



INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS – SRI LANKA

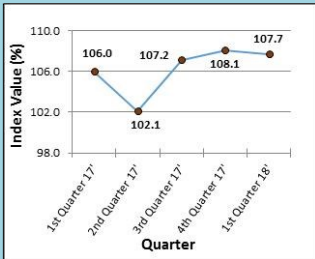
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Highlights

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 1st quarter 2018

Month & Quarter	IIP ^P (2015=100)
January 2018	108.9
February 2018	103.9
March 2018	110.3
2018 1st Quarter	107.7

P - Provisional

The volume of industrial production has increased by 0.1% in the month of March, 2018 compared to the same month in 2017.

Among the manufacturing industries; volume of products of 'Basic metal products' (29.4%), 'Manufacture of wood and products of wood' (18.1%) and 'Beverages' (16.6%) have shown remarkable increases meanwhile 'Coke and refined petroleum products' (61.4%), has reported decrease during this period due to the shutting down of operations for regular maintenance activities.

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

Description	IIP - 2017 ^R & 2018 ^P				Month to month % Change		
	December	January	February	March	Dec 17/ Jan 18	Jan 18/ Feb 18	Feb 18/ March 18
Manufacturing Sector	107.7	108.9	103.9	110.3	1.1	-4.5	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) 2016 January - 2018 March

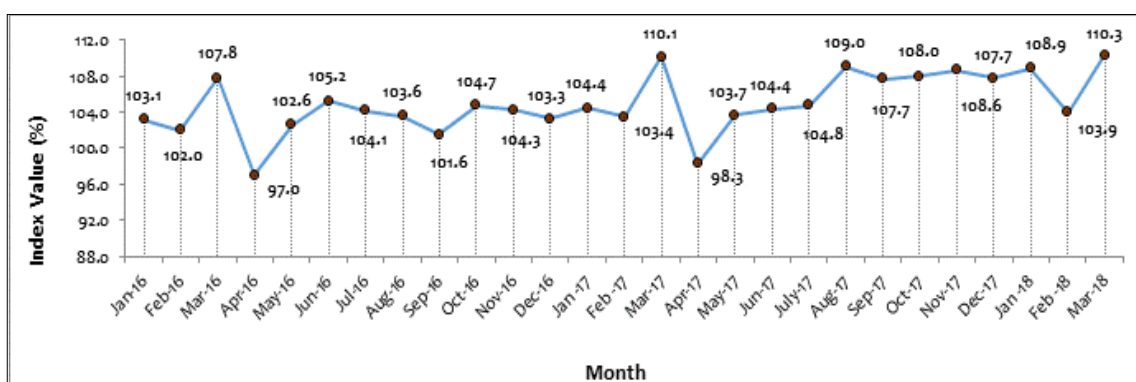


Table 3: Month to month % changes of the IIP by Industry Division (2015=100)

ISIC 2digit	Description	IIP		Month to month % Change Feb 2018/ March 2018
		2018 Feb ^P	2018 March ^P	
10	Food products	106.6	112.9	5.8
11	Beverages	100.7	115.6	14.8
12	Tobacco products	73.6	101.3	37.7
13	Manufacture of Textiles	88.2	113.4	28.6
14	Manufacture of wearing Apparels	119.4	121.2	1.5
15	Manufacture of leather and related products	116.7	87.5	-25.1
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	104.8	105.1	0.3
17	Manufacture of paper and paper products	78.4	97.9	24.9
18	Printing and reproduction of recorded media	100.7	115.8	14.9
19	Manufacture of coke and refined petroleum products	56.6	36.2	-36.1
20	Manufacture of chemicals & chemical products	99.4	115.9	16.6
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	81.0	89.1	10.1
22	Manufacture of rubber & plastic products	108.0	117.3	8.6
23	Manufacture of other non-metallic mineral products	107.6	124.7	15.8
24	Manufacture of basic metals	138.9	139.9	0.8
25	Manufacture of fabricated metal products	117.2	129.7	10.7
26-27	Manufacture of electrical equipment	97.6	100.6	3.1
28	Manufacture of Machinery & equipment	115.7	100.4	-13.3
31	Manufacture of furniture	92.6	114.0	23.1
29-30-32-33	Other manufacturing	73.4	119.6	62.9
Overall Index for the Manufacturing Sector		103.9	110.3	6.1

P - Provisional

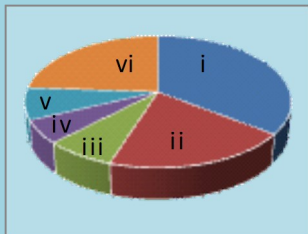
Highlights**Manufacturing Sector
Weights (ASI 2015)**

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

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 2017 ^R				Year 2018 ^P
		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter
10	Food products	105.3	101.4	106.9	106.5	108.9
11	Beverages	98.0	92.1	90.1	86.0	104.8
12	Tobacco products	100.9	97.1	117.0	110.4	94.5
13	Manufacture of Textiles	104.1	104.1	108.8	108.8	96.4
14	Manufacture of wearing Apparels	111.6	108.0	108.8	114.3	118.3
15	Manufacture of leather and related products	101.3	106.7	117.4	122.2	106.9
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	89.7	95.6	101.0	88.5	104.7
17	Manufacture of paper and paper products	106.4	106.9	103.1	113.3	86.5
18	Printing and reproduction of recorded media	106.8	106.3	103.1	111.4	101.8
19	Manufacture of coke and refined petroleum products	87.0	88.1	98.3	103.7	66.9
20	Manufacture of chemicals & chemical products	102.3	82.0	100.3	101.9	108.4
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	103.2	105.3	123.4	112.5	82.9
22	Manufacture of rubber & plastic products	104.3	107.0	108.4	112.2	112.3
23	Manufacture of other non metallic mineral products	118.3	108.4	109.5	110.0	116.5
24	Manufacture of basic metals	115.1	113.8	131.4	122.9	136.2
25	Manufacture of fabricated metal products	103.1	101.6	129.7	128.8	123.3
26-27	Manufacture of electrical equipment	108.8	103.3	99.8	87.7	98.5
28	Manufacture of Machinery & equipment	106.0	109.5	115.8	118.4	111.4
31	Manufacture of furniture	115.0	95.1	109.7	101.2	99.1
29-30-32-33	Other manufacturing	104.9	94.8	96.3	97.8	93.5
Overall Index for the Manufacturing Sector		106.0	102.1	107.2	108.1	107.7

R - Revised; P - Provisional

The industrial production of the manufacturing sector for the first quarter of 2018 has increased by 1.6 % compared to the same quarter in 2017.

Among the manufacturing industries; volume of products of ‘Fabricated metal products’ (19.6%), has shown a remarkable increase in production during the 1st Quarter of 2018, compared to 1st Quarter of 2017 and products of ‘coke and refined petroleum products’ (23.0%), reported a decrease during this period.

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

ISIC 2digit	Description	2017 ^R January	2018 ^P January	Year on Year % Change	2017 ^R February	2018 ^P February	Year on Year % Change	2017 ^R March	2018 ^P March	Year on Year % Change
10	Food products	103.7	107.3	3.5	102.9	106.6	3.7	109.3	112.9	3.2
11	Beverages	101.9	98.1	-3.7	93.1	100.7	8.1	99.1	115.6	16.6
12	Tobacco products	106.5	108.6	2.0	95.6	73.6	-23.0	100.5	101.3	0.7
13	Manufacture of Textiles	103.2	87.7	-15.0	93.5	88.2	-5.7	115.7	113.4	-1.9
14	Manufacture of wearing Apparels	111.5	114.3	2.6	110.7	119.4	7.8	112.6	121.2	7.6
15	Manufacture of leather and related products	100.4	116.4	15.9	100.4	116.7	16.2	103.1	87.5	-15.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plating materials	93.2	104.2	11.8	87.0	104.8	20.5	89.0	105.1	18.1
17	Manufacture of paper and paper products	102.5	83.2	-18.8	104.7	78.4	-25.2	111.8	97.9	-12.4
18	Printing and reproduction of recorded media	105.5	104.0	-1.5	106.5	100.7	-5.5	108.5	115.8	6.8
19	Manufacture of coke and refined petroleum products	78.1	108.1	38.4	89.1	56.6	-36.5	93.8	36.2	-61.4
20	Manufacture of chemicals & chemical products	97.3	110.0	13.1	102.3	99.4	-2.9	107.2	115.9	8.1
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	101.0	78.6	-22.2	103.1	81.0	-21.5	105.4	89.1	-15.5
22	Manufacture of rubber & plastic products	100.7	111.5	10.8	100.1	108.0	7.9	112.0	117.3	4.7
23	Manufacture of other non-metallic mineral products	120.1	117.1	-2.5	110.7	107.6	-2.7	124.3	124.7	0.3
24	Manufacture of basic metals	116.8	129.9	11.2	120.2	138.9	15.5	108.2	139.9	29.4
25	Manufacture of fabricated metal products	99.0	123.1	24.4	90.0	117.2	30.2	120.3	129.7	7.8
26-27	Manufacture of electrical equipment	103.1	97.4	-5.6	102.9	97.6	-5.2	120.3	100.6	-16.4
28	Manufacture of Machinery & equipment	101.3	118.3	16.7	104.9	115.7	10.3	111.7	100.4	-10.1
31	Manufacture of furniture	114.8	90.6	-21.1	114.5	92.6	-19.1	115.7	114.0	-1.5
29-30-32-33	Other manufacturing	100.0	87.5	-12.5	101.5	73.4	-27.7	113.1	119.6	5.7
Overall Index for the Manufacturing Sector		104.4	108.9	4.3	103.4	103.9	0.5	110.1	110.3	0.1

R - Revised; P - Provisional