

March
2025

SL Purchasing Managers' Index

Manufacturing and Services



STATISTICS DEPARTMENT
CENTRAL BANK OF SRI LANKA

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

Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) reached 63.9 in March 2025, recording its highest value in four years. All sub-indices posted month-on-month expansions, reflecting a notable improvement in manufacturing activities, driven by the strong seasonal demand.

The sharp increases in the New Orders and Production sub-indices, particularly within the food and beverages and textile and wearing apparel manufacturing sectors, were the main contributors to the growth in the overall index. Moreover, both Employment and Stock of Purchases recorded expansions during the month, in line with the increases in New Orders and Production. Meanwhile, Suppliers' Delivery Time remained lengthened in March.

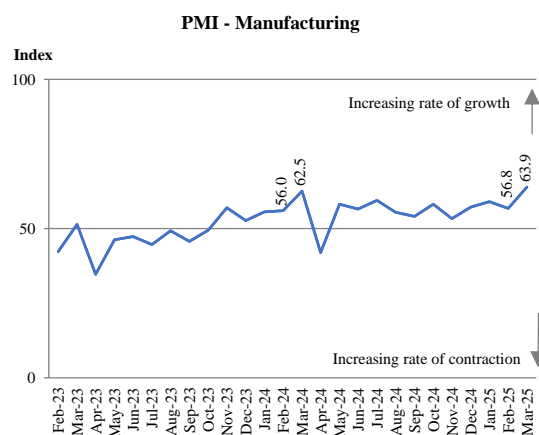
Summary of the PMI - Manufacturing Survey

Variable	Feb.	Mar.	+/-	Direction
PMI - Manufacturing	56.8	63.9	+	Rising, Higher Rate
New Orders	60.5	71.2	+	Rising, Higher Rate
Production	53.0	70.2	+	Rising, Higher Rate
Employment	57.0	51.9	-	Rising, Slower Rate
Stock of Purchases	55.0	62.0	+	Rising, Higher Rate
Suppliers' Delivery Time	56.6	56.3	-	Lengthening, Slower Rate

Source: Central Bank of Sri Lanka

Expectations for manufacturing activity over the next three months are positive. However, many firms, especially export-oriented manufacturers, are concerned about the growing uncertainties in global trade.

PMI
Manufacturing
March 2025
63.9



The World Outlook Summary of PMI Manufacturing

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

Source: S&P Global ¹ as of 16 April 2025 (PMI Releases ([spglobal.com](https://www.spglobal.com)))

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

Sri Lanka Purchasing Managers' Index for Services (PMI – Services) recorded a value of 69.8 in March 2025 indicating a considerable expansion in services activities.

Business activities expanded significantly supported by the improvements observed across most of the sectors. Accordingly, business activities related to wholesale and retail trade showed a notable expansion driven by the festive demand. Further, business activities in the financial services also continued to improve attributable to increased lending activities. Additionally, professional services, other personal services, accommodation, food and beverage, and insurance related business activities also indicated improvements during the month.

New Businesses increased in March 2025, primarily due to the expansions observed in the financial services, wholesale and retail trade, other personal services, insurance, and accommodation, food and beverage related activities.

Employment continued to increase due to new recruitments made by many companies in view of the festive season. Meanwhile, Backlogs of Work continued to decline, yet at a slower rate, in March 2025.

Summary of the PMI - Services Survey

Variable	Feb.	Mar.	+/-	Direction
PMI - Services (Business Activity Index)	56.5	69.8	+	Rising, Higher Rate
New Businesses	58.5	68.3	+	Rising, Higher Rate
Employment	59.6	61.9	+	Rising, Higher Rate
Backlogs of Work	45.6	48.4	+	Falling, Slower Rate
Expectations for Activity	81.3	73.0	-	Rising, Slower Rate

Source: Central Bank of Sri Lanka

Expectations for Business Activities for the next three months continued to improve, yet at a slower rate, amidst the uncertainties prevailed around import tariffs imposed by the US.

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 a month-on-month basis

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

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

Sample

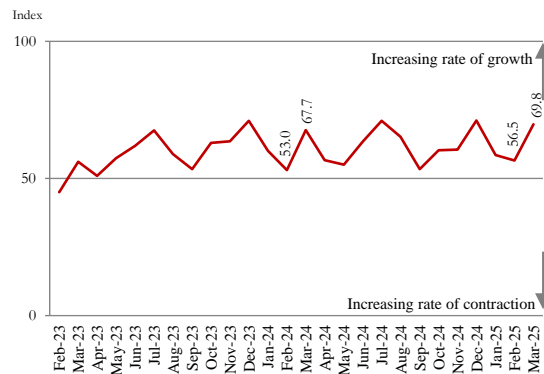
The sampling frame was based on a list of large companies located in the Western province obtained from the EPF Department. Samples for Manufacturing and Services activities were selected based on the GDP sectoral share, with a target of 100 responses for each.

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.



PMI - Services (Business Activity Index)



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Services

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

Source: S&P Global ¹ as of 16 April 2025 ([PMI Releases \(spglobal.com\)](https://www.spglobal.com))