



INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS - SRI LANKA

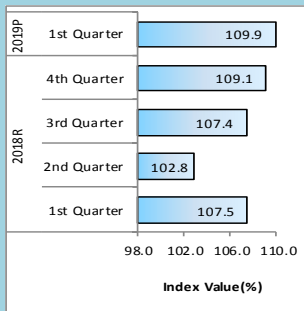
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Highlights

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 2019

| Month & Quarter | IIP ^P (2015=100) |
|------------------------------------|-----------------------------|
| January 2019 | 108.8 |
| February 2019 | 104.2 |
| March 2019 | 116.5 |
| 2019 1st Quarter | 109.9 |

P - Provisional

The volume of industrial production has increased by 5.7% in the month of March, 2019 compared to the same month in 2018. Among the manufacturing industries; volume of products of 'Manufacture of leather and related products' (18.1%), 'Manufacture of electrical equipment' (10.5%) and 'Manufacture of chemicals & chemical products' (8.0%) have shown remarkable increases meanwhile 'Other Manufacturing' (49.1%) (which includes manufacturing motor vehicles, trailers and semi-trailers, other transport equipment, jewellery), has reported decrease during this period. (source: Table 5)

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

| Description | IIP - 2018 ^R /2019 ^P | | | | Month to month % Change | | |
|----------------------|--|-------|-------|-------|-------------------------|----------------|------------------|
| | Dec | Jan | Feb | March | Dec 18/ Jan 19 | Jan 19/ Feb 19 | Feb 19/ March 19 |
| Manufacturing Sector | 109.0 | 108.8 | 104.2 | 116.5 | -0.2 | -4.2 | 11.8 |

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) 2018 January - 2019 March

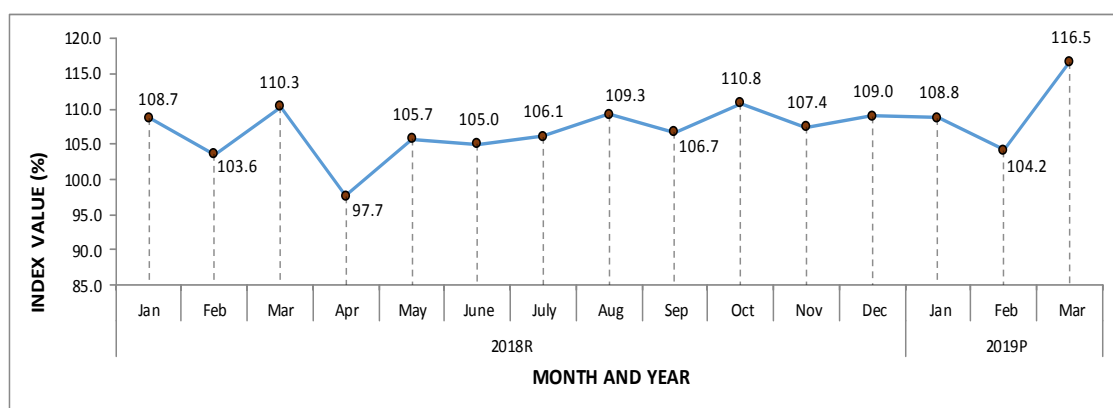


Table 3: Month to month % changes of the IIP by Industry Divisions (2015=100)

| ISIC 2digit | Description | IIP | | Month to month % Change Feb 2019/ March 2019 |
|---|---|-----------------------|-------------------------|--|
| | | 2019 Feb ^P | 2019 March ^P | |
| 10 | Food products | 96.5 | 114.5 | 18.7 |
| 11 | Beverages | 99.3 | 115.7 | 16.6 |
| 12 | Tobacco products | 84.0 | 94.8 | 12.9 |
| 13 | Manufacture of Textiles | 103.6 | 115.6 | 11.5 |
| 14 | Manufacture of wearing Apparels | 116.1 | 124.0 | 6.8 |
| 15 | Manufacture of leather and related products | 102.2 | 103.3 | 1.1 |
| 16 | Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials | 102.3 | 86.5 | -15.5 |
| 17 | Manufacture of paper and paper products | 94.4 | 77.7 | -17.7 |
| 18 | Printing and reproduction of recorded media | 110.2 | 109.6 | -0.6 |
| 19 | Manufacture of coke and refined petroleum products | 106.0 | 109.5 | 3.4 |
| 20 | Manufacture of chemicals & chemical products | 94.7 | 125.7 | 32.7 |
| 21 | Manufacture of basic pharmaceutical products and pharmaceutical preparations | 77.1 | 89.1 | 15.6 |
| 22 | Manufacture of rubber & plastic products | 121.2 | 122.4 | 1.1 |
| 23 | Manufacture of other non-metallic mineral products | 114.0 | 128.6 | 12.8 |
| 24 | Manufacture of basic metals | 112.2 | 127.5 | 13.6 |
| 25 | Manufacture of fabricated metal products | 114.6 | 113.5 | -0.9 |
| 26-27 | Manufacture of electrical equipment | 78.0 | 94.5 | 21.2 |
| 28 | Manufacture of Machinery & equipment | 97.8 | 96.7 | -1.2 |
| 31 | Manufacture of furniture | 93.8 | 111.9 | 19.3 |
| 29-30-32-33 | Other manufacturing | 65.3 | 61.0 | -6.5 |
| Overall Index for the Manufacturing Sector | | 104.2 | 116.5 | 11.8 |

P - Provisional

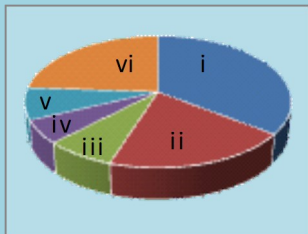
Highlights**Manufacturing Sector
Weights (ASI 2015)**

Figure 3: 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 | 1 st Quarter | | Year on year % Change |
|---|---|-------------------------|-------------------|-----------------------|
| | | 2018 ^R | 2019 ^P | |
| 10 | Food products | 109.4 | 105.0 | -4.0 |
| 11 | Beverages | 104.8 | 106.8 | 1.9 |
| 12 | Tobacco products | 94.5 | 88.7 | -6.1 |
| 13 | Manufacture of Textiles | 96.4 | 104.7 | 8.5 |
| 14 | Manufacture of wearing Apparels | 118.3 | 119.9 | 1.3 |
| 15 | Manufacture of leather and related products | 105.4 | 102.5 | -2.7 |
| 16 | Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials | 104.7 | 93.3 | -10.8 |
| 17 | Manufacture of paper and paper products | 86.5 | 88.2 | 2.0 |
| 18 | Printing and reproduction of recorded media | 106.8 | 114.4 | 7.1 |
| 19 | Manufacture of coke and refined petroleum products | 66.9* | 110.1 | 64.5 |
| 20 | Manufacture of chemicals & chemical products | 108.6 | 101.8 | -6.3 |
| 21 | Manufacture of basic pharmaceutical products and pharmaceutical preparations | 82.8 | 84.9 | 2.6 |
| 22 | Manufacture of rubber & plastic products | 112.3 | 121.0 | 7.8 |
| 23 | Manufacture of other non metallic mineral products | 113.7 | 119.8 | 5.3 |
| 24 | Manufacture of basic metals | 136.2 | 124.4 | -8.7 |
| 25 | Manufacture of fabricated metal products | 123.3 | 118.6 | -3.8 |
| 26-27 | Manufacture of electrical equipment | 93.4 | 83.6 | -10.4 |
| 28 | Manufacture of Machinery & equipment | 111.0 | 97.5 | -12.1 |
| 31 | Manufacture of furniture | 97.0 | 102.2 | 5.4 |
| 29-30-32-33 | Other manufacturing | 93.6 | 63.7 | -31.9 |
| Overall Index for the Manufacturing Sector | | 107.5 | 109.9 | 2.2 |

* Production reduced due to the closure of the Ceylon Petroleum Corporation refinery for maintenance work from 19/02/2018 - 25/03/2018

R - Revised; P - Provisional

The industrial production of the manufacturing sector for the first quarter of 2019 has increased by 2.2 % compared to the same quarter in 2018.

Among the manufacturing industries; volume of products of ‘Manufacture of Textiles’ (8.5%), has shown a remarkable increase in production during the 1st Quarter of 2019, compared to 1st Quarter of 2018 and products of ‘Other manufacturing (31.9%)’, 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 | 2018 ^R January | 2019 ^P January | Year on year % Change | 2018 ^R February | 2019 ^P February | Year on year % Change | 2018 ^R March | 2019 ^P March | Year on year % Change |
|---|--|------------------------------|------------------------------|-----------------------------|-------------------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|
| 10 | Food products | 107.3 | 104.1 | -3.0 | 106.6 | 96.5 | -9.5 | 114.3 | 114.5 | 0.2 |
| 11 | Beverages | 98.1 | 105.3 | 7.3 | 100.7 | 99.3 | -1.4 | 115.6 | 115.7 | 0.1 |
| 12 | Tobacco products | 108.6 | 87.3 | -19.6 | 73.6 | 84.0 | 14.1 | 101.3 | 94.8 | -6.4 |
| 13 | Manufacture of Textiles | 87.7 | 94.8 | 8.1 | 88.2 | 103.6 | 17.5 | 113.4 | 115.6 | 1.9 |
| 14 | Manufacture of wearing Apparels | 114.3 | 119.4 | 4.4 | 119.4 | 116.1 | -2.7 | 121.2 | 124.0 | 2.3 |
| 15 | Manufacture of leather and related products | 112.0 | 102.1 | -8.8 | 116.7 | 102.2 | -12.4 | 87.5 | 103.3 | 18.1 |
| 16 | Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plating materials | 104.2 | 91.2 | -12.5 | 104.8 | 102.3 | -2.4 | 105.1 | 86.5 | -17.7 |
| 17 | Manufacture of paper and paper products | 83.2 | 92.6 | 11.4 | 78.4 | 94.4 | 20.4 | 97.9 | 77.7 | -20.7 |
| 18 | Printing and reproduction of recorded media | 104.0 | 123.2 | 18.6 | 100.7 | 110.2 | 9.4 | 115.8 | 109.6 | -5.3 |
| 19 | Manufacture of coke and refined petroleum products | 108.1 | 114.9 | 6.3 | 56.6* | 106.0 | 87.1 | 36.2* | 109.5 | 202.7 |
| 20 | Manufacture of chemicals & chemical products | 110.0 | 84.8 | -22.9 | 99.4 | 94.7 | -4.7 | 116.4 | 125.7 | 8.0 |
| 21 | Manufacture of basic pharmaceutical products and pharmaceutical preparations | 78.6 | 88.7 | 12.9 | 80.9 | 77.1 | -4.8 | 89.0 | 89.1 | 0.1 |
| 22 | Manufacture of rubber & plastic products | 111.5 | 119.5 | 7.2 | 108.0 | 121.2 | 12.2 | 117.3 | 122.4 | 4.4 |
| 23 | Manufacture of other non-metallic mineral products | 115.6 | 116.7 | 0.9 | 103.4 | 114.0 | 10.2 | 122.0 | 128.6 | 5.4 |
| 24 | Manufacture of basic metals | 129.9 | 133.6 | 2.9 | 138.9 | 112.2 | -19.2 | 139.9 | 127.5 | -8.9 |
| 25 | Manufacture of fabricated metal products | 123.1 | 127.8 | 3.8 | 117.2 | 114.6 | -2.2 | 129.7 | 113.5 | -12.5 |
| 26-27 | Manufacture of electrical equipment | 97.0 | 78.4 | -19.2 | 97.6 | 78.0 | -20.1 | 85.5 | 94.5 | 10.5 |
| 28 | Manufacture of Machinery & equipment | 116.4 | 98.1 | -15.7 | 115.7 | 97.8 | -15.4 | 100.9 | 96.7 | -4.2 |
| 31 | Manufacture of furniture | 90.6 | 100.9 | 11.5 | 92.6 | 93.8 | 1.3 | 107.8 | 111.9 | 3.8 |
| 29-30-32-33 | Other manufacturing | 87.5 | 64.9 | -25.8 | 73.4 | 65.3 | -11.1 | 119.8 | 61.0 | -49.1 |
| Overall Index for the Manufacturing Sector | | 108.7 | 108.8 | 0.1 | 103.6 | 104.2 | 0.6 | 110.3 | 116.5 | 5.7 |

* Production reduced due to the closure of the Ceylon Petroleum Corporation refinery for maintenance work from 19/02/2018 - 25/03/2018

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