



## PRESS RELEASE

### THE INDEX OF INDUSTRIAL PRODUCTION (IIP)

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The Index of Industrial Production (IIP) is an important indicator of economic performance and its main purpose is to provide a measure of the short-term changes in the volume of industrial production over a given reference period. It can be used to identify the turning points in economic development at an early stage. Monthly IIP will be released quarterly with a time lag of 63 days. The base year for the IIP compiled by DCS is 2015. IIP value of difference base years cannot be compared.

Issuing a communique on releasing IIP for the second quarter 2016 Director General of DCS, Dr. A. J. Satharasinghe stated that the weights for compiling the IIP were estimated using the Annual Survey of Industries 2015 conducted by the DCS. The weights were derived based on the value added of the products of manufacturing sector. The manufacturing of food products reported to be the major contributor for the total industrial value added (35.2%) of the country and followed by wearing apparels (19.8%) and non-metallic mineral products (7.8%).

According to the IIP values released for the second quarter 2016, the volume of industrial production shows a decrease in the month of April 2016 by 4.7% compared to the annual average index of 2015. In the months of May it turns to a positive value that is 2.6% and in June it is 6.1% increase compared to the average monthly index in 2015. The overall industrial production for the second quarter of 2016 has increased by 1.1% compared to average production in 2015.

#### Index of Industrial Productions (2015=100)

Month, Year	IIP(2015=100)
April - 2016	95.3
May - 2016	102.6
June - 2016	106.1
2nd Quarter-2016	101.1

Wearing apparel industry (15.6 %), Tobacco products showed remarkable increases (14.6%) in productions during June 2016 compared to the average monthly production in 2015. The volume of food products has decreased by 2.1 % in April and it has increased by 2.2% and 2.4% in May and June 2016 respectively. Production of Tobacco showed a decrease in April but in May and June increased by 5.8% and 14.6% respectively. The increase corresponding to Food products and beverages for the first quarter was 0.8% and 2.7% respectively. Other non-metallic mineral product industry showed 1.9%, 2.5%, 8.7% increase in production in the months April, May and June respectively and this industry showed a quarterly increase of 1.1% compared to average production of this industry in 2015. (For more details visit [www.statistics.gov.lk/Industries](http://www.statistics.gov.lk/Industries))