# INDIA MANUFACTURING PMI REPORT - AUGUST 2026

ISM INSTITUTE FOR SUPPLY MANAGEMENT
ISM—India

## HIGHLIGHTS

### Manufacturing PMI:

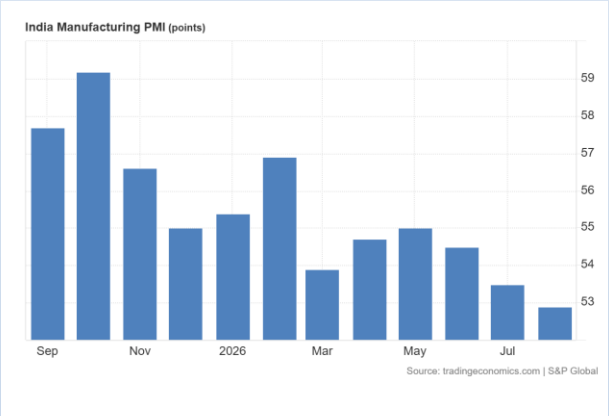
- Manufacturing PMI eased to 52.8 in August 2026 from 53.5 in July, revised down from the preliminary estimate of 52.9, and marking the weakest improvement in the sector's health in five years.

### Production & Demand:

- Output and new orders expanded at their **slowest pace since August 2021**, amid softer demand, while export growth also slowed from July.

### Employment:

- Manufacturing employment **fell for the first time in two-and-a-half years**, indicating weaker labour demand.




### Inflation:

- **Input cost inflation eased to a six-month low**, while output price inflation remained slight and rose at its **slowest pace in 45 months**.

“The PMI results for India painted a vibrant picture of the nation's manufacturing landscape in August. Robust and accelerated increases in new orders and production suggest that the sector looks set to provide a strong contribution to the second quarter (fiscal) economic growth,” stated Pollyanna De Lima, the Economics Associate Director at S&P Global.

**Note:**
1. PMI stands for Purchasing Managers’ Index.
2. PMI is one of the closely watched indicators of business activity across the world.
3. The magic number is 50. A reading of 50 or higher generally indicates that the industry is expanding.
4. Share of the manufacturing sector in GDP in India is nearly 17%.
5. The PMI is prepared by IHS Market.
6. PMI was first prepared by ISM USA in 1948.

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# Highlights

## Services PMI:

- India Services PMI was **revised lower to 54.1 in August 2026** from a preliminary estimate of 54.5, following a final reading of 53.3 in the previous month, which was the weakest expansion since early 2022.


## Production & Demand:

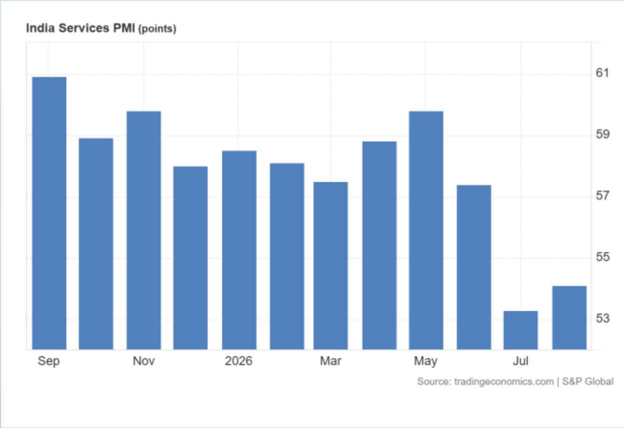
- **Demand and new business strengthened**, supporting faster growth, while new export orders continued to rise at a similar pace to July.

## Employment:

- **Employment increased further**, with job creation reaching its **strongest pace in 15 months**.

## Inflation:

- **Input price inflation accelerated slightly** due to higher digital, electricity, labour, marketing, and regulatory costs. **Output price inflation also rose to a five-month high** as firms passed higher costs to customers.




Source - S&P Global India Services PMI®

"India's services activity expanded faster in August. Growth was supported by stronger output and new business, although the overall pace was still among the weakest seen in over four years, with some firms citing subdued bookings, competition and reduced transport operations." **Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence**.

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4. Share of the Service sector in GDP in India is nearly 50%.
5. The PMI is prepared by IHS Markit.
6. PMI was first prepared by ISM USA in 1948.