



INDEX OF INDUSTRIAL PRODUCTION

DEPARTMENT OF CENSUS AND STATISTICS - SRI LANKA

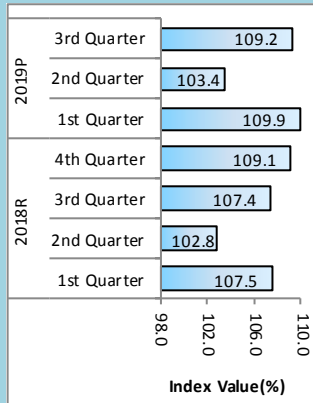
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Highlights

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 3rd quarter 2019

Month & Quarter	IIP ^P (2015=100)
July 2019	108.4
August 2019	112.0
September 2019	107.3
2019 3rd Quarter	109.2

P - Provisional

The volume of industrial production has increased by 0.5% in the month of September, 2019 compared to the same month in 2018. Among the manufacturing industries; volume of products of 'Manufacture of paper and paper products' (23.0%), 'Manufacture of basic pharmaceutical products' (14.7%) and 'Manufacture of electrical equipment' (14.2%) have shown remarkable increases meanwhile 'Other Manufacturing' (31.0%) (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		
	June	July	August	September	June 19/ July 19	July 19/ Aug19	Aug19/ Sep 19
Manufacturing Sector	107.3	108.4	112.0	107.3	1.0	3.4	- 4.2

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 September

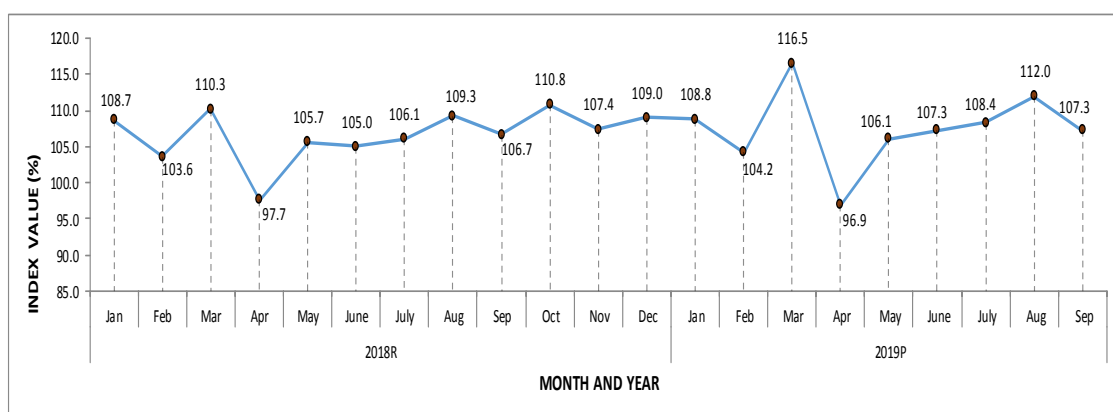
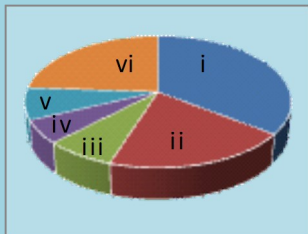


Table 3: Month to month % changes of the IIP by Industry Divisions (2015=100)

ISIC 2digit	Description	IIP		Month to month % Change Aug2019/ Sep 2019
		2019 August ^P	2019 September ^P	
10	Food products	110.4	107.1	-3.0
11	Beverages	102.1	101.2	-0.9
12	Tobacco products	84.4	80.0	-5.2
13	Manufacture of Textiles	124.0	109.2	-12.0
14	Manufacture of wearing Apparels	116.8	114.0	-2.3
15	Manufacture of leather and related products	129.2	122.3	-5.3
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	124.6	109.7	-12.0
17	Manufacture of paper and paper products	95.9	99.3	3.5
18	Printing and reproduction of recorded media	101.2	107.8	6.5
19	Manufacture of coke and refined petroleum products	120.7	115.5	-4.3
20	Manufacture of chemicals & chemical products	101.0	94.7	-6.3
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	100.9	132.2	31.0
22	Manufacture of rubber & plastic products	94.2	91.5	-2.9
23	Manufacture of other non-metallic mineral products	138.9	118.1	-15.0
24	Manufacture of basic metals	122.2	115.9	-5.1
25	Manufacture of fabricated metal products	103.4	101.6	-1.7
26-27	Manufacture of electrical equipment	83.2	83.5	0.5
28	Manufacture of Machinery & equipment	116.1	105.1	-9.4
31	Manufacture of furniture	82.1	88.6	8.0
29-30-32-33	Other manufacturing	63.2	67.8	7.3
Overall Index for the Manufacturing Sector		112.0	107.3	-4.2

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 (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	3 rd Quarter		Year on year % Change
		2018 ^R	2019 ^P	
10	Food products	106.2	106.9	0.6
11	Beverages	95.8	98.9	3.3
12	Tobacco products	92.3	82.8	-10.2
13	Manufacture of Textiles	122.9	119.3	-2.9
14	Manufacture of wearing Apparels	112.3	114.7	2.2
15	Manufacture of leather and related products	120.0	125.1	4.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	99.6	115.6	16.0
17	Manufacture of paper and paper products	81.4	100.8	23.9
18	Printing and reproduction of recorded media	110.0	100.6	-8.5
19	Manufacture of coke and refined petroleum products	111.9	117.4	4.9
20	Manufacture of chemicals & chemical products	87.4	99.6	14.0
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	118.1	113.9	-3.5
22	Manufacture of rubber & plastic products	109.5	95.5	-12.8
23	Manufacture of other non metallic mineral products	111.4	127.7	14.6
24	Manufacture of basic metals	134.5	126.0	-6.3
25	Manufacture of fabricated metal products	131.1	105.8	-19.3
26-27	Manufacture of electrical equipment	72.7	85.4	17.4
28	Manufacture of Machinery & equipment	98.5	108.6	10.3
31	Manufacture of furniture	90.4	88.2	-2.5
29-30-32-33	Other manufacturing	103.2	67.8	-34.3
Overall Index for the Manufacturing Sector		107.4	109.2	1.7

R - Revised P - Provisional

The industrial production of the manufacturing sector for the third quarter of 2019 has increased by 1.7 % compared to the same quarter in 2018. Among the manufacturing industries; volume of products of ‘Manufacture of paper and paper products’ (23.9%), has shown a remarkable increase in production during the 3rd Quarter of 2019, compared to 3rd Quarter of 2018 and products of ‘Other manufacturing (34.3%), 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 July	2019 ^P July	Year on year % Change	2018 ^R August	2019 ^P August	Year on year % Change	2018 ^R September	2019 ^P September	Year on year % Change
10	Food products	104.4	103.2	-1.2	109.1	110.4	1.2	105.1	107.1	1.9
11	Beverages	83.7	93.6	11.8	102.6	102.1	-0.5	101.0	101.2	0.2
12	Tobacco products	94.1	84.0	-10.7	92.5	84.4	-8.7	90.2	80.0	-11.3
13	Manufacture of Textiles	125.9	124.7	-1.0	116.1	124.0	6.8	126.6	109.2	-13.7
14	Manufacture of wearing Apparels	110.1	113.3	3.0	115.7	116.8	1.0	111.1	114.0	2.6
15	Manufacture of leather and related products	109.5	123.8	13.0	121.5	129.2	6.3	128.9	122.3	-5.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plating materials	93.0	112.6	21.0	103.0	124.6	21.0	102.9	109.7	6.5
17	Manufacture of paper and paper products	82.0	107.2	30.8	81.4	95.9	17.8	80.7	99.3	23.0
18	Printing and reproduction of recorded media	114.1	92.9	-18.6	112.1	101.2	-9.7	103.7	107.8	3.9
19	Manufacture of coke and refined petroleum products	105.2	116.1	10.3	116.0	120.7	4.1	114.6	115.5	0.8
20	Manufacture of chemicals & chemical products	86.1	103.0	19.6	88.3	101.0	14.3	87.6	94.7	8.1
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	112.7	108.6	-3.6	126.4	100.9	-20.1	115.2	132.2	14.7
22	Manufacture of rubber & plastic products	117.4	100.8	-14.2	112.7	94.2	-16.5	98.3	91.5	-6.9
23	Manufacture of other non-metallic mineral products	111.5	126.3	13.3	106.4	138.9	30.5	116.3	118.1	1.5
24	Manufacture of basic metals	138.7	140.1	1.0	137.5	122.2	-11.1	127.2	115.9	-8.9
25	Manufacture of fabricated metal products	131.6	112.4	-14.6	127.3	103.4	-18.8	134.5	101.6	-24.4
26-27	Manufacture of electrical equipment	76.2	89.5	17.4	68.7	83.2	21.0	73.1	83.5	14.2
28	Manufacture of Machinery & equipment	99.4	104.6	5.2	99.5	116.1	16.6	96.5	105.1	8.9
31	Manufacture of furniture	91.6	93.9	2.5	93.3	82.1	-12.0	86.3	88.6	2.7
29-30-32-33	Other manufacturing	110.3	72.4	-34.4	101.0	63.2	-37.4	98.3	67.8	-31.0
Overall Index for the Manufacturing Sector		106.1	108.4	2.1	109.3	112.0	2.5	106.7	107.3	0.5

R - Revised; P - Provisional