



INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS - SRI LANKA

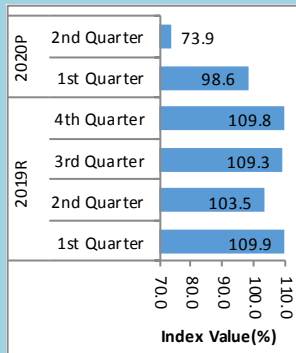
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Highlights

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 2nd quarter 2020

Month & Quarter	IIP ^P (2015=100)
April 2020	49.7
May 2020	79.0
June 2020	92.8
2020 2 nd Quarter	73.9

P - Provisional

The volume of industrial production has decreased by 13.7 % in the month of June, 2020 compared to the same month in 2019. (source: Table 5)

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

Description	IIP				Month to month % Change		
	2020 ^P						
	March	April	May	June	Mar 20/ April 20	April 20/ May 20	May 20/ June 20
Manufacturing Sector	83.8	49.7	79.0	92.8	-40.6	58.9	17.5

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 5th 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) 2019 January - 2020 June

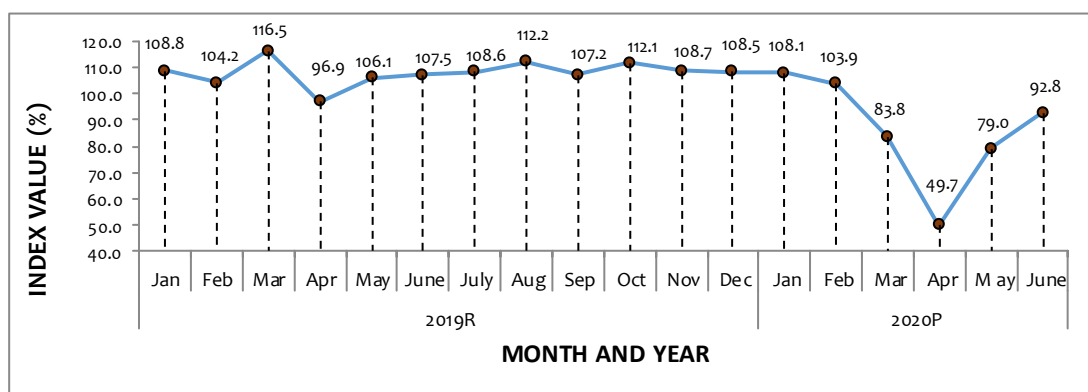
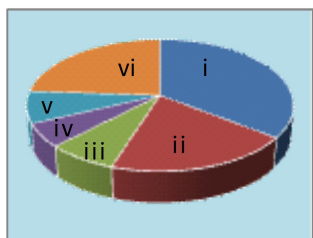


Table 3: Month to month % changes of the IIP by Industry Divisions (2015=100)

ISIC 2digit	Description	IIP		Month to month % Change May 2020/ June 2020
		2020 May ^P	2020 June ^P	
10	Food products	114.4	104.8	-8.4
11	Beverages	53.6	112.0	108.8
12	Tobacco products	77.5	91.5	18.0
13	Manufacture of Textiles	85.6	129.5	51.2
14	Manufacture of wearing Apparels	48.4	75.6	56.4
15	Manufacture of leather and related products	26.1	34.3	31.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	43.1	79.2	83.5
17	Manufacture of paper and paper products	51.5	81.1	57.4
18	Printing and reproduction of recorded media	77.1	121.9	58.2
19	Manufacture of coke and refined petroleum products	91.7	77.9	-15.1
20	Manufacture of chemicals & chemical products	69.7	113.8	63.2
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	107.2	120.3	12.2
22	Manufacture of rubber & plastic products	31.6	55.3	75.1
23	Manufacture of other non-metallic mineral products	68.3	102.5	50.1
24	Manufacture of basic metals	77.4	85.4	10.4
25	Manufacture of fabricated metal products	37.1	81.1	118.8
26-27	Manufacture of electrical equipment	35.1	62.2	77.0
28	Manufacture of Machinery & equipment	64.9	99.0	52.6
31	Manufacture of furniture	44.6	73.6	64.8
29-30-32-33	Other manufacturing	43.8	76.2	74.1
Overall Index for the Manufacturing Sector		79.0	92.8	17.5

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 (24.1%)

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	2 nd Quarter		Year on year % Change
		2019 ^R	2020 ^P	
10	Food products	101.6	105.5	3.8
11	Beverages	105.9	64.0	-39.6
12	Tobacco products	74.1	65.1	-12.2
13	Manufacture of Textiles	101.5	76.1	-25.0
14	Manufacture of wearing Apparels	114.7	45.1	-60.7
15	Manufacture of leather and related products	115.4	25.9	-77.5
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	96.3	43.7	-54.7
17	Manufacture of paper and paper products	98.9	53.7	-45.7
18	Printing and reproduction of recorded media	87.4	71.3	-18.4
19	Manufacture of coke and refined petroleum products	96.8	77.5	-19.9
20	Manufacture of chemicals & chemical products	101.5	73.0	-28.1
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	99.4	111.3	11.9
22	Manufacture of rubber & plastic products	101.3	33.1	-67.3
23	Manufacture of other non metallic mineral products	106.6	66.2	-37.9
24	Manufacture of basic metals	116.2	58.9	-49.4
25	Manufacture of fabricated metal products	97.9	42.4	-56.7
26-27	Manufacture of electrical equipment	91.6	43.3	-52.7
28	Manufacture of Machinery & equipment	93.4	61.7	-33.9
31	Manufacture of furniture	87.0	44.1	-49.2
29-30-32-33	Other manufacturing	62.3	44.7	-28.2
Overall Index for the Manufacturing Sector		103.5	73.9	-28.6

R - Revised P - Provisional

The industrial production of the manufacturing sector for the second quarter of 2020 has decreased by 28.6 % compared to the same quarter in 2019. (source: Table 4)

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

ISIC 2digit	Description	2019 ^R April	2020 ^P April	Year on year % Change	2019 ^R May	2020 ^P May	Year on year % Change	2019 ^R June	2020 ^P June	Year on year % Change
10	Food products	93.4	97.4	4.2	108.9	114.4	5.0	102.5	104.8	2.2
11	Beverages	111.3	26.3	-76.4	103.4	53.6	-48.1	102.8	112.0	8.9
12	Tobacco products	52.5	26.2	-50.0	86.7	77.5	-10.6	83.3	91.5	9.9
13	Manufacture of Textiles	83.7	13.1	-84.4	104.7	85.6	-18.2	116.1	129.5	11.6
14	Manufacture of wearing Apparels	110.2	11.4	-89.6	117.2	48.4	-58.7	116.8	75.6	-35.3
15	Manufacture of leather and related products	100.6	17.4	-82.7	126.2	26.1	-79.3	119.3	34.3	-71.3
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	87.7	8.8	-90.0	87.5	43.1	-50.7	113.9	79.2	-30.5
17	Manufacture of paper and paper products	73.1	28.5	-61.0	111.0	51.5	-53.6	112.7	81.1	-28.0
18	Printing and reproduction of recorded media	81.6	14.9	-81.7	93.5	77.1	-17.5	87.3	121.9	39.7
19	Manufacture of coke and refined petroleum products	112.1	63.0	-43.8	64.8	91.7	41.4	113.4	77.9	-31.3
20	Manufacture of chemicals & chemical products	90.2	35.4	-60.7	113.8	69.7	-38.8	100.6	113.8	13.1
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	104.1	106.3	2.2	97.1	107.2	10.4	97.1	120.3	23.9
22	Manufacture of rubber & plastic products	100.9	12.6	-87.6	105.3	31.6	-70.0	97.6	55.3	-43.4
23	Manufacture of other non-metallic mineral products	83.1	27.9	-66.4	114.0	68.3	-40.1	122.9	102.5	-16.6
24	Manufacture of basic metals	107.3	13.8	-87.2	111.2	77.4	-30.4	130.2	85.4	-34.4
25	Manufacture of fabricated metal products	98.7	9.0	-90.9	99.3	37.1	-62.7	95.8	81.1	-15.3
26-27	Manufacture of electrical equipment	92.4	32.6	-64.8	95.0	35.1	-63.0	87.2	62.2	-28.7
28	Manufacture of Machinery & equipment	82.4	21.2	-74.2	103.0	64.9	-37.0	94.7	99.0	4.5
31	Manufacture of furniture	82.0	14.2	-82.6	90.9	44.6	-50.9	88.0	73.6	-16.4
29-30-32-33	Other manufacturing	60.6	14.2	-76.5	64.7	43.8	-32.4	61.6	76.2	23.7
Overall Index for the Manufacturing Sector		96.9	49.7	-48.7	106.1	79.0	-25.5	107.5	92.8	-13.7

R - Revised; P - Provisional