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# Index of Industrial Production

Quarterly Bulletin Q3, 2023

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Department of Census and Statistics

Ministry of Finance, Economic Stabilization and National Policies

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. 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.

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- ▢ The volume of industrial production for the 3rd quarter of 2023 has increased by 1.9 % compared to the same quarter in 2022.
  - ▢ The volume of industrial production has decreased by 0.6 % in the month of September, 2023 compared to the same month in 2022.
  - ▢ The production in the month of September 2023 has decreased by 0.1% when compared to the production in the month of August 2023.
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## 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.

### IIP for the 3rd quarter 2023

Month & Quarter	IIP <sup>P</sup> (2015=100)
July - 2023	91.7
August - 2023	90.2
September - 2023	90.3
<b>2023 3<sup>rd</sup> Quarter</b>	<b>90.7</b>

Table 1: IIP for the 3rd quarter 2023  
P - Provisional

The volume of industrial production has decreased by 0.6% in September, 2023 compared to the same month in 2022. Among the manufacturing industries; volume of products of 'Printing and reproduction of recorded media' (101.6%); has shown remarkable increase meanwhile 'Manufacture of coke (coal) and refined petroleum products ' (36.7%) has reported remarkable decrease during this period.

(Source: Table 5)

### Month to month % changes of the IIP

	% Change
June 23 / July 23	0.6
July 23 / August 23	-0.1
August 23 / September 23	-0.1

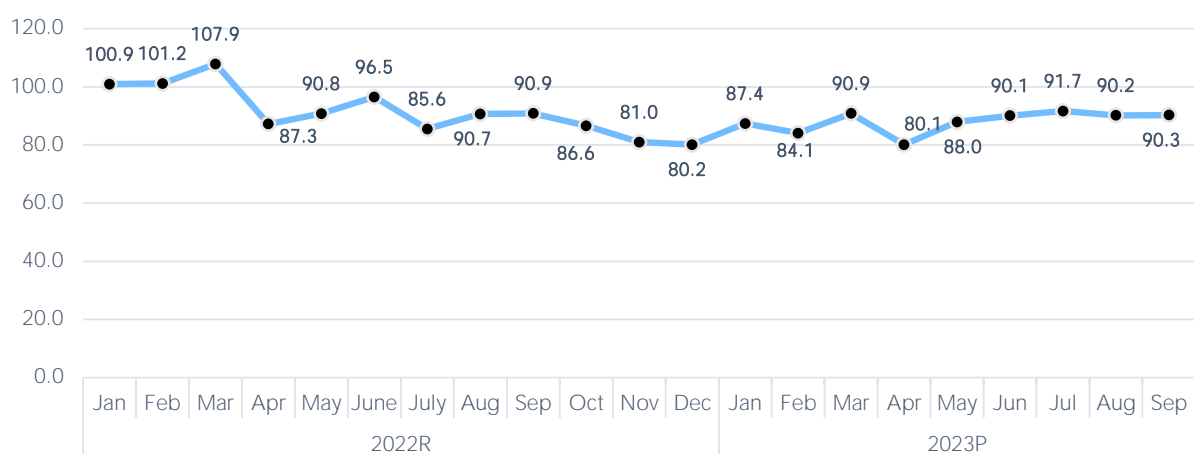
Table 2: Month to month % changes of the IIP

### Month to month percentage changes of the IIP by industry divisions

ISIC 2digit	Description	IIP 2023 (12-Month Moving Average)		Month to month % Change
		August <sup>P</sup>	September <sup>P</sup>	
10	Food products	90.5	91.3	0.9
11	Beverages	116.9	118.1	1.1
12	Tobacco products	81.2	80.9	-0.3
13	Manufacture of Textiles	90.0	89.4	-0.6
14	Manufacture of wearing Apparels	86.7	85.9	-0.9
15	Manufacture of leather and related products	94.2	93.7	-0.6
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	80.2	81.1	1.1
17	Manufacture of paper and paper products	32.1	31.4	-2.3
18	Printing and reproduction of recorded media	119.5	126.2	5.6
19	Manufacture of coke and refined petroleum products	79.7	76.9	-3.6
20	Manufacture of chemicals & chemical products	75.9	74.0	-2.6
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	122.1	121.2	-0.8
22	Manufacture of rubber & plastic products	77.4	77.7	0.4
23	Manufacture of other non-metallic mineral products	97.9	97.8	-0.1
24	Manufacture of basic metals	88.3	89.0	0.8
25	Manufacture of fabricated metal products	44.3	44.9	1.4
26-27	Manufacture of electrical equipment	47.5	48.1	1.1
28	Manufacture of Machinery & equipment	114.1	111.1	-2.6
31	Manufacture of furniture	58.1	59.2	1.9
29-30 32-33	Other manufacturing	65.5	62.9	-4.1
<b>Overall Index for the Manufacturing Sector</b>		<b>86.8</b>	<b>86.7</b>	<b>-0.1</b>

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

Graph 1: Index of Industrial Production (IIP) 2022 January - 2023 September



Source: Index of Industrial production  
Department of Census and Statistics, Sri Lanka



### Quarterly trend of IIP by industry divisions

ISIC 2digit	Description	3rd Quarter		Year on year % Change
		2022 <sup>R</sup>	2023 <sup>P</sup>	
10	Food products	90.4	96.1	6.3
11	Beverages	124.9	119.9	-4.0
12	Tobacco products	79.5	79.0	-0.6
13	Manufacture of Textiles	106.0	99.3	-6.3
14	Manufacture of wearing Apparels	99.5	81.8	-17.8
15	Manufacture of leather and related products	87.3	99.3	13.7
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	63.3	62.1	-1.9
17	Manufacture of paper and paper products	31.7	33.0	3.9
18	Printing and reproduction of recorded media	87.1	129.5	48.6
19	Manufacture of coke and refined petroleum products	42.6	96.5	126.7
20	Manufacture of chemicals & chemical products	96.6	73.6	-23.7
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	113.6	150.8	32.7
22	Manufacture of rubber & plastic products	88.9	78.9	-11.2
23	Manufacture of other non-metallic mineral products	106.7	105.1	-1.5
24	Manufacture of basic metals	73.3	103.5	41.2
25	Manufacture of fabricated metal products	49.9	56.1	12.4
26-27	Manufacture of electrical equipment	57.2	51.8	-9.5
28	Manufacture of Machinery & equipment	137.4	109.0	-20.7
31	Manufacture of furniture	52.9	71.1	34.5
29-30 32-33	Other manufacturing	80.4	57.6	-28.3
<b>Overall Index for the Manufacturing Sector</b>		<b>89.1</b>	<b>90.7</b>	<b>1.9</b>

Table 4: Quarterly trend of IIP by industry divisions (2015=100)  
R - Revised P - Provisional

The industrial production of the manufacturing sector for the 3rd quarter of 2023 has increased by 1.9 % compared to the same quarter in 2022. Among the manufacturing industries; volume of products of 'Manufacture of coke and refined petroleum products' (126.7%), has shown a remarkable increase in production during the 3rd Quarter of 2023, compared to 3rd Quarter of 2022 and volume of products of 'Other manufacturing' (28.3%), reported a remarkable decrease during this period.

## Year on Year percentage changes of IIP by industry divisions

ISIC 2digit	Description	July		Year on year % Change	August		Year on year % Change	September		Year on year % Change
		2022 <sup>R</sup>	2023 <sup>P</sup>		2022 <sup>R</sup>	2023 <sup>P</sup>		2022 <sup>R</sup>	2023 <sup>P</sup>	
10	Food products	88.4	95.1	7.7	93.7	94.5	0.8	89.1	98.6	10.7
11	Beverages	130.0	99.7	-23.3	129.6	129.7	0.1	115.1	130.3	13.2
12	Tobacco products	71.6	75.9	6.0	84.7	82.4	-2.7	82.2	78.8	-4.1
13	Manufacture of Textiles	121.7	99.7	-18.1	95.1	103.9	9.3	101.2	94.2	-6.9
14	Manufacture of wearing Apparels	103.0	88.3	-14.4	98.7	70.1	-28.9	96.7	87.0	-10.0
15	Manufacture of leather and related products	78.4	99.4	26.8	78.3	99.6	27.1	105.3	98.9	-6.1
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	64.3	65.7	2.2	74.0	58.0	-21.7	51.6	62.6	21.4
17	Manufacture of paper and paper products	29.1	34.6	18.9	27.6	34.6	25.3	38.5	29.8	-22.8
18	Printing and reproduction of recorded media	89.2	111.1	24.6	93.7	118.9	26.9	78.6	158.5	101.6
19	Manufacture of coke and refined petroleum products	1.5	116.0	7511.4	31.7	113.8	259.1	94.5	59.8	-36.7
20	Manufacture of chemicals & chemical products	92.3	72.7	-21.3	98.0	72.2	-26.3	99.4	76.0	-23.5
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	68.4	159.3	133.0	113.3	145.0	27.9	159.1	148.1	-6.9
22	Manufacture of rubber & plastic products	98.0	77.6	-20.8	95.6	82.6	-13.6	73.1	76.5	4.7
23	Manufacture of other non- metallic mineral products	93.9	104.4	11.2	121.7	107.2	-11.9	104.7	103.7	-0.9
24	Manufacture of basic metals	56.6	93.7	65.6	73.1	118.0	61.3	90.1	98.7	9.5
25	Manufacture of fabricated metal products	54.9	56.1	2.3	47.5	57.2	20.4	47.1	54.8	16.3
26-27	Manufacture of electrical equipment	60.3	49.2	-18.3	60.6	49.2	-18.7	50.8	56.9	12.1
28	Manufacture of Machinery & equipment	142.5	115.8	-18.7	125.2	102.5	-18.1	144.5	108.7	-24.8
31	Manufacture of furniture	51.2	68.8	34.3	48.1	72.3	50.4	59.4	72.3	21.8
29-30 32-33	Other manufacturing	68.1	60.8	-10.7	83.7	55.0	-34.3	89.5	57.1	-36.1
<b>Overall Index for the Manufacturing Sector</b>		<b>85.6</b>	<b>91.7</b>	<b>7.2</b>	<b>90.7</b>	<b>90.2</b>	<b>-0.6</b>	<b>90.9</b>	<b>90.3</b>	<b>-0.6</b>

Table 5 : Year on Year % changes of IIP by industry divisions (2015=100)  
R - Revised; P - Provisional

## The Vision of DCS

"To be the leader in the region in producing timely statistical information to achieve the country's development goals."

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