

India Services Business Activity Index (ISBAI)

December 4, 2020

In news

ISBAI expanded at 53.7 in November

Key highlights of the Index

- The seasonally adjusted India Services Business Activity Index posted above the critical 50 mark that separates growth from contraction for the second month in a row during November.
- This expansion indicated that economy remained on the right path to recovery, with a further upturn in new work supporting business activity growth and the first rise in employment for nine months
- This index is released by IHS Markit
- As per the index, employment in the sector rose for first time in nine months, albeit marginally
- According to the data released by IHS Markit report, the overall level of positive sentiment climbed to the highest since February amid predictions that market conditions would normalise once a vaccine for the COVID-19 is rolled out
- The report states that services firms hired additional workers in November, ending an eight-month sequence of job shedding
- The report also states that the increase in sales stemmed from a pick-up in demand, marketing efforts and the loosening of COVID-19 controls
- As per the report, Transport & Storage was the best-performing sector in November, with rates of growth for output and sales surpassing those seen in consumer services and finance & insurance.

- The reports data showed that the upturn in total new work was driven by the domestic market, with new export orders decreasing sharply again in November