



## PRESS RELEASE

### THE INDEX OF INDUSTRIAL PRODUCTION (IIP) DEPARTMENT OF CENSUS AND STATISTICS

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The Department of Census and Statistics (DCS) has commenced compiling the Index of Industrial Production (IIP) of manufacturing sector. Monthly IIP will be released quarterly with a time lag of 63 days. The Index of Industrial Production (IIP) is an important indicator of economic performance and its main purpose is to provide a measure of the short-term changes in the volume of industrial production over a given reference period. It can be used to identify the turning points in economic development at an early stage. The base year for the IIP compiled by DCS is 2015. IIP value of difference base year cannot be compared.

Issuing a communique on releasing IIP for the first quarter 2016 Director General of DCS, Dr. A.J Satharasinghe stated that the weights for compiling the IIP were estimated using the Annual Survey of Industries 2015 conducted by the DCS. The weights were derived based on the value added of the products of manufacturing sector. The manufacturing of food products reported to be the major contributor for the total industrial value added (35.2%) of the country and followed by wearing apparels (19.8%) and non- metallic mineral products (7.8%).

According to the IIP values released for the first quarter 2016, the volume of industrial production has increased by 3.4% in January 2016 with respect to the average monthly production in 2015. The volume of production has increased during the month of February and March as well and percentage increases were reported as 1.9% and 8.7%. The overall industrial production for the first quarter of 2016 has increased by 4.8% compared to the production in 2015.

**Index of Industrial Productions (2015=100)**

Month, Year	IIP(2015=100)
January-2016	103.4
February-2016	101.9
March-2016	108.7
I <sup>st</sup> Quarter-2016	104.8

Petroleum products (22.9 %), Chemicals and chemical products showed remarkable increase (24.9%) in productions in January 2016 compared to the average monthly production in 2015. The volume of food products has increased by 1.1 %, 0.8% and 3.0% in January, February and March 2016 respectively. Production of beverages showed a decrease in January and February and increased by 14.7% in the month of March. The increase corresponding to Food products and beverages for the first quarter were 1.6 and 0.2 respectively. Wearing apparels industry showed 5.8%, 7.1%, 7.6% increase in production in the months January, February and March respectively. This industry showed a quarterly increase of 6.8% compared to 2015. (For more details visit [www.statistics.gov.lk/Industries](http://www.statistics.gov.lk/Industries))

Dr.A.J Satharasinghe

Director General