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# Index of Industrial Production

Quarterly Bulletin Q2, 2021

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Department of Census and Statistics  
Ministry of Economic Policies and Plan Implementation

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.

## Highlights

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- ▣ The volume of industrial production for the second quarter of 2021 has increased by 28.2 % compared to the same quarter in 2020.
  - ▣ The volume of industrial production has increased by 5.1 % in the month of June, 2021 compared to the same month in 2020.
  - ▣ An increase of 0.4 % is observed, when compared to the production in June month 2021 and May month 2021.
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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 2nd quarter 2021

Month & Quarter	IIP <sup>P</sup> (2015=100)
April - 2021	93.9
May - 2021	93.2
June - 2021	97.2
<b>2021 2nd Quarter</b>	<b>94.8</b>

Table 1: IIP for the 2nd quarter 2021  
P - Provisional

The volume of industrial production has increased by 5.1 % in the month of June, 2021 compared to the same month in 2020. Among the manufacturing industries; volume of products of 'Manufacture of rubber & plastic products' (90.2 %), 'Manufacture of leather and related products' (85.1 %) have shown remarkable increases meanwhile 'Beverages' (53.5 %) has reported decrease during this period.

(Source: Table 5)

### Month to month % changes of the IIP

	% Change
March 21 / April 21	3.7
April 21 / May 21	1.1
May 21 / June 21	0.4

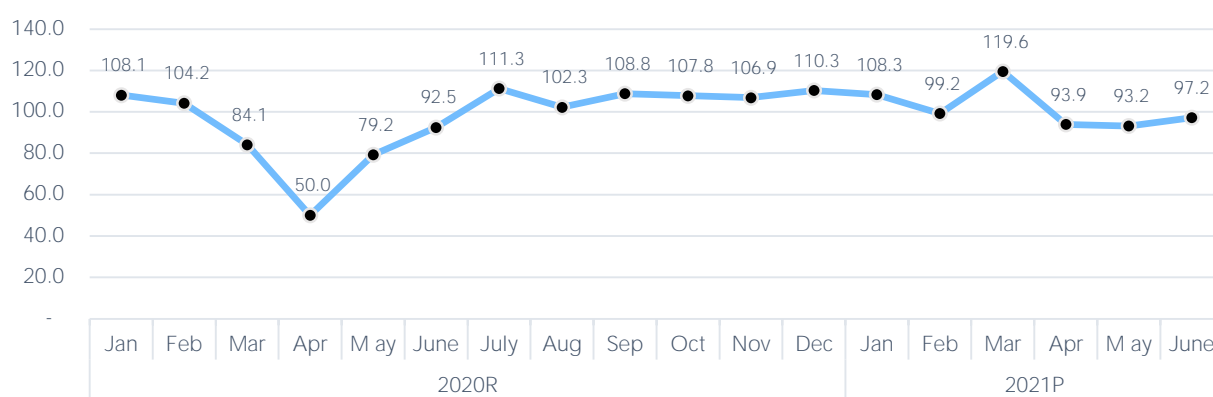
Table 2: Month to month % changes of the IIP

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

ISIC 2digit	Description	IIP 2021		Month to month % Change
		(12-Month Moving Average)		
		May <sup>P</sup>	June <sup>P</sup>	
10	Food products	108.1	108.6	0.5
11	Beverages	114.0	109.0	-4.4
12	Tobacco products	78.4	75.2	-4.1
13	Manufacture of Textiles	126.5	127.4	0.7
14	Manufacture of wearing Apparels	93.6	93.9	0.4
15	Manufacture of leather and related products	87.2	89.6	2.8
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	83.6	81.8	-2.1
17	Manufacture of paper and paper products	93.8	94.2	0.4
18	Printing and reproduction of recorded media	134.1	131.0	-2.3
19	Manufacture of coke and refined petroleum products	89.5	89.2	-0.3
20	Manufacture of chemicals & chemical products	103.1	99.4	-3.6
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	115.2	114.3	-0.8
22	Manufacture of rubber & plastic products	92.7	96.8	4.5
23	Manufacture of other non-metallic mineral products	128.6	131.0	1.9
24	Manufacture of basic metals	126.9	130.5	2.8
25	Manufacture of fabricated metal products	118.2	121.5	2.8
26-27	Manufacture of electrical equipment	79.2	79.5	0.3
28	Manufacture of Machinery & equipment	117.9	119.5	1.4
31	Manufacture of furniture	87.8	87.0	-0.9
29-30 32-33	Other manufacturing	72.9	72.2	-1.0
<b>Overall Index for the Manufacturing Sector</b>		<b>104.5</b>	<b>104.9</b>	<b>0.4</b>

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 June



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



### Quarterly trend of IIP by industry divisions

ISIC 2digit	Description	2nd Quarter		Year on year % Change
		2020 <sup>R</sup>	2021 <sup>P</sup>	
10	Food products	105.9	102.8	-2.9
11	Beverages	64.0	90.0	40.7
12	Tobacco products	65.1	60.2	-7.4
13	Manufacture of Textiles	76.1	124.7	63.9
14	Manufacture of wearing Apparels	43.8	72.5	65.7
15	Manufacture of leather and related products	25.9	62.9	142.8
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	41.9	72.2	72.0
17	Manufacture of paper and paper products	53.7	70.5	31.2
18	Printing and reproduction of recorded media	71.3	89.8	26.0
19	Manufacture of coke and refined petroleum products	77.5	81.8	5.5
20	Manufacture of chemicals & chemical products	74.3	86.9	16.9
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	111.2	118.5	6.6
22	Manufacture of rubber & plastic products	33.1	99.8	201.1
23	Manufacture of other non-metallic mineral products	66.6	127.6	91.6
24	Manufacture of basic metals	58.9	123.6	109.9
25	Manufacture of fabricated metal products	42.4	122.3	188.4
26-27	Manufacture of electrical equipment	43.3	69.9	61.4
28	Manufacture of Machinery & equipment	80.2	122.2	52.4
31	Manufacture of furniture	44.1	67.0	51.7
29-30 32-33	Other manufacturing	45.5	65.2	43.3
<b>Overall Index for the Manufacturing Sector</b>		<b>73.9</b>	<b>94.8</b>	<b>28.2</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 second quarter of 2021 has increased by 28.2 % compared to the same quarter in 2020. Among the manufacturing industries; volume of products of 'Manufacture of rubber & plastic products' (201.1 %),

has shown a remarkable increase in production during the 2nd Quarter of 2021, compared to 2nd Quarter of 2020 and volume of products of 'Tobacco products' (7.4 %), reported a decrease during this period.

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

ISIC 2digit	Description	April		Year on year % Change	May		Year on year % Change	June		Year on year % Change
		2020 <sup>R</sup>	2021 <sup>P</sup>		2020 <sup>R</sup>	2021 <sup>P</sup>		2020 <sup>R</sup>	2021 <sup>P</sup>	
10	Food products	97.1	103.3	6.4	114.4	92.8	-18.9	106.2	112.3	5.8
11	Beverages	26.3	126.1	379.6	53.6	91.8	71.1	112.0	52.1	-53.5
12	Tobacco products	26.2	66.1	152.0	77.5	61.7	-20.4	91.5	52.9	-42.2
13	Manufacture of Textiles	13.1	97.8	647.3	85.6	136.2	59.1	129.5	139.9	8.1
14	Manufacture of wearing Apparels	11.4	73.4	540.9	48.4	68.8	42.3	71.5	75.4	5.5
15	Manufacture of leather and related products	17.4	65.0	273.2	26.1	60.5	131.8	34.3	63.4	85.1
16	Manufacture of wood and products of wood and cork except furniture; manufacture of articles of Straw and plaiting materials	8.8	97.4	1012.4	37.9	61.3	61.8	79.2	57.7	-27.1
17	Manufacture of paper and paper products	28.5	82.7	190.4	51.5	42.7	-17.1	81.1	85.9	5.9
18	Printing and reproduction of recorded media	14.9	93.5	527.1	77.1	90.3	17.2	121.9	85.7	-29.7
19	Manufacture of coke and refined petroleum products	63.0	68.0	8.0	91.7	102.5	11.8	77.9	74.9	-3.8
20	Manufacture of chemicals & chemical products	35.4	89.9	153.7	73.8	101.3	37.2	113.8	69.5	-38.9
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	106.3	113.7	7.0	107.2	132.8	23.9	120.2	109.1	-9.2
22	Manufacture of rubber & plastic products	12.6	85.7	582.4	31.6	108.5	243.6	55.3	105.2	90.2
23	Manufacture of other non-metallic mineral products	27.9	122.5	339.0	69.3	128.3	85.1	102.5	131.9	28.7
24	Manufacture of basic metals	13.8	104.5	659.9	77.4	137.4	77.5	85.4	128.8	50.8
25	Manufacture of fabricated metal products	9.0	152.6	1589.0	37.1	94.0	153.6	81.1	120.3	48.3
26-27	Manufacture of electrical equipment	32.6	81.6	150.6	35.1	62.7	78.5	62.2	65.4	5.2
28	Manufacture of Machinery & equipment	73.7	96.1	30.5	64.9	149.1	129.8	102.0	121.3	18.9
31	Manufacture of furniture	14.2	70.9	397.8	44.6	65.8	47.3	73.6	64.3	-12.6
29-30 32-33	Other manufacturing	14.2	53.7	277.2	43.8	72.0	64.4	78.5	69.9	-11.0
<b>Overall Index for the Manufacturing Sector</b>		<b>50.0</b>	<b>93.9</b>	<b>87.9</b>	<b>79.2</b>	<b>93.2</b>	<b>17.6</b>	<b>92.5</b>	<b>97.2</b>	<b>5.1</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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"Making contribution in the socioeconomic development of the country by providing accurate timely statistics, more Effectively by means of new technology, and utilising the services of dedicated staff under a strategic leadership to become a prosperous nation in the globalised environment."

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