

India's factory growth eases in July on weaker demand: PMI

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The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, decreased to 52.3 in July from June's 53.1, below a Reuters poll median of 53.0.

Growth in India's manufacturing industry slowed last month, largely pressured by a modest weakening in demand and output, though overall conditions remained solid, a private survey showed on Wednesday.

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Yet the index has now held above the 50-mark that separates growth from contraction for 12 straight months, indicating the economy was on a reasonably solid footing and could retain the title of fastest growing major economy in the coming quarters.

"The recent improvement in Indian manufacturing conditions lost some impetus in July, with softer rises in output, new orders and employment all recorded," Aashna Dodhia, an economist at IHS Markit, said in a release.

"However, we must not lose sight of the fact that the sector continued on a steady expansionary path, as production and new business rose at marked rates."

Foreign demand expanded at a slightly slow pace, though July marked the ninth consecutive month of growth despite a U.S.-driven international trade war that is expected to tap the brakes on global growth.

Indeed, some respondents remained doubtful over the economy's growth prospects.

"IHS Markit recently downgraded its forecast of real GDP growth to 7.1 percent in (FY) 2018, reflecting rising headwinds to expansion.