



INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS - SRI LANKA

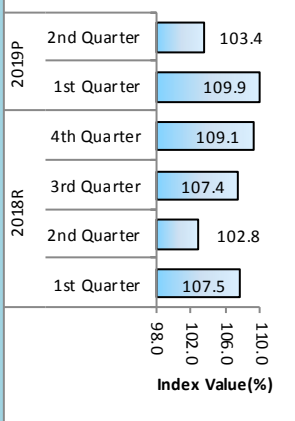
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Highlights

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 2nd quarter 2019

Month & Quarter	IIP ^P (2015=100)
April 2019	96.9
May 2019	106.1
June 2019	107.3
2019 2nd Quarter	103.4

P - Provisional

The volume of industrial production has increased by 2.2% in the month of June, 2019 compared to the same month in 2018. Among the manufacturing industries; volume of products of 'Manufacture of paper and paper products' (42.7%), 'Manufacture of coke and refined petroleum products' (22.3%) and 'Manufacture of furniture' (19.9%) have shown remarkable increases meanwhile 'Other Manufacturing' (36.6%) (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 - 2019 ^P				Month to month % Change		
	March	April	May	June	Mar 19/ April 19	April 19/ May 19	May 19/ June 19
Manufacturing Sector	116.5	96.9	106.1	107.3	-16.8	9.5	1.2

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 June

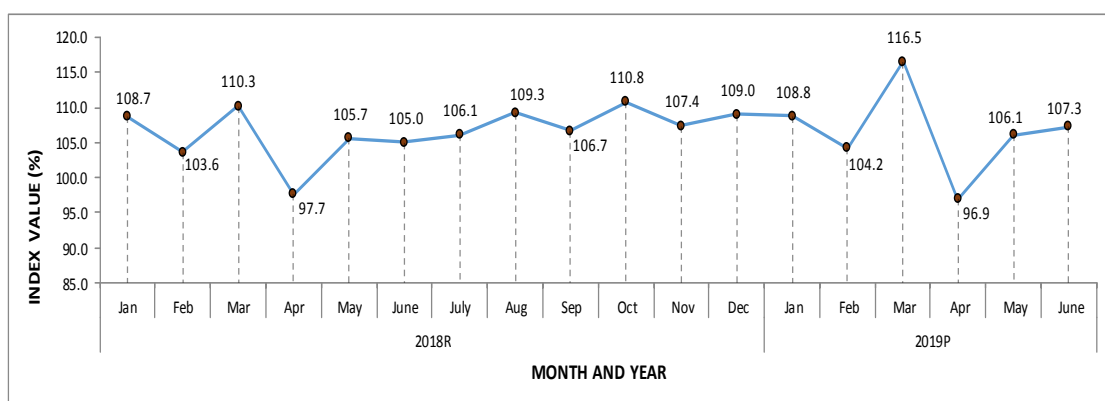


Table 3: Month to month % changes of the IIP by Industry Divisions (2015=100)

ISIC 2digit	Description	IIP		Month to month % Change May 2019/ June 2019
		2019 May ^P	2019 June ^P	
10	Food products	108.9	102.5	-5.8
11	Beverages	103.4	102.8	-0.6
12	Tobacco products	86.7	83.3	-4.0
13	Manufacture of Textiles	104.7	116.1	10.9
14	Manufacture of wearing Apparels	117.2	116.8	-0.3
15	Manufacture of leather and related products	126.2	119.3	-5.5
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	87.5	114.0	30.2
17	Manufacture of paper and paper products	111.0	112.7	1.5
18	Printing and reproduction of recorded media	93.5	87.3	-6.6
19	Manufacture of coke and refined petroleum products	64.8	113.4	75.0
20	Manufacture of chemicals & chemical products	113.8	100.6	-11.6
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	97.1	97.1	0.0
22	Manufacture of rubber & plastic products	105.3	94.0	-10.8
23	Manufacture of other non-metallic mineral products	114.0	122.9	7.8
24	Manufacture of basic metals	111.2	130.2	17.1
25	Manufacture of fabricated metal products	99.3	95.8	-3.6
26-27	Manufacture of electrical equipment	95.0	87.2	-8.2
28	Manufacture of Machinery & equipment	103.0	94.7	-8.0
31	Manufacture of furniture	90.9	88.0	-3.2
29-30-32-33	Other manufacturing	64.7	61.6	-4.8
Overall Index for the Manufacturing Sector		106.1	107.3	1.2

P - Provisional

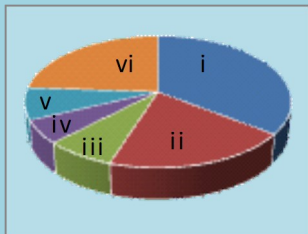
Highlights**Manufacturing Sector
Weights (ASI 2015)**

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	2 nd Quarter		Year on year % Change
		2018 ^R	2019 ^P	
10	Food products	103.2	101.6	-1.5
11	Beverages	96.9	105.9	9.2
12	Tobacco products	88.8	74.1	-16.5
13	Manufacture of Textiles	108.2	101.5	-6.2
14	Manufacture of wearing Apparels	109.9	114.7	4.4
15	Manufacture of leather and related products	108.4	115.4	6.5
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	105.7	96.4	-8.8
17	Manufacture of paper and paper products	90.2	98.9	9.7
18	Printing and reproduction of recorded media	102.6	87.4	-14.8
19	Manufacture of coke and refined petroleum products	101.3	96.8	-4.5
20	Manufacture of chemicals & chemical products	88.3	101.5	15.0
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	98.5	99.4	0.9
22	Manufacture of rubber & plastic products	103.6	100.1	-3.4
23	Manufacture of other non metallic mineral products	98.0	106.6	8.8
24	Manufacture of basic metals	118.6	116.2	-2.0
25	Manufacture of fabricated metal products	111.4	97.9	-12.1
26-27	Manufacture of electrical equipment	85.5	91.6	7.0
28	Manufacture of Machinery & equipment	100.0	93.4	-6.6
31	Manufacture of furniture	84.5	87.0	3.0
29-30-32-33	Other manufacturing	97.6	62.3	-36.2
Overall Index for the Manufacturing Sector		102.8	103.4	0.6

R - Revised P - Provisional

The industrial production of the manufacturing sector for the second quarter of 2019 has increased by 0.6 % compared to the same quarter in 2018. Among the manufacturing industries; volume of products of ‘Manufacture of chemicals & chemical products’ (15.0%), has shown a remarkable increase in production during the 2nd Quarter of 2019, compared to 2nd Quarter of 2018 and products of ‘Other manufacturing (36.2%), 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 April	2019 ^P April	Year on Year % Change	2018 ^R May	2019 ^P May	Year on Year % Change	2018 ^R June	2019 ^P June	Year on Year % Change
10	Food products	103.7	93.4	-9.9	103.1	108.9	5.6	102.7	102.5	-0.1
11	Beverages	94.9	111.3	17.3	91.3	103.4	13.3	104.6	102.8	-1.7
12	Tobacco products	76.0	52.5	-30.9	97.3	86.7	-10.9	93.1	83.3	-10.5
13	Manufacture of Textiles	90.1	83.7	-7.0	110.1	104.7	-4.9	124.3	116.1	-6.7
14	Manufacture of wearing Apparels	102.0	110.2	8.1	114.2	117.2	2.6	113.6	116.8	2.8
15	Manufacture of leather and related products	109.2	100.6	-7.8	109.2	126.2	15.6	106.7	119.3	11.7
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plating materials	95.7	87.7	-8.4	108.1	87.5	-19.1	113.2	114.0	0.7
17	Manufacture of paper and paper products	96.6	73.1	-24.4	94.9	111.0	17.0	79.0	112.7	42.7
18	Printing and reproduction of recorded media	96.8	81.6	-15.8	97.2	93.5	-3.9	113.9	87.3	-23.4
19	Manufacture of coke and refined petroleum products	96.0	112.1	16.8	115.2	64.8	-43.7	92.7	113.4	22.3
20	Manufacture of chemicals & chemical products	78.5	90.2	15.0	97.4	113.8	16.9	89.0	100.6	13.1
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	89.0	104.1	16.9	108.3	97.1	-10.4	98.1	97.1	-1.1
22	Manufacture of rubber & plastic products	82.2	100.9	22.8	111.8	105.3	-5.8	116.8	94.0	-19.5
23	Manufacture of other non-metallic mineral products	90.4	83.1	-8.1	98.8	114.0	15.3	104.7	122.9	17.3
24	Manufacture of basic metals	107.9	107.3	-0.5	123.3	111.2	-9.8	124.8	130.2	4.4
25	Manufacture of fabricated metal products	90.6	98.7	9.0	116.7	99.3	-15.0	126.9	95.8	-24.6
26-27	Manufacture of electrical equipment	98.2	92.4	-5.8	79.3	95.0	19.8	79.2	87.2	10.2
28	Manufacture of Machinery & equipment	98.7	82.4	-16.5	100.5	103.0	2.5	100.8	94.7	-6.1
31	Manufacture of furniture	89.3	82.0	-8.2	90.7	90.9	0.3	73.4	88.0	19.9
29-30-32-33	Other manufacturing	94.6	60.6	-35.9	101.1	64.7	-36.0	97.1	61.6	-36.6
Overall Index for the Manufacturing Sector		97.7	96.9	-0.8	105.7	106.1	0.4	105.0	107.3	2.2

R - Revised; P - Provisional