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 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 elements in the economy.

### Table 1: IIP for the 1st quarter 2018

<table>
<thead>
<tr>
<th>Month &amp; Quarter</th>
<th>IIP P (2015=100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2018</td>
<td>97.7</td>
</tr>
<tr>
<td>May 2018</td>
<td>105.7</td>
</tr>
<tr>
<td>June 2018</td>
<td>104.8</td>
</tr>
<tr>
<td>2018 2nd Quarter</td>
<td>102.7</td>
</tr>
</tbody>
</table>

The volume of industrial production has increased by 0.4% in the month of June, 2018 compared to the same month in 2017. Among the manufacturing industries; volume of products of ‘Coke and refined petroleum products’ (33.7%), ‘Manufacture of fabricated metal products’ (19.1%) and ‘Manufacture of Textiles’ (15.6%) have shown remarkable increases meanwhile ‘Manufacture of paper and paper products’ (27.4%), has reported decrease during this period.

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

<table>
<thead>
<tr>
<th>Description</th>
<th>March 2018</th>
<th>April 2018</th>
<th>May 2018</th>
<th>June 2018</th>
<th>March 18/ April 18</th>
<th>April 18/ May 18</th>
<th>May 18/ June 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing Sector</td>
<td>110.3</td>
<td>97.7</td>
<td>105.7</td>
<td>104.8</td>
<td>-11.4</td>
<td>8.2</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

P - Provisional
R - Revised
The Index of Industrial Production (IIP) has traditionally been used to provide insight into 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

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

<table>
<thead>
<tr>
<th>ISIC 2digit</th>
<th>Description</th>
<th>IIP</th>
<th>Month to month % Change May 2018/June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Food products</td>
<td>103.1</td>
<td>-0.5</td>
</tr>
<tr>
<td>11</td>
<td>Beverages</td>
<td>104.6</td>
<td>14.6</td>
</tr>
<tr>
<td>12</td>
<td>Tobacco products</td>
<td>97.3</td>
<td>-4.3</td>
</tr>
<tr>
<td>13</td>
<td>Manufacture of Textiles</td>
<td>102.6</td>
<td>12.9</td>
</tr>
<tr>
<td>14</td>
<td>Manufacture of wearing Apparels</td>
<td>113.6</td>
<td>-0.5</td>
</tr>
<tr>
<td>15</td>
<td>Manufacture of leather and related products</td>
<td>106.7</td>
<td>-2.2</td>
</tr>
<tr>
<td>16</td>
<td>Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials</td>
<td>113.2</td>
<td>4.8</td>
</tr>
<tr>
<td>17</td>
<td>Manufacture of paper and paper products</td>
<td>97.2</td>
<td>17.2</td>
</tr>
<tr>
<td>18</td>
<td>Printing and reproduction of recorded media</td>
<td>119.2</td>
<td>-19.5</td>
</tr>
<tr>
<td>19</td>
<td>Manufacture of coke and refined petroleum products</td>
<td>91.2</td>
<td>-6.3</td>
</tr>
<tr>
<td>20</td>
<td>Manufacture of chemicals &amp; chemical products</td>
<td>108.3</td>
<td>-9.4</td>
</tr>
<tr>
<td>21</td>
<td>Manufacture of basic pharmaceutical products and pharmaceutical preparations</td>
<td>116.8</td>
<td>5.8</td>
</tr>
<tr>
<td>22</td>
<td>Manufacture of rubber &amp; plastic products</td>
<td>101.2</td>
<td>2.4</td>
</tr>
<tr>
<td>23</td>
<td>Manufacture of other non-metallic mineral products</td>
<td>124.8</td>
<td>1.2</td>
</tr>
<tr>
<td>24</td>
<td>Manufacture of basic metals</td>
<td>126.9</td>
<td>9.1</td>
</tr>
<tr>
<td>25</td>
<td>Manufacture of fabricated metal products</td>
<td>100.8</td>
<td>-0.2</td>
</tr>
<tr>
<td>26-27</td>
<td>Manufacture of electrical equipment</td>
<td>73.4</td>
<td>-30.8</td>
</tr>
<tr>
<td>28</td>
<td>Manufacture of Machinery &amp; equipment</td>
<td>97.1</td>
<td>-4.1</td>
</tr>
<tr>
<td>29-30-32-33</td>
<td>Other manufacturing</td>
<td>104.8</td>
<td>-0.8</td>
</tr>
</tbody>
</table>

Overall Index for the Manufacturing Sector | 104.8 | -0.8 |
The industrial production of the manufacturing sector for the second quarter of 2018 has increased by 0.6% compared to the same quarter in 2017. Among the manufacturing industries; volume of products of ‘coke and refined petroleum products’ (15.0%), has shown a remarkable increase in production during the 2nd Quarter of 2018, compared to 2nd Quarter of 2017 and products of ‘Manufacture of electrical equipment’ (17.2%), reported a decrease during this period.
<table>
<thead>
<tr>
<th>Month</th>
<th>Year on Year Change</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>106.2</td>
<td>Tobacco products</td>
</tr>
<tr>
<td>April</td>
<td>104.6</td>
<td>Beverages</td>
</tr>
<tr>
<td>May</td>
<td>103.4</td>
<td>Food products</td>
</tr>
<tr>
<td>June</td>
<td>102.1</td>
<td>Other manufacturing of metallic mineral products</td>
</tr>
<tr>
<td>July</td>
<td>102.1</td>
<td>Manufacture of coke and refined petroleum products</td>
</tr>
<tr>
<td>August</td>
<td>102.0</td>
<td>Manufacture of chemicals &amp; chemical products</td>
</tr>
<tr>
<td>September</td>
<td>102.2</td>
<td>Manufacture of coke and refined petroleum products</td>
</tr>
<tr>
<td>October</td>
<td>102.7</td>
<td>Manufacture of chemicals &amp; chemical products</td>
</tr>
<tr>
<td>November</td>
<td>103.1</td>
<td>Manufacture of coke and refined petroleum products</td>
</tr>
<tr>
<td>December</td>
<td>103.3</td>
<td>Manufacture of chemicals &amp; chemical products</td>
</tr>
</tbody>
</table>

Note: Year on Year Change percentage.