



# INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS – SRI LANKA

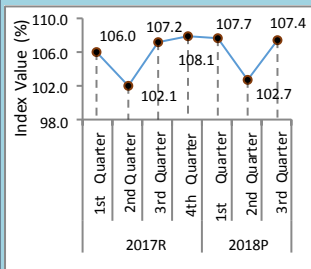
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## Highlights

Figure 1: Quarterly Trend of IIP



## Introduction

The Index of Industrial Production (IIP) is an abstract number, the magnitude of which represents the status of production in the industrial sector for a given period of time. The IIP describes changes of the volume of goods and services produced over time. Its main purpose is to provide a measure of the short-term changes in the volume of industrial production from the manufacturing sector in the country.

The IIP provides information to gauge industrial performance and to forecast the future economic performance. It can be used to identify the turning points in economic development at an early stage. The major advantage of the production index compared to other indicators is the combination of fast availability and detailed breakdown of activities.

## Uses of the IIP

The IIP is a key indicator of economic performance in most countries. Index numbers summarize past developments, facilitate forecasting of future trends and assist with evidence based policy decisions. In addition, index numbers facilitate International comparisons. The IIP also has

an important role in the compilation of the Quarterly National Accounts. Analysis of economic changes, IIP has a crucial role because industrial production is one of the more dynamic and fluctuating element in the economy.

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Table 1: IIP for the 3<sup>rd</sup> quarter 2018

Month & Quarter	IIP <sup>P</sup> (2015=100)
July 2018	105.9
August 2018	109.4
September 2018	106.9
<b>2018 3<sup>rd</sup> Quarter</b>	<b>107.4</b>

P - Provisional

The volume of industrial production has decreased by 0.7% in the month of September, 2018 compared to the same month in 2017. Among the manufacturing industries; volume of products of 'Other Manufacturing' (20.8%) (which includes manufacturing motor vehicles, trailers and semi-trailers, other transport equipment, jewellery), 'Manufacture of Textiles' (14.6%) and 'Beverages' (11.0%) have shown remarkable increases meanwhile 'Tobacco products' (23.0%), has reported decrease during this period.

Table 2: Month to month % changes of the IIP (2015=100)

Description	IIP - 2018 <sup>P</sup>				Month to month % Change		
	June	July	August	September	June 18/ July 18	July 18/ Aug 18	Aug 18/ Sept 18
Manufacturing Sector	104.8	105.9	109.4	106.9	1.0	3.3	-2.3

R - Revised; P - Provisional



**Historical background**

The Index of Industrial Production (IIP) has traditionally been used to provide insight in to short-term changes in economic activity. The compilation of such indices dates back to at least the 1920's.

The United Nations has a long history of collecting and publishing industrial statistics and related information. The index numbers of industrial production is one of the most well known of these statistics.

The collection of these index numbers started in the 1950's following the recommendations of the Statistical Commission at its 5<sup>th</sup> Session in 1950 which outlined the methods to be used in compiling index numbers of industrial production.

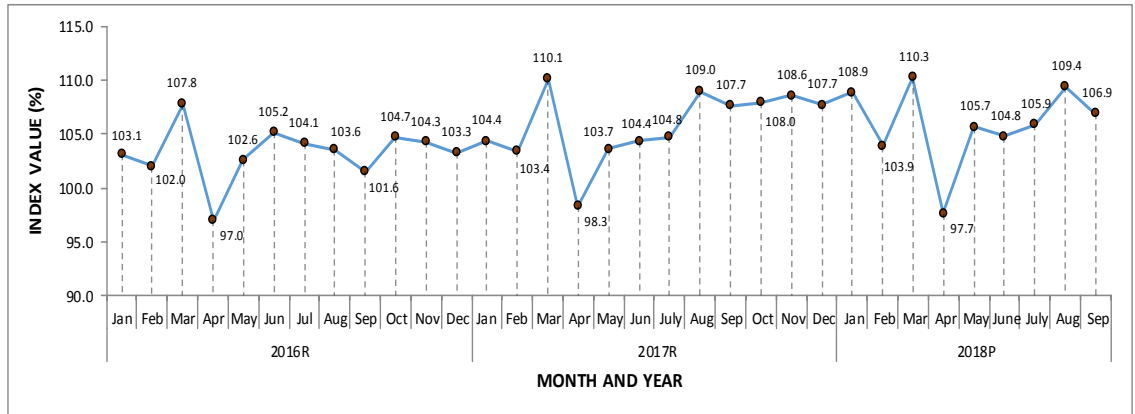
**source:**  
The latest revision of the International Recommendations for the Index of Industrial Production-2010

United Nations  
Statistics Division

**Vision of DCS**

“To be the leader in the region in producing timely statistical information to achieve the country's development goals.”

**Figure 2: Index of Industrial Production (IIP) 2016 January - 2018 September**



**Table 3: Month to month % changes of the IIP by Industry Division (2015=100)**

ISIC 2digit	Description	IIP		Month to month % Change Aug 2018/ Sep 2018
		2018 Aug <sup>P</sup>	2018 Sep <sup>P</sup>	
10	Food products	109.1	105.2	-3.5
11	Beverages	102.6	101.0	-1.6
12	Tobacco products	92.5	90.2	-2.4
13	Manufacture of Textiles	116.1	126.6	9.0
14	Manufacture of wearing Apparels	115.4	111.1	-3.7
15	Manufacture of leather and related products	121.5	128.9	6.1
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	103.0	102.9	0.0
17	Manufacture of paper and paper products	81.4	80.7	-0.9
18	Printing and reproduction of recorded media	112.1	103.7	-7.5
19	Manufacture of coke and refined petroleum products	116.0	114.6	-1.2
20	Manufacture of chemicals & chemical products	88.3	87.6	-0.8
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	126.4	115.2	-8.9
22	Manufacture of rubber & plastic products	112.7	100.8	-10.6
23	Manufacture of other non-metallic mineral products	107.1	116.3	8.6
24	Manufacture of basic metals	137.5	127.2	-7.5
25	Manufacture of fabricated metal products	127.3	134.5	5.6
26-27	Manufacture of electrical equipment	76.6	73.1	-4.5
28	Manufacture of Machinery & equipment	99.5	96.5	-3.1
31	Manufacture of furniture	93.3	86.3	-7.4
29-30-32-33	Other manufacturing	103.2	98.3	-4.7
<b>Overall Index for the Manufacturing Sector</b>		<b>109.4</b>	<b>106.9</b>	<b>-2.3</b>

P - Provisional

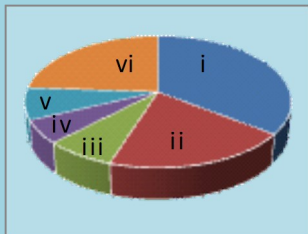
**Highlights****Manufacturing Sector  
Weights (ASI 2015)**

Figure 3: Weighting Diagram

- i. Manufacture of food products (35.2%)
- ii. Manufacture of Wearing Apparels (19.8%)
- iii. Manufacture of other non metallic mineral products (7.8%)
- iv. Manufacture of Coke and refined petroleum products (7.4%)
- v. Manufacture of Rubber and Plastic products (5.7%)
- vi. Other Products

**Mission of DCS**

“ Making contribution in the socioeconomic development of the country by providing accurate timely statistics, more effectively by means of new technology, and utilizing the services of dedicated staff under a strategic leadership to become a prosperous nation in the globalized environment ”

**Table 4: Quarterly trend of IIP by industry divisions (2015=100)**

ISIC 2digit	Description	Year 2017 <sup>R</sup>				Year 2018 <sup>P</sup>		
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter
10	Food products	105.3	101.4	106.9	106.5	108.9	102.8	106.0
11	Beverages	98.0	92.1	90.1	86.0	104.8	97.0	96.0
12	Tobacco products	100.9	97.1	117.0	110.4	94.5	88.8	92.3
13	Manufacture of Textiles	104.1	104.1	108.8	108.8	96.4	108.2	122.9
14	Manufacture of wearing Apparels	111.6	108.0	108.8	114.3	118.3	109.9	112.4
15	Manufacture of leather and related products	101.3	106.7	117.4	122.2	106.9	108.4	120.0
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and	89.7	95.6	101.0	88.5	104.7	105.6	99.6
17	Manufacture of paper and paper products	106.4	106.9	103.1	113.3	86.5	90.2	81.4
18	Printing and reproduction of recorded media	106.8	106.3	103.1	111.4	101.8	102.6	110.0
19	Manufacture of coke and refined petroleum products	87.0	88.1	98.3	103.7	66.9	101.3	111.9
20	Manufacture of chemicals & chemical products	102.3	82.0	100.3	101.9	108.4	89.0	87.4
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	103.2	105.3	123.4	112.5	82.9	98.5	118.1
22	Manufacture of rubber & plastic products	104.3	107.0	108.4	112.2	112.3	103.1	110.3
23	Manufacture of other non metallic mineral products	118.3	108.4	109.5	110.0	116.5	98.3	111.5
24	Manufacture of basic metals	115.1	113.8	131.4	122.9	136.2	118.6	134.5
25	Manufacture of fabricated metal products	103.1	101.6	129.7	128.8	123.3	111.3	131.0
26-27	Manufacture of electrical equipment	108.8	103.3	99.8	87.7	98.5	85.5	75.3
28	Manufacture of Machinery & equipment	106.0	109.5	115.8	118.4	111.4	99.7	98.9
31	Manufacture of furniture	115.0	95.1	109.7	101.2	99.1	89.6	90.4
29-30-32-33	Other manufacturing	104.9	94.8	96.3	97.8	93.5	97.7	103.9
<b>Overall Index for the Manufacturing Sector</b>		<b>106.0</b>	<b>102.1</b>	<b>107.2</b>	<b>108.1</b>	<b>107.7</b>	<b>102.7</b>	<b>107.4</b>

R - Revised; P - Provisional

The industrial production of the manufacturing sector for the third quarter of 2018 has increased by 0.2 % compared to the same quarter in 2017.

Among the manufacturing industries; volume of products of ‘coke and refined petroleum products’ (13.8%), has shown a remarkable increase in production during the 3<sup>rd</sup> Quarter of 2018, compared to 3<sup>rd</sup> Quarter of 2017 and products of ‘Manufacture of electrical equipment’ (24.5%), reported a decrease during this period.

Table 5 : Year on Year % changes of IIP by industry divisions (2015=100)

ISIC 2digit	Description	2017 <sup>R</sup> July	2018 <sup>P</sup> July	Year on Year % Change	2017 <sup>R</sup> Aug	2018 <sup>P</sup> Aug	Year on Year % Change	2017 <sup>R</sup> Sep	2018 <sup>P</sup> Sep	Year on Year % Change
10	Food products	103.5	103.6	0.1	109.7	109.1	-0.5	107.6	105.2	-2.2
11	Beverages	91.8	84.4	-8.1	87.4	102.6	17.5	91.0	101.0	11.0
12	Tobacco products	111.3	94.1	-15.5	122.6	92.5	-24.6	117.2	90.2	-23.0
13	Manufacture of Textiles	110.7	125.9	13.7	105.1	116.1	10.5	110.5	126.6	14.6
14	Manufacture of wearing Apparels	109.4	110.5	1.0	109.8	115.4	5.1	107.2	111.1	3.7
15	Manufacture of leather and related products	113.1	109.5	-3.2	118.9	121.5	2.2	120.1	128.9	7.4
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plating materials	108.3	93.0	-14.1	101.1	103.0	1.8	93.5	102.9	10.0
17	Manufacture of paper and paper products	108.5	82.0	-24.4	109.3	81.4	-25.5	103.7	80.7	-22.2
18	Printing and reproduction of recorded media	83.2	114.1	37.2	106.1	112.1	5.7	120.1	103.7	-13.6
19	Manufacture of coke and refined petroleum products	83.2	105.2	26.5	106.1	116.0	9.3	105.8	114.6	8.4
20	Manufacture of chemicals & chemical products	97.4	86.1	-11.6	100.8	88.3	-12.4	102.7	87.6	-14.7
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	132.5	112.7	-14.9	118.9	126.4	6.3	118.9	115.2	-3.1
22	Manufacture of rubber & plastic products	108.0	117.4	8.8	106.9	112.7	5.5	110.5	100.8	-8.8
23	Manufacture of other non-metallic mineral products	110.1	111.0	0.8	109.3	107.1	-2.0	109.0	116.3	6.7
24	Manufacture of basic metals	123.2	138.7	12.5	135.7	137.5	1.3	135.4	127.2	-6.0
25	Manufacture of fabricated metal products	122.2	131.2	7.4	133.8	127.3	-4.8	133.2	134.5	0.9
26-27	Manufacture of electrical equipment	104.2	76.2	-26.9	107.0	76.6	-28.4	88.1	73.1	-17.0
28	Manufacture of Machinery & equipment	117.8	100.6	-14.6	114.5	99.5	-13.0	115.0	96.5	-16.1
31	Manufacture of furniture	113.2	91.6	-19.1	117.1	93.3	-20.3	98.7	86.3	-12.5
29-30-32-33	Other manufacturing	103.3	110.3	6.7	104.2	103.2	-1.0	81.4	98.3	20.8
<b>Overall Index for the Manufacturing Sector</b>		<b>104.8</b>	<b>105.9</b>	<b>1.1</b>	<b>109.0</b>	<b>109.4</b>	<b>0.4</b>	<b>107.7</b>	<b>106.9</b>	<b>-0.7</b>

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