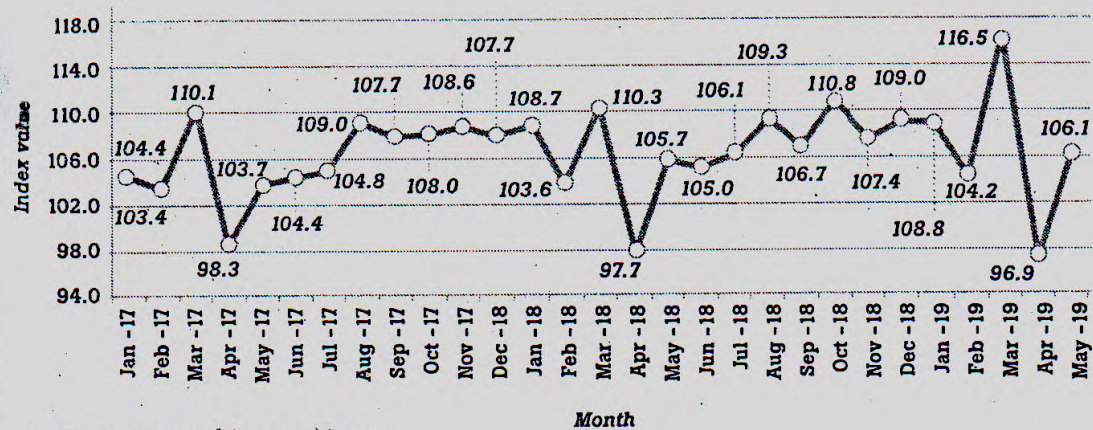


## Industrial production recovers in May

Index of industrial production (IIP), base 2015=100



Source: Department of Census and Statistics

Industrial production recovered in the month of May after hitting a 3-year low in April due to traditional New Year holidays and Easter Sunday bombings that kept workers away from factories.

The Index of Industrial Production (IIP) increased by 0.4 percent to 106.1 points in May from 105.7 points in May 2018, the data released by the Department of Census and Statistics (DCS) showed.

In terms of manufacturing industries 10 out of 20 industry groups have shown

positive growths in volume of production.

The industry groups 'Manufacture of electrical equipment', 'Manufacture of paper and paper products' and 'Manufacture of chemicals and chemical products' showed remarkable increases of 19.8 percent, 17.0 percent and 16.9 percent respectively, in their volume of production during the month of May 2019 compared to that of May 2018.

The volume of food products has increased by 5.6 percent compared to the month of May 2018.

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## \*Industrial production...

Among the 10 industries recorded negative growths in volume of production of manufacturing industries 'Manufacture of coke and refined petroleum products', 'Other manufacturing' (which includes manufacturing motor vehicles, trailers and semi-trailers, other transport equipment, jewellery), 'Manufacture of wood and products of wood' have reported negative growth rates of 43.7 percent, 36.0 percent and 19.1 percent respectively.

The IIP is an index which details out the growth of sub sectors of the industry sector in a given period of time. It reveals short-term changes of volume of production of the industrial sector.

DCS compiles number of economic indicators including IIP.

The government as well as industries use these indicators to understand the trends and patterns in the Sri Lankan economy, identify the drivers of economic growth, evaluate economic performance and for the formulation and assessment of economic policies.