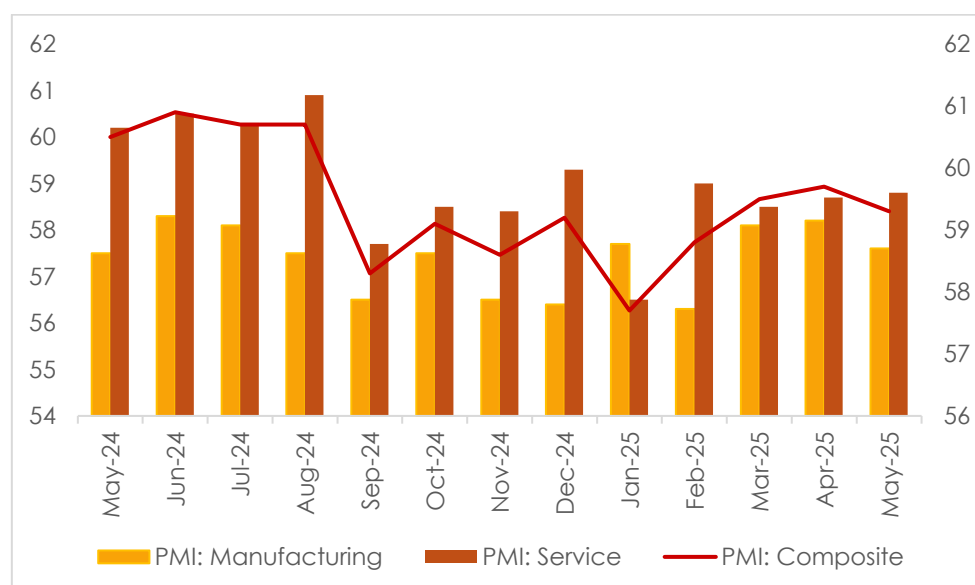
A key highlight was a near-record rise in international demand, with export orders reaching one of the highest levels in the survey's 19.5-year history, particularly from Asia, Europe, and North America.

To meet rising sales, service providers increased staffing, recording a fresh record rise in employment. Capacity pressures were managed through this recruitment. Input cost and output price inflation intensified, both rising above historical averages. Firms passed on higher costs to clients, supporting improved profit margins despite rising expenses.

Business sentiment, while positive, remained cautious amid intensifying competition and global trade uncertainties. Overall, May's performance underscores the sector's resilience, driven by exceptional export gains and strong hiring, though rising price pressures and competitive dynamics continue to shape the outlook.

**Composite PMI:** India's Composite PMI came in at 59.3 in May'25, easing slightly from 59.7 in April but still indicating a robust pace of private sector expansion. The marginal dip was mainly due to softer growth in manufacturing output, while the services sector recorded a quicker rise in activity, underpinned by strong international demand. Despite intensifying price pressures, business confidence improved from April's lows, supported by optimism about future growth, expanded workforces, and ongoing marketing initiatives. May highlight the resilience of India's private sector, led by services, even as manufacturing growth moderated.

**Chart 1: PMI indices for May'25**



**Table 1: PMI Indices Heatmap: May'24 to May'25**

Month	PMI: Manufacturing	PMI: Service	PMI: Composite
May-24	57.5	60.2	60.5
Jun-24	58.3	60.5	60.9
Jul-24	58.1	60.3	60.7
Aug-24	57.5	60.9	60.7
Sep-24	56.5	57.7	58.3
Oct-24	57.5	58.5	59.1
Nov-24	56.5	58.4	58.6
Dec-24	56.4	59.3	59.2
Jan-25	57.7	56.5	57.7
Feb-25	56.3	59.0	58.8
Mar-25	58.1	58.5	59.5
Apr-25	58.2	58.7	59.7
May-25	57.6	58.8	59.3

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