



The Sri Lanka Purchasing Managers' Index for Construction (PMI – Construction), as reflected by the Total Activity Index, increased to 60.0 in July 2025, indicating a continuous expansion in construction activities. Many firms reported a steady increase in the availability of construction projects, signalling the positive growth momentum in the industry.

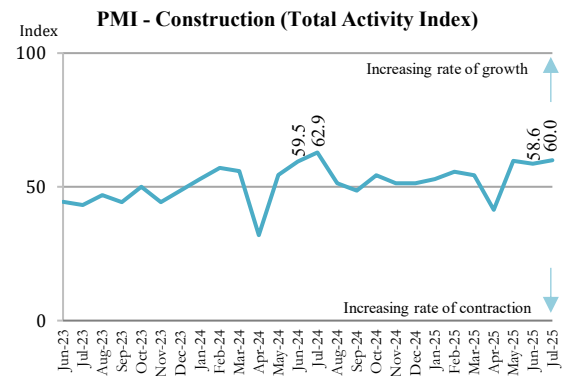
Most of the respondents highlighted a growth in road development and private sector projects in July, which contributed to a further increase in the New Orders Index during the month. Meanwhile, the Employment Index remained at a neutral level in July, reflecting stable employment conditions during the month. The Quantity of Purchases Index continued to expand, while the Suppliers' Delivery Time Index remained extended during the month.

Summary of the PMI - Construction Survey

Variable	Jun	Jul.	+/-	Direction
PMI - Construction (Total Activity Index)	58.6	60.0	+	Rising, Higher Rate
New Orders	57.1	58.6	+	Rising, Higher Rate
Employment	51.4	50.0	-	Neutral from Rising
Quantity of Purchases	57.1	52.9	-	Rising, Slower Rate
Suppliers' Delivery Time	51.4	51.4	=	Lengthening, Same Rate

Source: Central Bank of Sri Lanka

The outlook for construction activities is positive, particularly with many firms anticipating an increased presence of government sector projects.



The World Outlook: Summary of PMI Construction

Country/Territory	Direction
Eurozone	Falling, Higher Rate
France	Falling, Higher Rate
Germany	Falling, Slower Rate
Ireland	Falling, Higher Rate
Italy	Falling from Rising
UK	Falling, Higher Rate

Source: S&P Global¹ as of 29 August 2025 ([PMI Releases \(spglobal.com\)](https://www.spglobal.com))

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

Technical Note

Methodology

The index compilation and interpretation of indices follow the survey methodology of S&P Global.

The Construction Total Activity Index is the headline index for Construction, which is referred to as the **PMI – Construction**, as per the international best practices. The Construction Total Activity Index is comparable to the Manufacturing Production Index and Services Business Activity 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 survey is conducted targeting highest graded local construction companies registered in the Construction Industry Development Authority covering around 35 responses to capture month on month developments.

Definitions of Variables

Employment : Number of staff working for the organization

Quantity 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

Other variables are self-explanatory.