



INDEX OF INDUSTRIAL PRODUCTION

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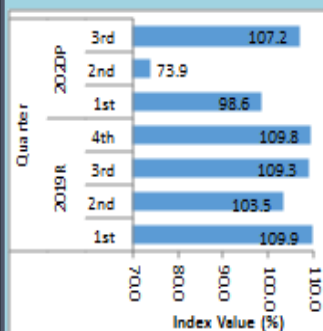
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Highlights

Figure1: 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 3rd quarter 2020

Month & Quarter	IIP ^P
July 2020	111.1
August 2020	102.1
September 2020	108.4
2020 3 rd Quarter	107.2

P - Provisional

The volume of industrial production has increased by 1.1% in the month of September, 2020 compared to the same month in 2019. Among the manufacturing industries; volume of products of 'Printing and reproduction of recorded media' (61.4%), 'Manufacture of basic metals' (30.9%) and 'Manufacture of chemicals & chemical products' (30.8%) have shown remarkable increases meanwhile 'Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials' (19.3%) has reported decrease during this period. (source: Table

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

Description	IIP				Month to month % Change		
	2020 ^P						
	June	July	Aug	Sep	June 20/ July 20	July 20/ Aug 20	Aug 20/ Sep 20
Manufacturing Sector	92.8	111.1	102.1	108.4	19.7	-8.1	6.1

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 September

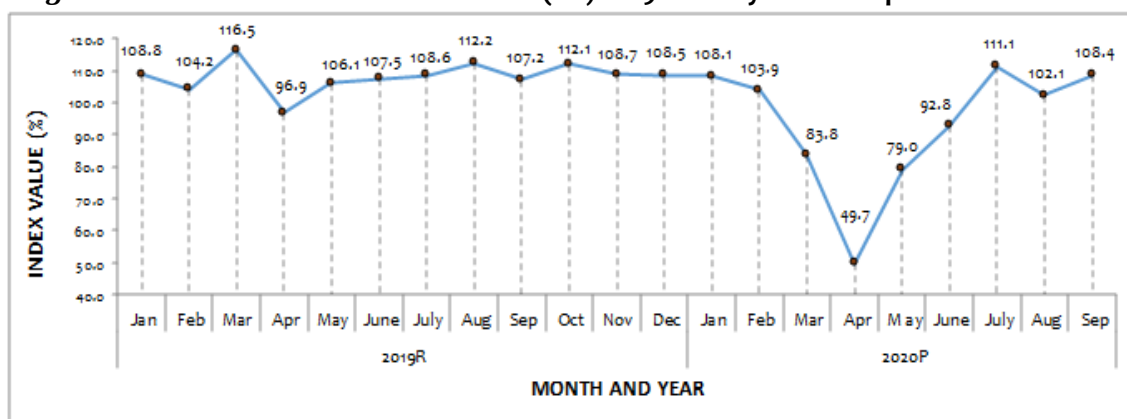
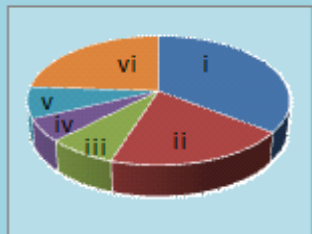


Table 3: Month to month % changes of the IIP by Industry Divisions (2015=100)

ISIC 2digit	Description	IIP		Month to month % Change Aug 2020/ Sep 2020
		2020 August ^P	2020 September ^P	
10	Food products	106.6	105.3	-1.2
11	Beverages	109.9	115.2	4.8
12	Tobacco products	87.7	100.6	14.6
13	Manufacture of Textiles	127.0	139.6	9.9
14	Manufacture of wearing Apparels	78.2	92.3	18.0
15	Manufacture of leather and related products	61.1	126.9	107.9
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	64.1	88.5	38.0
17	Manufacture of paper and paper products	80.0	108.1	35.2
18	Printing and reproduction of recorded media	123.2	174.0	41.2
19	Manufacture of coke and refined petroleum products	112.2	117.6	4.8
20	Manufacture of chemicals & chemical products	117.4	123.8	5.5
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	111.9	121.2	8.3
22	Manufacture of rubber & plastic products	94.2	87.3	-7.3
23	Manufacture of other non-metallic mineral products	126.9	132.0	4.0
24	Manufacture of basic metals	132.4	151.7	14.6
25	Manufacture of fabricated metal products	89.5	111.1	24.2
26-27	Manufacture of electrical equipment	70.6	74.3	5.2
28	Manufacture of Machinery & equipment	104.8	125.5	19.7
31	Manufacture of furniture	90.5	92.5	2.2
29-30-32-33	Other manufacturing	53.2	73.6	38.3
Overall Index for the Manufacturing Sector		102.1	108.4	6.1

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	3 rd Quarter		Year on year % Change
		2019 ^R	2020 ^P	
10	Food products	107.0	109.8	2.7
11	Beverages	98.9	116.3	17.6
12	Tobacco products	82.8	92.4	11.5
13	Manufacture of Textiles	119.3	133.6	12.0
14	Manufacture of wearing Apparels	114.7	88.1	-23.2
15	Manufacture of leather and related products	125.1	87.3	-30.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	115.6	82.3	-28.8
17	Manufacture of paper and paper products	100.8	98.1	-2.7
18	Printing and reproduction of recorded media	100.6	160.6	59.6
19	Manufacture of coke and refined petroleum products	117.4	109.2	-7.0
20	Manufacture of chemicals & chemical products	99.5	120.4	21.0
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	113.9	118.6	4.1
22	Manufacture of rubber & plastic products	94.7	93.3	-1.4
23	Manufacture of other non metallic mineral products	129.4	130.2	0.7
24	Manufacture of basic metals	126.0	135.0	7.1
25	Manufacture of fabricated metal products	105.8	107.6	1.8
26-27	Manufacture of electrical equipment	85.4	72.0	-15.7
28	Manufacture of Machinery & equipment	108.6	110.6	1.9
31	Manufacture of furniture	88.2	91.5	3.8
29-30-32-33	Other manufacturing	66.1	70.6	6.8
Overall Index for the Manufacturing Sector		109.3	107.2	-1.9

R - Revised P - Provisional

The industrial production of the manufacturing sector for the third quarter of 2020 has decreased by 1.9 % compared to the same quarter in 2019. Among the manufacturing industries; volume of products of ‘Printing and reproduction of recorded media’ (59.6%), has shown a remarkable increase in production during the 3rd Quarter of 2020, compared to 3rd Quarter of 2019 and volume of products of ‘Manufacture of leather and related products’ (30.2%), 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	2019 ^R July	2020 ^P July	Year on year % Change	2019 ^R August	2020 ^P August	Year on year % Change	2019 ^R September	2020 ^P September	Year on year % Change
10	Food products	103.3	117.5	13.7	110.5	106.6	-3.5	107.1	105.3	-1.6
11	Beverages	93.6	123.9	32.4	102.1	109.9	7.6	101.2	115.2	13.8
12	Tobacco products	84.0	88.8	5.7	84.4	87.7	3.9	80.0	100.6	25.7
13	Manufacture of Textiles	124.7	134.1	7.5	124.0	127.0	2.4	109.2	139.6	27.9
14	Manufacture of wearing Apparels	113.3	93.8	-17.2	116.8	78.2	-33.0	114.0	92.3	-19.1
15	Manufacture of leather and related products	123.8	73.9	-40.3	129.2	61.1	-52.7	122.3	126.9	3.8
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	112.6	94.3	-16.2	124.6	64.1	-48.5	109.7	88.5	-19.3
17	Manufacture of paper and paper products	107.2	106.2	-1.0	95.9	80.0	-16.6	99.3	108.1	8.9
18	Printing and reproduction of recorded media	92.9	184.6	98.8	101.2	123.2	21.8	107.8	174.0	61.4
19	Manufacture of coke and refined petroleum products	116.1	97.7	-15.8	120.7	112.2	-7.1	115.5	117.6	1.8
20	Manufacture of chemicals & chemical products	103.0	120.1	16.6	100.9	117.4	16.3	94.7	123.8	30.8
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	108.6	122.6	12.9	101.0	111.9	10.8	132.2	121.2	-8.3
22	Manufacture of rubber & plastic products	100.8	98.5	-2.2	94.2	94.2	0.0	89.1	87.3	-2.0
23	Manufacture of other non-metallic mineral products	128.0	131.9	3.0	140.4	126.9	-9.7	119.6	132.0	10.3
24	Manufacture of basic metals	140.1	120.8	-13.7	122.2	132.4	8.4	115.9	151.7	30.9
25	Manufacture of fabricated metal products	112.4	122.4	8.9	103.4	89.5	-13.5	101.6	111.1	9.4
26-27	Manufacture of electrical equipment	89.5	70.9	-20.8	83.2	70.6	-15.1	83.5	74.3	-11.0
28	Manufacture of Machinery & equipment	104.6	101.6	-2.9	116.1	104.8	-9.7	105.1	125.5	19.4
31	Manufacture of furniture	93.9	91.5	-2.5	82.1	90.5	10.3	88.6	92.5	4.4
29-30-32-33	Other manufacturing	72.4	84.9	17.4	63.2	53.2	-15.8	62.6	73.6	17.5
Overall Index for the Manufacturing Sector		108.6	111.1	2.4	112.2	102.1	-9.0	107.2	108.4	1.1

R - Revised; P - Provisional