

Service Sector Shows Brisk May Growth

By [The Moscow Times](#)

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The services industry expanded last month at the fastest pace since April 2010 because of an increase in new orders, a survey showed.

The Business Activity Index for services rose to 57.6 in May from 55.8 in April, HSBC Holdings said in a report Friday, citing data compiled by Markit Economics financial information services company. The survey indicates growth when above 50.

Russia's economy slowed in the first quarter as inflation ate into real incomes and investment fell from a year earlier. The Central Bank said last week that risks from inflation, the highest in the BRIC economies, are now balanced with risks from a slower economic recovery.

"As opposed to manufacturing, the service sector surprised positively in May, demonstrating broad-based growth in all subsectors and accelerating its expansion rate to above the long-term average," Alexander Morozov, HSBC's chief economist for Russia and the CIS, said in the report.

The survey's composite index, a weighted average of the manufacturing and services indexes, was unchanged from last month at 55.4. The acceleration of service industries in May offset the slowest manufacturing growth in 17 months, HSBC said.

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