

Services Growth Weak

By [The Moscow Times](#)

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Payrolls could be increasing thanks to companies hedging their bets by upping the number of new hires.
Igor Tabakov

The country's services industry grew at the weakest pace in three months in March, decelerating for a second month and losing further momentum since the beginning of the year, HSBC Holdings said.

The Purchasing Managers' Index was 54.4 last month from 55.3 in February and 56.5 in January, HSBC said in a report Wednesday, citing data compiled by Markit Economics. A reading above 50 shows growth, while below 50 demonstrates contraction.

Economic expansion of the world's largest energy exporter is easing, with gross domestic product currently growing between about 3.5 percent and 4 percent based on surveys of purchasing executives at manufacturing and services companies, HSBC said. Growth decelerated to 4.8 percent in the fourth quarter from a year earlier, after 5 percent in the previous three months.

"Macroeconomic dynamics have become more stable but have gradually lost momentum," Alexander Morozov, chief economist for Russia at HSBC in Moscow, said in the statement. "At the same time, still expecting further business expansion, companies keep increasing their payrolls quite actively. They may have become concerned about increased competition for labor, with February unemployment falling to a historic low for this season."

The jobless rate fell to 6.5 percent in February, and real wages grew at the fastest pace since July 2008, surging 13.3 percent from a year earlier. GDP will rise 3.7 percent in 2012 and will expand an estimated 3.7 percent to 4.4 percent per year through 2014, the government predicts.

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