

January
2025

SL Purchasing Managers' Index

Manufacturing and Services



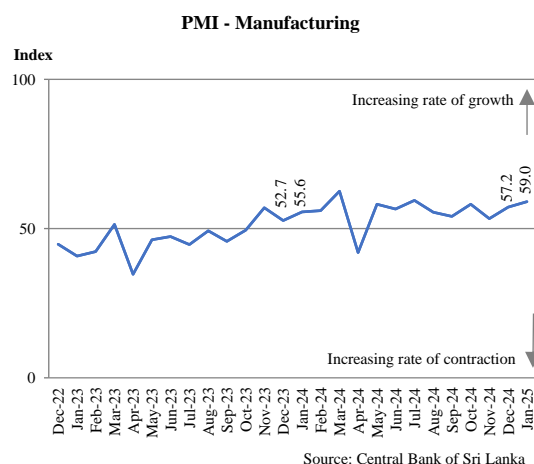
STATISTICS DEPARTMENT
CENTRAL BANK OF SRI LANKA

Purchasing Managers' Indices indicate expansions in both Manufacturing and Services activities in January 2025

Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) recorded an index value of 59.0 in January 2025, indicating a further expansion in manufacturing activities. All sub-indices contributed positively to this improvement.

Most of the survey participants from the manufacture of textiles & apparel sector reported favourable developments in January, driving the expansions in New Orders, Production, Employment and Stock of Purchases sub-indices. In addition, the manufacture of food & beverages sector continued to remain positive, even after the December festival season. Meanwhile, Suppliers' Delivery Time sub-index further increased in January, in line with the increase in activity levels.

PMI
Manufacturing
January 2025
59.0



Summary of the PMI - Manufacturing Survey

Variable	Dec. 2024	Jan. 2025	+/-	Direction
PMI - Manufacturing	57.2	59.0	+	Rising, Higher Rate
New Orders	61.5	61.0	-	Rising, Slower Rate
Production	61.5	59.5	-	Rising, Slower Rate
Employment	48.5	58.0	+	Rising from Falling
Stock of Purchases	55.5	58.5	+	Rising, Higher Rate
Suppliers' Delivery Time	54.0	56.1	+	Lengthening, Higher Rate

Source: Central Bank of Sri Lanka

The outlook for manufacturing activities for the next three months remains positive, anticipating improved business conditions.

The World Outlook Summary of PMI Manufacturing

Country/Territory	Direction
Global	Rising from Falling
India	Rising, Higher Rate
China	Falling, from Rising
US	Rising from Falling
UK	Falling, Slower Rate
Eurozone	Falling, Slower Rate

Source: S&P Global ¹ as of 17 February 2025 ([PMI Releases \(spglobal.com\)](https://www.spglobal.com/pmireleases))

¹S&P Global compiles PMIs for over 40 economies worldwide.

Sri Lanka Purchasing Managers' Index for Services (PMI – Services) recorded an index value of 58.5 in January 2025 indicating a slower expansion in services activities.

The expansion in Business Activities was driven by the improvements observed across most of the sectors. Accordingly, business activities in the financial services continued to improve supported by increased lending activities. Further, business activities in accommodation, food and beverage sector also showed a considerable improvement during January 2025 driven by steady growth in tourist arrivals. Meanwhile, education, professional services and transportation related business activities also recorded improvements during the month.

New Businesses increased in January 2025, primarily due to expansions observed in the financial services, transportation and accommodation, food and beverage related activities.

Employment continued to increase amid recruitments across many companies. Meanwhile, Backlogs of Work declined on a month-on-month basis, following the increase recorded in the previous month.

Summary of the PMI - Services Survey

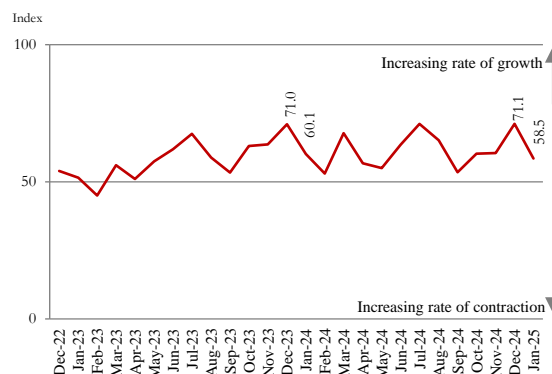
Variable	Dec. 2024	Jan. 2025	+/-	Direction
PMI - Services (Business Activity Index)	71.1	58.5	-	Rising, Slower Rate
New Businesses	71.6	59.0	-	Rising, Slower Rate
Employment	52.1	56.6	+	Rising, Higher Rate
Backlogs of Work	51.6	47.3	-	Falling from Rising
Expectations for Activity	78.6	79.3	+	Rising, Higher Rate

Source: Central Bank of Sri Lanka

Expectations for Business Activities for the next three months continued to improve amid expected seasonal demand and favourable macroeconomic conditions.



PMI - Services (Business Activity Index)



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Services

Country/Territory	Direction
Global	Rising, Slower Rate
India	Rising, Slower Rate
China	Rising, Slower Rate
US	Rising, Slower Rate
UK	Rising, Slower Rate
Eurozone	Rising, Slower Rate

Source: S&P Global ¹ as of 17 February 2025
(PMI Releases (spglobal.com))

Technical Note

Methodology

Questionnaires are completed in the first half of the succeeding month. For each variable, respondents are asked to report an increase, decrease or no change compared with the previous month, and to provide reasons for any changes. The index compilation and interpretation of indices follow the survey methodology of S&P Global.

PMI – Manufacturing, which is considered as the headline index for Manufacturing, is a weighted average of New Orders, Output, Employment, Suppliers' Delivery Time and Stocks of Purchases.

The Services Business Activity Index is the headline index for Services, which is referred to as the **PMI – Services**, as per the international best practices. The Services Business Activity Index is comparable to the Manufacturing Production Index.

The Index

PMI is calculated as a 'Diffusion Index', where it takes values between 0 and 100.

PMI=50 - sector remained neutral on month-on-month basis

PMI>50 - sector is generally expanding on month-on-month basis

PMI<50 - sector is generally declining on month-on-month basis

Sample

The sampling frame was based on a list of large companies located in the Western province obtained from the EPF Department. Samples for Manufacturing and Services activities were selected based on the GDP sectoral share, with a target of 100 responses for each.

Definitions of Variables

Employment	: Number of staff working for the organization
Stock of purchases	: Raw materials purchased and kept in a warehouse to be used for production
Supplier Delivery Time	: Time lag between order placement and delivery by the supplier
Backlogs of Work	: Uncompleted orders
Other variables are self-explanatory.	