



INDEX OF INDUSTRIAL PRODUCTION

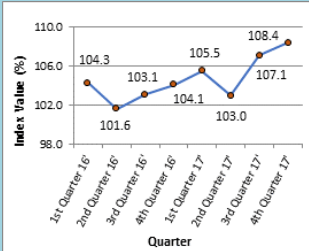
DEPARTMENT OF CENSUS AND STATISTICS - SRI LANKA
MINISTRY OF NATIONAL POLICIES AND ECONOMIC AFFAIRS

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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 4th quarter 2017

Month & Quarter	IIP ^P (2015=100)
October 2017	108.6
November 2017	108.9
December 2017	107.7
2017 4th Quarter	108.4

P - Provisional

The volume of industrial production has increased by 4.3% in the month of December, 2017 compared to the same month in 2016. Among the manufacturing industries; Volume of products of 'Fabricated metal products' (25.1%), 'Manufacture of rubber & plastic products' (10.9%) and 'Basic metal products' (9.7%) have shown remarkable increases meanwhile 'Manufacture of basic pharmaceutical products' (27.3%), has reported decrease during this period.

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

Description	IIP - 2017 ^P				Month to month % Change		
	September	October	November	December	Sep 17/ Oct 17	Oct 17/ Nov 17	Nov 17/ Dec 17
Manufacturing Sector	107.7	108.6	108.9	107.7	0.9	0.2	-1.1

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) 2016 January - 2017 December

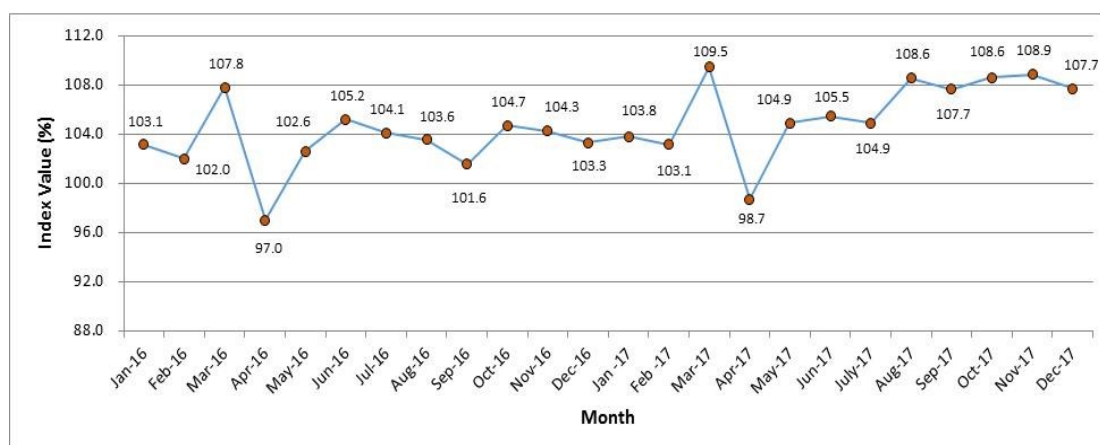
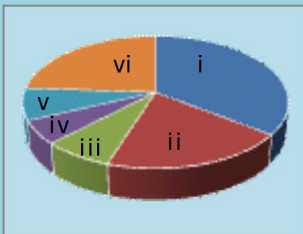


Table 3: Month to month % changes of the IIP by Industry Division (2015=100)

ISIC 2digit	Description	IIP		Month to month % Change Nov 2017/ Dec 2017
		2017 Nov ^P	2017 Dec ^P	
10	Food products	105.0	109.6	4.3
11	Beverages	87.1	88.2	1.2
12	Tobacco products	120.5	91.1	-24.3
13	Manufacture of Textiles	116.4	94.6	-18.7
14	Manufacture of wearing Apparels	114.3	115.4	1.0
15	Manufacture of leather and related products	124.0	123.2	-0.7
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	87.2	79.0	-9.5
17	Manufacture of paper and paper products	122.0	111.2	-8.8
18	Printing and reproduction of recorded media	114.5	107.9	-5.8
19	Manufacture of coke and refined petroleum products	102.5	103.1	0.6
20	Manufacture of chemicals & chemical products	104.8	101.2	-3.4
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	134.0	83.2	-37.9
22	Manufacture of rubber & plastic products	112.0	111.8	-0.2
23	Manufacture of other non-metallic mineral products	113.5	105.8	-6.8
24	Manufacture of basic metals	123.8	121.2	-2.1
25	Manufacture of fabricated metal products	131.1	123.1	-6.1
26-27	Manufacture of electrical equipment	96.7	75.4	-22.0
28	Manufacture of Machinery & equipment	120.1	117.4	-2.3
31	Manufacture of furniture	108.2	92.2	-14.7
29-30-32-33	Other manufacturing	100.4	97.9	-2.5
Overall Index for the Manufacturing Sector		108.9	107.7	-1.1

R - Revised; 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	Year 2016 ^R				Year 2017 ^P			
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
10	Food products	101.5	102.5	101.9	101.0	104.6	103.3	106.8	106.4
11	Beverages	100.1	100.2	104.3	110.0	98.2	92.3	90.1	91.6
12	Tobacco products	103.6	102.4	114.5	100.0	100.9	97.1	117.0	110.4
13	Manufacture of Textiles	102.3	102.9	106.1	104.7	104.1	104.1	108.8	108.8
14	Manufacture of wearing Apparels	106.5	106.0	103.8	106.4	111.1	108.9	109.0	114.2
15	Manufacture of leather and related products	101.3	101.1	107.4	114.3	101.3	106.7	117.1	122.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	100.6	100.3	99.1	96.5	89.5	95.6	101.0	88.5
17	Manufacture of paper and paper products	119.4	102.3	103.9	118.3	106.2	107.0	107.2	118.3
18	Printing and reproduction of recorded media	99.8	103.4	100.2	111.0	106.8	106.5	111.2	113.0
19	Manufacture of coke and refined petroleum products	113.3	91.5	99.8	91.8	86.9	88.1	98.3	103.7
20	Manufacture of chemicals & chemical products	120.7	96.8	99.9	99.2	102.2	82.7	99.4	101.8
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	101.0	95.4	124.6	115.4	103.3	105.3	124.2	112.5
22	Manufacture of rubber & plastic products	104.8	101.6	104.0	104.2	104.3	107.1	108.4	112.2
23	Manufacture of other non metallic mineral products	94.8	102.3	105.2	116.4	117.0	110.7	108.8	110.0
24	Manufacture of basic metals	106.8	102.3	110.0	113.4	114.4	113.8	131.4	122.9
25	Manufacture of fabricated metal products	102.2	88.7	103.1	103.0	100.8	101.6	129.5	128.7
26-27	Manufacture of electrical equipment	101.3	100.7	93.0	97.7	108.8	103.3	99.8	89.3
28	Manufacture of Machinery & equipment	101.8	104.6	111.1	109.2	105.4	109.7	115.5	118.9
31	Manufacture of furniture	109.9	82.2	121.6	121.5	115.0	95.1	110.2	102.3
29-30-32-33	Other manufacturing	107.3	99.4	98.4	102.7	104.9	95.3	96.3	97.8
Overall Index for the Manufacturing Sector		104.3	101.6	103.1	104.1	105.5	103.0	107.1	108.4

The industrial production of the manufacturing sector for the fourth quarter of 2017 has increased by 4.1 % compared to the same quarter in 2016.

Among the manufacturing industries; Volume of products of ‘Fabricated metal products’ (24.9%), has shown remarkable increase in productions during the 4th Quarter of 2017, compared to 4th Quarter of 2016 and products of ‘Beverages’ (16.7%), reported decrease during this period.

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

ISIC 2digit	Description	2016 ^R October	2017 ^P October	Year on Year % Change	2016 ^R November	2017 ^P November	Year on Year % Change	2016 ^R December	2017 ^P December	Year on Year % Change
10	Food products	100.2	104.7	4.5	101.6	105.0	3.4	101.1	109.6	8.4
11	Beverages	117.2	99.5	-15.1	111.4	87.1	-21.8	101.4	88.2	-13.1
12	Tobacco products	108.0	119.6	10.7	103.3	120.5	16.6	88.7	91.1	2.8
13	Manufacture of Textiles	106.7	115.4	8.1	103.9	116.4	12.0	103.4	94.6	-8.6
14	Manufacture of wearing Apparels	106.2	113.0	6.4	106.0	114.3	7.8	107.0	115.4	7.8
15	Manufacture of leather and related products	115.0	119.3	3.8	114.2	124.0	8.6	113.7	123.2	8.3
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plating materials	98.2	99.2	1.1	99.4	87.2	-12.2	93.9	79.0	-15.9
17	Manufacture of paper and paper products	123.0	121.7	-1.0	118.2	122.0	3.2	113.7	111.2	-2.2
18	Printing and reproduction of recorded media	114.6	110.0	-4.0	115.4	114.5	-0.8	102.8	107.9	4.9
19	Manufacture of coke and refined petroleum products	98.0	105.4	7.5	81.1	102.5	26.5	96.4	103.1	7.0
20	Manufacture of chemicals & chemical products	98.5	99.3	0.9	100.9	104.8	3.9	98.3	101.2	2.9
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	117.2	120.4	2.7	114.5	134.0	17.0	114.5	83.2	-27.3
22	Manufacture of rubber & plastic products	106.0	112.7	6.3	105.6	112.0	6.0	100.8	111.8	10.9
23	Manufacture of other non-metallic mineral products	113.9	110.6	-2.9	120.8	113.5	-6.0	114.5	105.8	-7.6
24	Manufacture of basic metals	113.7	123.6	8.7	115.9	123.8	6.8	110.5	121.2	9.7
25	Manufacture of fabricated metal products	104.6	131.9	26.2	106.1	131.1	23.6	98.4	123.1	25.1
26-27	Manufacture of electrical equipment	96.0	95.8	-0.2	103.7	96.7	-6.7	93.3	75.4	-19.2
28	Manufacture of Machinery & equipment	104.3	119.1	14.2	104.2	120.1	15.2	119.0	117.4	-1.4
31	Manufacture of furniture	121.4	106.6	-12.2	121.7	108.2	-11.1	121.3	92.2	-23.9
29-30-32-33	Other manufacturing	100.6	95.1	-5.5	106.8	100.4	-6.0	100.7	97.9	-2.8
Overall Index for the Manufacturing Sector		104.7	108.6	3.7	104.3	108.9	4.4	103.3	107.7	4.3

R - Revised; P - Provisional