INDIA MANUFACTURING PMI REPORT - JULY 2026

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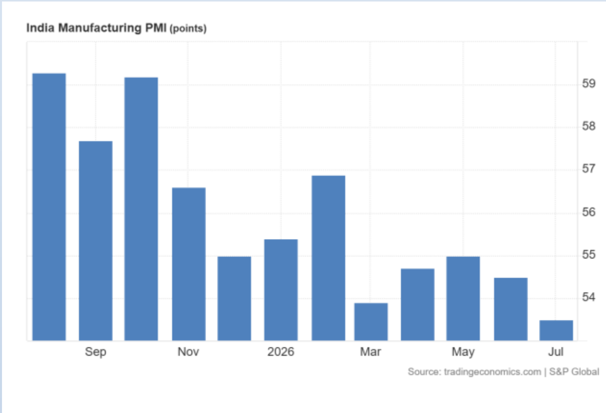
HIGHLIGHTS

Manufacturing PMI:

- Manufacturing PMI eased to 53.5 in July 2026 from 54.2 in June, revised down from the preliminary estimate of 53.9, and marking the weakest growth since August 2021.

Production & Demand:

- Manufacturing output and new orders continued to expand, but growth slowed to its weakest pace since **August 2021** due to softer domestic demand, while export orders strengthened.



Employment:

- Hiring growth slowed, with employment increasing at a softer pace amid weaker domestic demand.

Inflation:

- Input cost inflation eased to a **five-month low**, while output price inflation remained moderate.

India's manufacturing sector started the second fiscal quarter on a weaker footing, with growth in output, sales, employment and purchasing activity all losing momentum. The slowdown was largely linked to softer domestic demand, although export orders remained a key source of support. On a positive note, easing input cost inflation and improving supply-chain performance should help manufacturers, while confidence improved on expectations of stronger demand and infrastructure spending."

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.

INDIA SERVICES PMI REPORT– JULY 2026

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Highlights

Services PMI:

- India Services PMI was revised slightly higher to 53.3 in July 2026 from the preliminary estimate of 53.1 but remained well below June's final reading of 57.4.

Production & Demand:

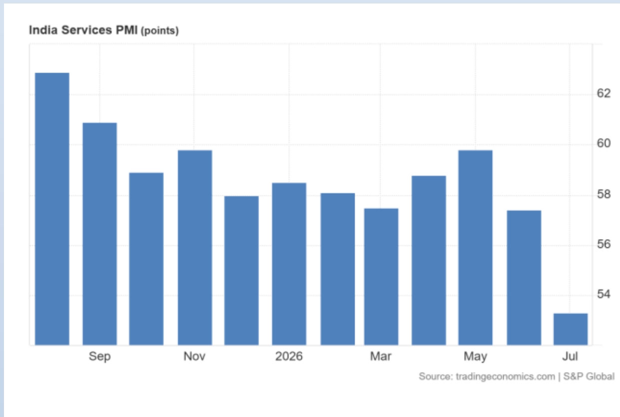
- A positive highlight, with **export orders accelerating**, driven by demand from the **UAE, UK, and US**.

Employment:

- Hiring increased modestly, with companies adding staff at a faster pace than in June.

Inflation:

- **Input cost inflation eased** to its **lowest level since January 2026**, meaning businesses faced slower increases in costs such as wages, fuel, transportation, and raw materials. This suggests cost pressures moderated.



Source - S&P Global India Services PMI®

"The slowdown in India's service economy continued in July, with weaker demand, competitive pressures and fewer customer enquiries weighing on business activity. Despite the softer domestic environment, export demand remained resilient, while easing input cost inflation provided some relief. However, business confidence weakened amid the loss of growth momentum."

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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.

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