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# Index of Industrial Production

Quarterly Bulletin Q3, 2021

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Department of Census and Statistics  
Ministry of Economic Policies and Plan Implementation

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. 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.

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- ▣ The volume of industrial production for the third quarter of 2021 has decreased by 2.2 % compared to the same quarter in 2020.
  - ▣ The volume of industrial production has decreased by 7.9 % in the month of September, 2021 compared to the same month in 2020.
  - ▣ The production in the month of September has decreased by 0.7% when compare to the production in August 2021.
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## 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.

### IIP for the 3rd quarter 2021

Month & Quarter	IIP <sup>P</sup> (2015=100)
July - 2021	109.7
August - 2021	105.2
September - 2021	100.3
<b>2021 3rd Quarter</b>	<b>105.0</b>

Table 1: IIP for the 3rd quarter 2021  
P - Provisional

The volume of industrial production has decreased by 7.9 % in the month of September, 2021 compared to the same month in 2020. Among the manufacturing industries; volume of products of ' Manufacture of rubber & plastic products ' (16.7 %), ' Manufacture of fabricated metal products' (15.3 %) have shown remarkable increases meanwhile ' Printing and reproduction of recorded media' (78.5%) has reported decrease during this period.

(Source: Table 5)

### Month to month % changes of the IIP

	% Change
June 21 / July 21	-0.1
July 21 / August 21	0.2
August 21 / September 21	-0.7

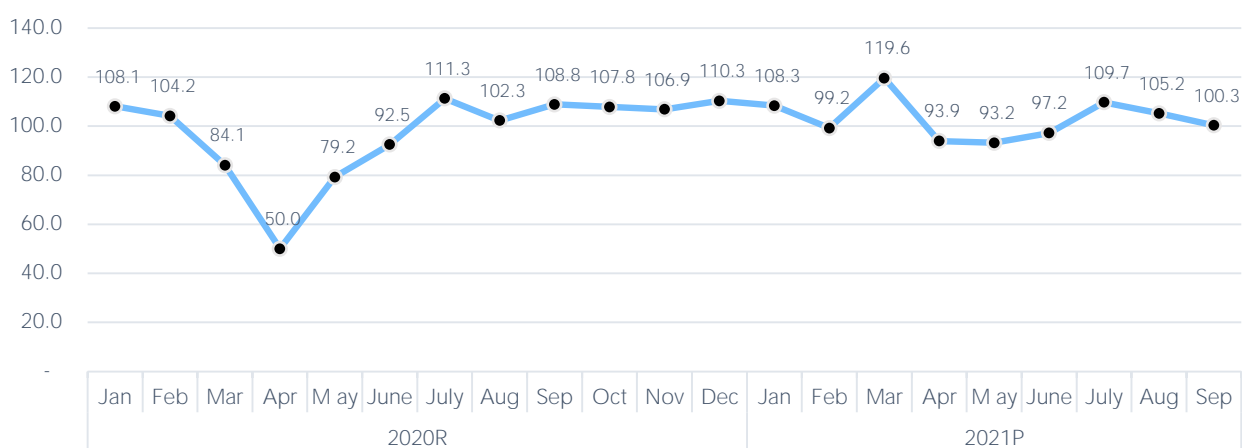
Table 2: Month to month % changes of the IIP

### Month to month % changes of the IIP by industry divisions

ISIC 2digit	Description	IIP 2021 (12-Month Moving Average)		Month to month % Change
		August <sup>P</sup>	September <sup>P</sup>	
10	Food products	108.4	108.5	0.1
11	Beverages	107.4	103.5	-3.6
12	Tobacco products	75.3	74.7	-0.7
13	Manufacture of Textiles	128.8	127.7	-0.8
14	Manufacture of wearing Apparels	94.8	94.9	0.0
15	Manufacture of leather and related products	91.0	86.0	-5.5
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	78.3	75.7	-3.3
17	Manufacture of paper and paper products	91.6	88.3	-3.5
18	Printing and reproduction of recorded media	125.8	114.4	-9.1
19	Manufacture of coke and refined petroleum products	89.5	87.2	-2.6
20	Manufacture of chemicals & chemical products	94.5	90.1	-4.6
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	113.3	112.1	-1.0
22	Manufacture of rubber & plastic products	97.4	98.6	1.2
23	Manufacture of other non-metallic mineral products	133.9	134.7	0.6
24	Manufacture of basic metals	132.7	129.0	-2.7
25	Manufacture of fabricated metal products	123.0	124.4	1.2
26-27	Manufacture of electrical equipment	79.4	79.6	0.2
28	Manufacture of Machinery & equipment	122.4	121.2	-1.0
31	Manufacture of furniture	85.1	82.4	-3.2
29-30 32-33	Other manufacturing	71.5	71.0	-0.7
<b>Overall Index for the Manufacturing Sector</b>		<b>105.0</b>	<b>104.3</b>	<b>-0.7</b>

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

Graph 1: Index of Industrial Production (IIP) 2020 January - 2021 September



Source: Index of Industrial production  
Department of Census and Statistics, Sri Lanka



### Quarterly trend of IIP by industry divisions

ISIC 2digit	Description	3rd Quarter		Year on year % Change
		2020 <sup>R</sup>	2021 <sup>P</sup>	
10	Food products	110.5	109.7	-0.7
11	Beverages	116.3	94.2	-19.0
12	Tobacco products	92.4	90.5	-2.1
13	Manufacture of Textiles	133.6	135.1	1.2
14	Manufacture of wearing Apparels	88.1	91.8	4.3
15	Manufacture of leather and related products	87.3	72.8	-16.6
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	82.3	57.7	-29.9
17	Manufacture of paper and paper products	98.1	74.8	-23.8
18	Printing and reproduction of recorded media	160.6	94.0	-41.5
19	Manufacture of coke and refined petroleum products	109.2	100.9	-7.6
20	Manufacture of chemicals & chemical products	120.5	83.3	-30.8
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	118.5	109.9	-7.3
22	Manufacture of rubber & plastic products	93.4	100.6	7.8
23	Manufacture of other non-metallic mineral products	130.2	144.9	11.3
24	Manufacture of basic metals	135.0	128.9	-4.5
25	Manufacture of fabricated metal products	107.6	119.3	10.9
26-27	Manufacture of electrical equipment	72.5	72.9	0.6
28	Manufacture of Machinery & equipment	111.6	118.4	6.1
31	Manufacture of furniture	91.5	73.1	-20.1
29-30 32-33	Other manufacturing	71.5	66.7	-6.6
<b>Overall Index for the Manufacturing Sector</b>		<b>107.5</b>	<b>105.0</b>	<b>-2.2</b>

Table 4: Quarterly trend of IIP by industry divisions (2015=100)  
R - Revised P - Provisional

The industrial production of the manufacturing sector for the 3rd quarter of 2021 has decreased by 2.2 % compared to the same quarter in 2020. Among the manufacturing industries; volume of products of 'Manufacture of other non-metallic mineral products' (11.3 %), has shown a remarkable increase in production during the 3rd Quarter of 2021, compared to 3rd Quarter of 2020 and volume of products of 'Printing and reproduction of recorded media' (41.5 %), reported a decrease during this period.

## Year on Year % changes of IIP by industry divisions

ISIC 2digit	Description	July		Year on year % Change	August		Year on year % Change	September		Year on year % Change
		2020 <sup>R</sup>	2021 <sup>P</sup>		2020 <sup>R</sup>	2021 <sup>P</sup>		2020 <sup>R</sup>	2021 <sup>P</sup>	
10	Food products	117.8	116.2	-1.3	107.0	105.5	-1.4	106.6	107.3	0.7
11	Beverages	123.9	119.3	-3.7	109.9	95.2	-13.4	115.2	68.2	-40.7
12	Tobacco products	88.8	92.4	4.1	87.7	85.0	-3.1	100.6	94.0	-6.6
13	Manufacture of Textiles	134.1	140.4	4.7	127.0	137.7	8.4	139.6	127.3	-8.9
14	Manufacture of wearing Apparels	93.8	87.7	-6.5	78.2	95.4	21.9	92.1	92.4	0.4
15	Manufacture of leather and related products	73.9	73.6	-0.4	61.1	77.7	27.3	126.9	67.1	-47.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	94.3	67.3	-28.6	64.1	48.3	-24.7	88.5	57.4	-35.1
17	Manufacture of paper and paper products	106.2	86.3	-18.7	80.0	68.6	-14.3	108.1	69.5	-35.7
18	Printing and reproduction of recorded media	184.6	151.3	-18.0	123.2	93.2	-24.3	174.0	37.3	-78.5
19	Manufacture of coke and refined petroleum products	97.7	98.7	1.0	112.2	114.8	2.4	117.6	89.2	-24.2
20	Manufacture of chemicals & chemical products	120.1	83.8	-30.2	117.5	94.6	-19.5	123.8	71.6	-42.1
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	122.6	110.5	-9.9	111.9	111.9	0.0	121.1	107.4	-11.3
22	Manufacture of rubber & plastic products	98.5	107.1	8.7	94.2	92.8	-1.4	87.4	101.9	16.7
23	Manufacture of other non-metallic mineral products	131.9	148.9	12.9	126.9	144.5	13.9	132.0	141.2	7.0
24	Manufacture of basic metals	120.8	137.9	14.2	132.4	140.7	6.3	151.7	108.0	-28.8
25	Manufacture of fabricated metal products	122.4	128.7	5.2	89.5	101.1	13.0	111.1	128.1	15.3
26-27	Manufacture of electrical equipment	71.2	73.4	3.2	70.6	67.7	-4.2	75.6	77.5	2.6
28	Manufacture of Machinery & equipment	104.3	125.8	20.5	104.8	117.9	12.5	125.5	111.4	-11.2
31	Manufacture of furniture	91.5	82.6	-9.8	90.5	76.7	-15.3	92.5	60.0	-35.2
29-30 32-33	Other manufacturing	87.7	65.6	-25.2	53.2	67.5	26.7	73.6	67.2	-8.7
<b>Overall Index for the Manufacturing Sector</b>		<b>111.3</b>	<b>109.7</b>	<b>-1.4</b>	<b>102.3</b>	<b>105.2</b>	<b>2.9</b>	<b>108.8</b>	<b>100.3</b>	<b>-7.9</b>

Table 5 : Year on Year % changes of IIP by industry divisions (2015=100)  
R - Revised; P - Provisional

## The Vision of DCS

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

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"Making contribution in the socioeconomic development of the country by providing accurate timely statistics, more Effectively by means of new technology, and utilising the services of dedicated staff under a strategic leadership to become a prosperous nation in the globalised environment."

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