



Index of Industrial Production

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Department of Census and Statistics
Ministry of Finance

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 production and its growth. 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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- 1 The volume of industrial production for the first quarter of 2021 has increased by 10.4 % compared to the same quarter in 2020.
 - 2 The volume of industrial production has increased by 42.2 % in the month of March, 2021 compared to the same month in 2020.
 - 3 Firms have faced several problems during the COVID-19 pandemic. Because of these inconveniences, access to their data has also become problematic. In the face of these difficult situations, corrections have been made in the data for the month of February 2021 for several major institutions. Accordingly, the index for February 2021 has also been re-estimated with revised data.
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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 1st quarter 2021

Month & Quarter	IIP ^P (2015=100)
January - 2021	108.3
February - 2021	99.2
March - 2021	119.6
2021 1st Quarter	109.0

Table 1: IIP for the 1st quarter 2021
P - Provisional

The volume of industrial production has increased by 42.2 % in the month of March, 2021 compared to the same month in 2020. Among the manufacturing industries; volume of products of 'Manufacture of Textiles' (194.0 %), 'Manufacture of rubber & plastic products' (127.8 %) have shown remarkable increases meanwhile 'Manufacture of coke (coal) and refined petroleum products' (97.5 %) has reported decrease during this period.

(Source: Table 5)

Month to month % changes of the IIP

	% Change
Dec 20 / Jan 21	-1.82
Jan 21 / Feb 21	-8.42
Feb 21 / March 21	20.52

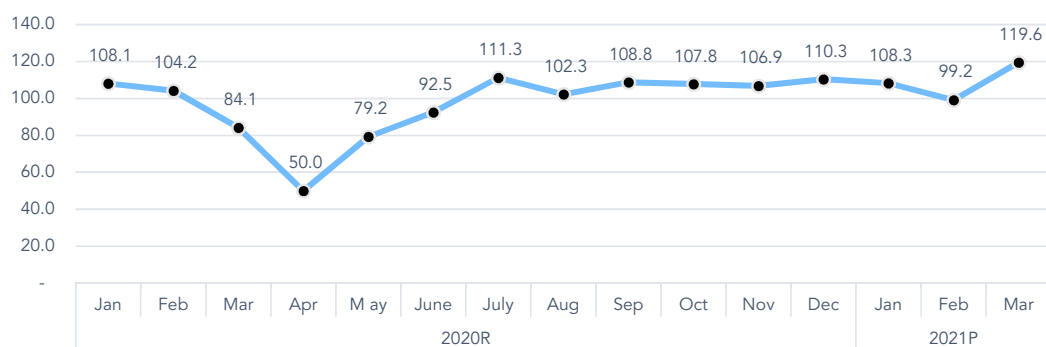
Table 2: Month to month % changes of the IIP

Month to month % changes of the IIP by industry divisions

ISIC 2digit	Description	IIP 2021		Month to month % Change
		February ^P	March ^P	
10	Food products	100.4	126.3	25.8
11	Beverages	115.3	145.6	26.3
12	Tobacco products	69.7	94.7	35.9
13	Manufacture of Textiles	114.3	135.5	18.6
14	Manufacture of wearing Apparels	102.1	131.2	28.5
15	Manufacture of leather and related products	90.0	96.9	7.7
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	78.3	84.8	8.3
17	Manufacture of paper and paper products	109.1	92.8	-14.9
18	Printing and reproduction of recorded media	121.8	159.2	30.7
19	Manufacture of coke and refined petroleum products	45.8	1.5	-96.7
20	Manufacture of chemicals & chemical products	72.8	119.5	64.2
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	119.9	114.6	-4.4
22	Manufacture of rubber & plastic products	83.5	124.0	48.5
23	Manufacture of other non-metallic mineral products	127.4	145.1	13.9
24	Manufacture of basic metals	152.1	148.4	-2.4
25	Manufacture of fabricated metal products	139.9	146.9	5.0
26-27	Manufacture of electrical equipment	96.6	107.3	11.1
28	Manufacture of Machinery & equipment	115.9	150.4	29.8
31	Manufacture of furniture	88.1	100.7	14.3
29-30 32-33	Other manufacturing	66.5	93.6	40.8
Overall Index for the Manufacturing Sector		99.2	119.6	20.5

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

Graph 1: Index of Industrial Production (IIP) 2020 January - 2021 March



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

Quarterly trend of IIP by industry divisions

ISIC 2digit	Description	1st Quarter		Year on year % Change
		2020 ^R	2021 ^P	
10	Food products	107.7	109.0	1.2
11	Beverages	97.8	121.7	24.4
12	Tobacco products	63.3	80.4	27.0
13	Manufacture of Textiles	78.7	130.7	66.0
14	Manufacture of wearing Apparels	91.7	114.1	24.3
15	Manufacture of leather and related products	84.8	96.0	13.2
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	94.3	104.3	10.7
17	Manufacture of paper and paper products	78.8	111.7	41.8
18	Printing and reproduction of recorded media	100.6	156.0	55.1
19	Manufacture of coke and refined petroleum products	87.4	51.3	-41.3
20	Manufacture of chemicals & chemical products	83.3	91.6	10.0
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	82.5	113.7	37.8
22	Manufacture of rubber & plastic products	86.9	104.2	19.9
23	Manufacture of other non-metallic mineral products	118.6	134.9	13.8
24	Manufacture of basic metals	129.8	144.4	11.3
25	Manufacture of fabricated metal products	139.8	142.4	1.8
26-27	Manufacture of electrical equipment	77.6	98.8	27.3
28	Manufacture of Machinery & equipment	94.6	119.3	26.0
31	Manufacture of furniture	75.0	92.4	23.2
29-30 32-33	Other manufacturing	67.7	74.1	9.4
Overall Index for the Manufacturing Sector		98.8	109.0	10.4

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

The industrial production of the manufacturing sector for the first quarter of 2021 has increased by 10.4 % compared to the same quarter in 2020. Among the manufacturing industries; volume of products of 'Manufacture of Textiles' (66.0 %), has shown a remarkable increase in production during the 1st Quarter of 2021, compared to 1st Quarter of 2020 and volume of products of 'Manufacture of coke and refined petroleum products' (41.3 %), reported a decrease during this period.

