

## Industrial production up in Sept.; moderation expected in October

Sri Lanka's industrial production was up in September, the third month in a row that the country's key manufacturing gauge recorded a gain against last year's levels, reflecting the sector's resilience amid the challenges and negative forecasts. The Index of Industrial Production (IIP) recorded an overall 108.4 index points in September, up from 107.2 in the same month last year, and 102.1 in August 2020.

The industrial production in Sri Lanka got off to a robust start since the virus related restrictions were lifted in mid-May, the data from the Department of Census and Statistics showed. However, the resurgence in the virus in early October and the subsequent lockdowns in key populous regions in the country could dent the momentum a bit although the scale could be far lower than what was seen in April when the economy was in near full shutdown mode.

In April, the IIP hit a nadir of 49.7 as industrial activities categorised only as essential services such as pharmaceutical, exports and food and beverage, were functioning at the time.

However, the authorities took some measured approaches to the virus response since October, isolating only high-risk areas, containing the potential of the virus to spread into other areas.

Amid these restrictions, the government ensured that the production continued unabated even in the areas designated as isolated.

Among seven major sub-divisions, chemical and chemical products, beverages, other non-metallic mineral products and coke and refined petroleum products made gains in September while wearing apparel, rubber and plastic products, and food products lost some momentum.