

June
2025

SL Purchasing Managers' Index

Manufacturing and Services



Purchasing Managers' Indices indicate improvements in both Manufacturing and Services activities in June 2025

Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) recorded an index value of 51.9 in June 2025, indicating an expansion in manufacturing activities. All the sub-indices, except Employment, remained above the neutral threshold during the month.

The New Orders and Production sub-indices continued to grow during June. Further, Stock of Purchases also expanded, in line with the increase in New Orders and Production, although Employment contracted during the month. Several respondents indicated a strategic move to hire only for essential positions and maintaining minimal raw material inventories, in response to heightened uncertainties in the global trade environment. Meanwhile, Suppliers' Delivery Time further lengthened during the period.

Summary of the PMI - Manufacturing Survey

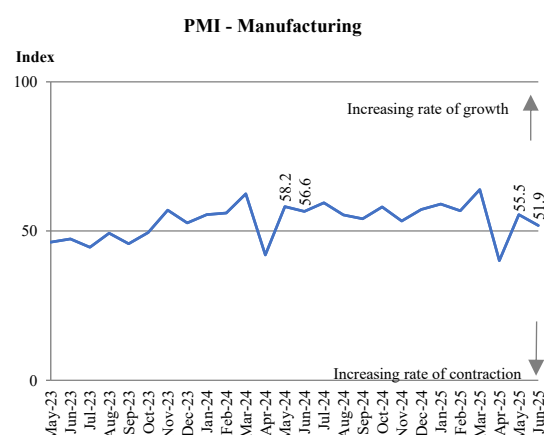
Variable	May	Jun.	+/-	Direction
PMI - Manufacturing	55.5	51.9	-	Rising, Slower Rate
New Orders	56.5	50.5	-	Rising, Slower Rate
Production	55.5	52.6	-	Rising, Slower Rate
Employment	56.0	49.0	-	Falling from Rising
Stock of Purchases	50.0	50.5	+	Rising from Neutral
Suppliers' Delivery Time	56.7	58.2	+	Lengthening, Higher Rate

Source: Central Bank of Sri Lanka

The industry outlook for the next three months remains positive. However, respondents expressed their concerns over uncertainties surrounding US trade policies.

PMI
Manufacturing
June 2025

51.9



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Manufacturing

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

Source: S&P Global ¹ as of 15 July 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 an index value of 61.9 in June 2025 indicating an accelerated expansion in services activities.

Business activities expanded in June 2025 supported by the improvements observed across several sectors. Accordingly, business activities related to financial services continued to improve, driven by the increase in lending activities. Further, business activities in the professional services, insurance, transportation, other personal activities and real estate sectors also recorded positive developments during the month. Nevertheless, business activities in some other sectors appeared largely unchanged during the month.

New Businesses increased in June 2025, primarily due to the expansions observed in the financial services sector.

Employment increased in June 2025 with recruitments across several companies. Meanwhile, Backlogs of Work remained unchanged compared to the previous month.

Summary of the PMI - Services Survey

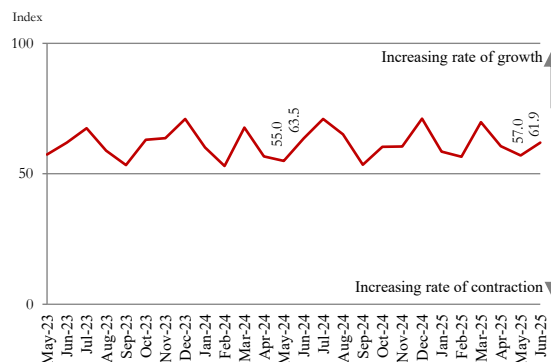
Variable	May.	Jun.	+/-	Direction
PMI - Services (Business Activity Index)	57.0	61.9	+	Rising, Higher Rate
New Businesses	54.0	62.9	+	Rising, Higher Rate
Employment	44.0	51.6	+	Rising from Falling
Backlogs of Work	45.0	50.0	+	Neutral from Falling
Expectations for Activity	73.7	75.8	+	Rising, Higher Rate

Source: Central Bank of Sri Lanka

Expectations for Business Activities over the next three months continued to improve, supported by favourable macroeconomic conditions. However, some companies highlighted concerns over the implementation of taxes on the supply of services by a non-resident person through an electronic platform, and uncertainties related to US tariffs and developments in the Middle Eastern region.



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, Higher Rate
China	Rising, Slower Rate
US	Rising, Slower Rate
UK	Rising, Higher Rate
Eurozone	Rising from Falling

Source: S&P Global ¹ as of 15 July 2025 ([PMI Releases \(spglobal.com\)](https://www.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 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.	