



# INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS – SRI LANKA

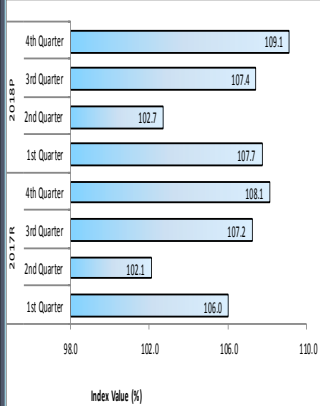
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## Highlights

Figure 1: Quarterly Trend of IIP



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## 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.

Table 1: IIP for the 4<sup>th</sup> quarter 2018

Month & Quarter	IIP <sup>P</sup> (2015=100)
October 2018	111.0
November 2018	107.3
December 2018	109.0
<b>2018 4<sup>th</sup> Quarter</b>	<b>109.1</b>

P - Provisional

The volume of industrial production has increased by 1.2% in the month of December, 2018 compared to the same month in 2017. Among the manufacturing industries; volume of products of ‘wood and products of wood and cork except furniture’(27.7%), ‘Beverages’(14.0%) and ‘Manufacture of fabricated metal products’ (10.1%) have shown remarkable increases meanwhile ‘Other Manufacturing’(32.3%) (which includes manufacturing motor vehicles, trailers and semi-trailers, other transport equipment, jewellery), has reported decrease during this period. (source: Table 5)

Table 2: Month to month %

Description	IIP - 2018 <sup>P</sup>				Month to month % Change		
	Sep.	Oct	Nov	Dec	Sep 18/ Oct 18	Oct 18/ Nov 18	Nov 18/ Dec 18
Manufacturing Sector	106.9	111.0	107.3	109.0	3.8	-3.3	1.6

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.

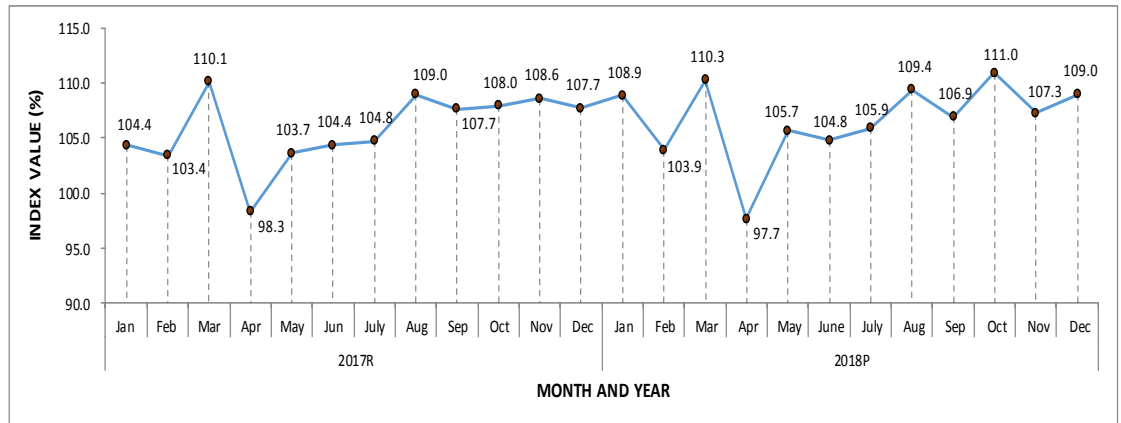
**source:**  
The latest revision of the International Recommendations for the Index of Industrial Production-2010

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) 2017 January - 2018 December**



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

ISIC 2digit	Description	IIP		Month to month % Change Nov 2018/ Dec 2018
		2018 Nov <sup>P</sup>	2018 Dec <sup>P</sup>	
10	Food products	102.4	109.7	7.1
11	Beverages	97.2	100.5	3.4
12	Tobacco products	95.3	72.1	-24.3
13	Manufacture of Textiles	122.9	90.7	-26.2
14	Manufacture of wearing Apparels	119.2	117.9	-1.1
15	Manufacture of leather and related products	139.0	132.6	-4.6
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	74.5	100.8	35.3
17	Manufacture of paper and paper products	80.2	112.1	39.8
18	Printing and reproduction of recorded media	103.9	107.2	3.2
19	Manufacture of coke and refined petroleum products	108.5	106.4	-1.9
20	Manufacture of chemicals & chemical products	86.1	82.0	-4.8
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	114.1	88.7	-22.3
22	Manufacture of rubber & plastic products	126.9	120.6	-5.0
23	Manufacture of other non-metallic mineral products	100.7	113.8	13.0
24	Manufacture of basic metals	131.5	124.6	-5.3
25	Manufacture of fabricated metal products	132.2	135.5	2.5
26-27	Manufacture of electrical equipment	73.7	80.3	8.9
28	Manufacture of Machinery & equipment	99.4	97.7	-1.7
31	Manufacture of furniture	98.2	84.2	-14.2
29-30-32-33	Other manufacturing	95.8	66.2	-30.8
<b>Overall Index for the Manufacturing Sector</b>		<b>107.3</b>	<b>109.0</b>	<b>1.6</b>

P - Provisional

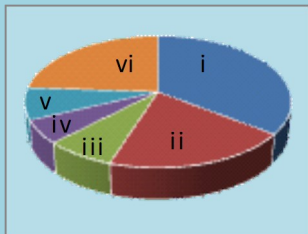
**Highlights****Manufacturing Sector  
Weights (ASI 2015)**

Figure3: 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	4 <sup>th</sup> Quarter		Year on year % Change
		2017 <sup>R</sup>	2018 <sup>P</sup>	
10	Food products	106.5	105.7	-0.7
11	Beverages	86.0	101.8	18.4
12	Tobacco products	110.4	92.3	-16.4
13	Manufacture of Textiles	108.8	113.5	4.3
14	Manufacture of wearing Apparels	114.3	119.7	4.7
15	Manufacture of leather and related products	122.2	134.2	9.8
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	88.5	84.6	-4.4
17	Manufacture of paper and paper products	113.3	89.2	-21.3
18	Printing and reproduction of recorded media	111.4	105.9	-5.0
19	Manufacture of coke and refined petroleum products	103.7	109.8	5.9
20	Manufacture of chemicals & chemical products	101.9	86.0	-15.6
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	112.5	101.2	-10.0
22	Manufacture of rubber & plastic products	112.2	122.5	9.2
23	Manufacture of other non metallic mineral products	110.0	112.6	2.3
24	Manufacture of basic metals	122.9	124.0	0.9
25	Manufacture of fabricated metal products	128.8	135.0	4.8
26-27	Manufacture of electrical equipment	87.7	75.5	-13.9
28	Manufacture of Machinery & equipment	118.4	98.4	-16.8
31	Manufacture of furniture	101.2	90.6	-10.5
29-30-32-33	Other manufacturing	97.8	86.7	-11.4
<b>Overall Index for the Manufacturing Sector</b>		<b>108.1</b>	<b>109.1</b>	<b>0.9</b>

R - Revised; P - Provisional

The industrial production of the manufacturing sector for the fourth quarter of 2018 has increased by 0.9 % compared to the same quarter in 2017.

Among the manufacturing industries; volume of products of ‘Beverages’ (18.4%), has shown a remarkable increase in production during the 4<sup>th</sup> Quarter of 2018, compared to 4<sup>th</sup> Quarter of 2017 and products of ‘Manufacture of paper and paper products’ (21.3%), reported a decrease during this period. (source: Table 4)

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

ISIC 2digit	Description	2017 <sup>R</sup> October	2018 <sup>P</sup> October	Year on Year % Change	2017 <sup>R</sup> November	2018 <sup>P</sup> November	Year on Year % Change	2017 <sup>R</sup> December	2018 <sup>P</sup> December	Year on Year % Change
10	Food products	104.6	104.9	0.3	105.3	102.4	-2.7	109.6	109.7	0.2
11	Beverages	84.7	107.8	27.4	85.1	97.2	14.2	88.2	100.5	14.0
12	Tobacco products	119.6	109.7	-8.3	120.5	95.3	-20.9	91.1	72.1	-20.9
13	Manufacture of Textiles	115.4	126.9	10.0	116.4	122.9	5.6	94.6	90.7	-4.1
14	Manufacture of wearing Apparels	112.7	122.0	8.2	114.8	119.2	3.8	115.4	117.9	2.2
15	Manufacture of leather and related products	119.3	130.9	9.7	124.0	139.0	12.1	123.2	132.6	7.7
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	99.2	78.4	-20.9	87.2	74.5	-14.6	79.0	100.8	27.7
17	Manufacture of paper and paper products	120.0	75.2	-37.4	108.6	80.2	-26.1	111.2	112.1	0.8
18	Printing and reproduction of recorded media	112.1	106.4	-5.1	114.2	103.9	-9.0	107.9	107.2	-0.6
19	Manufacture of coke and refined petroleum products	105.4	114.4	8.5	102.5	108.5	5.8	103.1	106.4	3.2
20	Manufacture of chemicals & chemical products	99.6	89.8	-9.9	104.7	86.1	-17.8	101.2	82.0	-19.0
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	120.4	100.8	-16.3	133.9	114.1	-14.8	83.2	88.7	6.7
22	Manufacture of rubber & plastic products	112.7	119.9	6.4	112.0	126.9	13.3	111.8	120.6	7.8
23	Manufacture of other non-metallic mineral products	110.6	123.2	11.4	113.5	100.7	-11.3	105.8	113.8	7.5
24	Manufacture of basic metals	123.6	115.9	-6.2	123.8	131.5	6.2	121.2	124.6	2.8
25	Manufacture of fabricated metal products	132.2	137.3	3.8	131.1	132.2	0.9	123.1	135.5	10.1
26-27	Manufacture of electrical equipment	95.5	72.4	-24.2	92.0	73.7	-19.9	75.4	80.3	6.5
28	Manufacture of Machinery & equipment	117.6	98.2	-16.5	120.1	99.4	-17.3	117.4	97.7	-16.8
31	Manufacture of furniture	107.0	89.4	-16.4	104.3	98.2	-5.9	92.2	84.2	-8.7
29-30-32-33	Other manufacturing	95.1	98.0	3.1	100.4	95.8	-4.6	97.9	66.2	-32.3
<b>Overall Index for the Manufacturing Sector</b>		<b>108.0</b>	<b>111.0</b>	<b>2.8</b>	<b>108.6</b>	<b>107.3</b>	<b>-1.2</b>	<b>107.7</b>	<b>109.0</b>	<b>1.2</b>

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