



The Sri Lanka Purchasing Managers' Index for Construction (PMI – Construction), as reflected by the Total Activity Index, recorded a value of 58.6 in June 2025, indicating a continuous expansion in construction activities. Many firms attributed this growth to favourable industry conditions, particularly exhibited by the steady increase in project work and stable price levels.

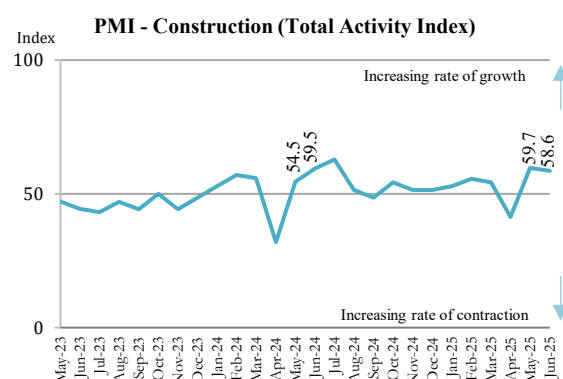
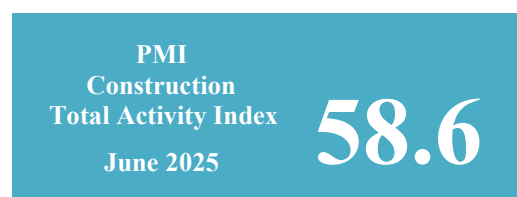
The New Orders Index further increased during the month as respondents observed more construction projects being granted, particularly in road infrastructure. In addition, several firms reported that negotiations are underway to recommence some of the temporarily halted construction projects. Further, with the continuous increase in construction work, the Employment Index turned positive and the Quantity of Purchases Index further expanded in June. Meanwhile, the Suppliers' Delivery Time lengthened during the month.

Summary of the PMI - Construction Survey

Variable	May	Jun	+/-	Direction
PMI - Construction (Total Activity Index)	59.7	58.6	-	Rising, Slower Rate
New Orders	56.9	57.1	+	Rising, Higher Rate
Employment	45.7	51.4	+	Rising from Falling
Quantity of Purchases	56.9	57.1	+	Rising, Higher Rate
Suppliers' Delivery Time	45.8	51.4	+	Lengthening from Shortening

Source: Central Bank of Sri Lanka

Most of the firms are optimistic about the next three months, mainly due to the increased availability of projects.



Source: Central Bank of Sri Lanka

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	Rising, Slower Rate
UK	Falling, Slower Rate

Source: S&P Global¹ as of 30 July 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.