INDIA SERVICES PMI REPORT– SEPTEMBER 2025

ISM INSTITUTE FOR SUPPLY MANAGEMENT
ISM—India

Highlights

Services PMI:

- India Services PMI was revised lower to 60.9 in September 2025, down from a preliminary estimate of 61.6 and a final reading of 62.9 in August.

Production & Demand:

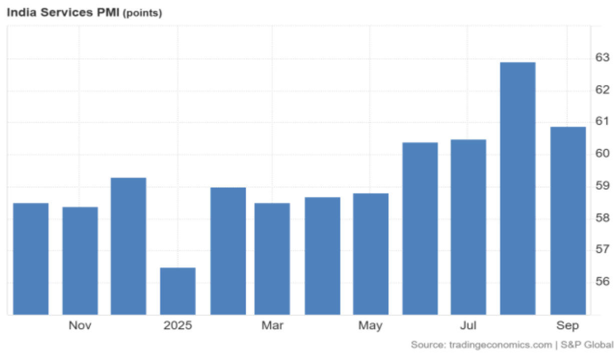
- Output continued to grow, but new orders rose at a slower pace as foreign sales weakened, registering the slowest increase since March 2025.

Business Sentiment:

- Employment rose modestly, indicating steady hiring despite softer demand growth.

Inflation:

- Input costs rose due to higher labour and material expenses, but overall inflation eased and remained below the long-run average. Selling price inflation also slowed to a six-month low, indicating reduced cost pressures on clients.



Source - S&P Global India Services PMI®

"The latest **PMI results brought more positive news for India's service economy**, with **September seeing business activity and new work intakes rising to one of the greatest extents in over 13 years**," noted **Pollyanna De Lima, 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 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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INDIA MANUFACTURING PMI REPORT SEPTEMBER 2025

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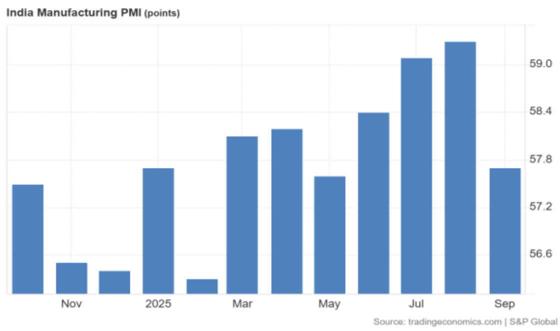
Manufacturing PMI:

- India Manufacturing PMI was revised lower to 57.7 in September 2025, down from a preliminary estimate of 58.5, and compared to August's 17-and-a-half-year high of 59.3. Despite the fall, the figure remained well above the long-term average, signaling continued strength in the sector.

Inflation:

- Input costs continued to increase in September, driven by higher battery, cotton, electronic component, and steel prices. Selling prices, on the other hand, rose at the fastest pace since October 2013..



Production & Demand:

- New orders grew further amid robust demand, though the pace of expansion eased to a four-month low. Similarly, production increased at a solid rate but registered the weakest growth since May. Purchasing activity also rose markedly, albeit at the slowest pace in four months.

"India's manufacturing industry showed mild signs of a slowdown in September, primarily due to a softer increase in new orders, which tempered production growth," said Pollyanna De Lima.

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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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