

India's factory recovery stumbled in November as COVID-19 fears remain

REUTERS

India's manufacturing recovery faltered in November as coronavirus fears weighed on demand and output, prompting firms to cut jobs for the eighth month in a row, a survey showed.

Asia's third-largest economy and the second most affected country by the pandemic contracted 7.5 per cent in the July-September quarter, compared to a record 23.9 per cent slump in the previous quarter amid some signs of a recovery in manufacturing, official data showed on Friday.

But the Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, declined to 56.3 in November from October's more than a decade high of 58.9, although it was above the 50-level separating growth from contraction for a fourth month. Sub indexes tracking overall demand and output indicated robust growth but rates of

expansion were the weakest in three months.

"Although the softening of rates of expansion seen in the latest month does not represent a major setback, since these are down from over decade highs in October, a spike in COVID-19 cases and the possibility of associated restrictions could undermine the recovery," noted Pollyanna De Lima, economics associate director at IHS Markit.

"Companies noted that the pandemic was the key factor weighing on growth during November, with COVID-related uncertainty also restricting business confidence."

Recent resurgence in infections in some parts of the country pushed local governments to reimpose some restrictions on mobility, threatening the recovery.

Millions have already lost their jobs or suffered pay cuts since the pandemic started and



REUTERS/FILE

A worker wearing a protective face mask works on a loom in a textile factory, in Meerut, India.

manufacturing firms reduced headcount for the eighth month in a row, a streak not witnessed since the survey began in March 2005.

Meanwhile, the strongest rise in input costs since August forced

firms to increase selling prices at the quickest pace in nine months, indicating overall inflation would remain above the Reserve Bank of India's medium-term target of 2-6 per cent.

China buys first Indian rice in decades amid scarce supply

REUTERS, Mumbai



মুক্তি মুজুবুর রহমান

মুক্তি মুজুবুর রহম