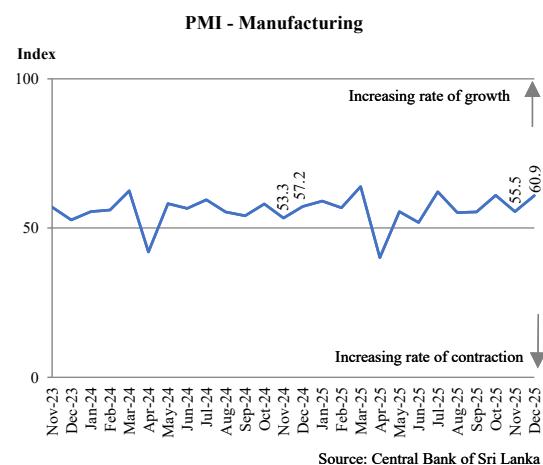


Purchasing Managers' Indices indicate expansions in both Manufacturing and Services activities in December 2025

Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) recorded an index value of 60.9 in December 2025, indicating a continued expansion in manufacturing activities. All sub-indices contributed positively to this increase, mainly supported by seasonal demand, despite adverse weather-related disruptions experienced at the beginning of the month.

The New Orders and Production sub-indices increased in December, driven by the manufacture of food & beverages sector. Further, the Employment and Stock of Purchases sub-indices also increased, in line with the strengthening of New Orders and Production observed during the month. The Suppliers' Delivery Time further extended in December, mainly reflecting increased demand for input materials and adverse weather-related logistical delays.



Summary of the PMI - Manufacturing Survey

Variable	Nov.	Dec.	+/-	Direction
PMI - Manufacturing	55.5	60.9	+	Rising, Higher Rate
New Orders	58.5	63.8	+	Rising, Higher Rate
Production	50.0	61.2	+	Rising from Neutral
Employment	55.5	58.5	+	Rising, Higher Rate
Stock of Purchases	57.0	53.7	-	Rising, Slower Rate
Suppliers' Delivery Time	57.7	62.5	+	Lengthening, Higher Rate

Source: Central Bank of Sri Lanka

Expectations for manufacturing activities over the next three months remain positive, supported by anticipated improvements in economic conditions.

**The World Outlook
Summary of PMI Manufacturing**

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

Source: S&P Global¹ as of 16 January 2026 (PMI Releases (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 67.9 in December 2025, indicating a notable expansion in services activities compared to the previous month.

The significant growth of business activities in December 2025, despite the adverse weather related disruptions experienced at the beginning of the month, was buoyed by robust performance across most of the sectors. The wholesale and retail trade was the primary driver of this expansion amid festive season demand. The upward trend was also supported by positive contributions from business activities related to the other personal service activities, and accommodation, food and beverage service activities.

New Businesses increased in December 2025, underpinned by improved activity in wholesale and retail trade, along with strengthened financial services activities.

Employment continued to rise in December 2025, reflecting workforce expansion by firms to meet year-end operational requirements. Meanwhile, Backlogs of Work grew for the second straight month.

Summary of the PMI - Services Survey

Variable	Nov.	Dec.	+/-	Direction
PMI - Services (Business Activity Index)	50.5	67.9	+	Rising, Higher Rate
New Businesses	53.6	64.6	+	Rising, Higher Rate
Employment	55.7	52.6	-	Rising, Slower Rate
Backlogs of Work	51.1	53.8	+	Rising, Higher Rate
Expectations for Activity	63.3	75.3	+	Rising, Higher Rate

Source: Central Bank of Sri Lanka

The Expectations for Business Activity over the next quarter turned more optimistic, supported by a combination of favourable macroeconomic conditions and seasonal tourism related factors, and the gradual normalization of operations following recent weather related disruptions.

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

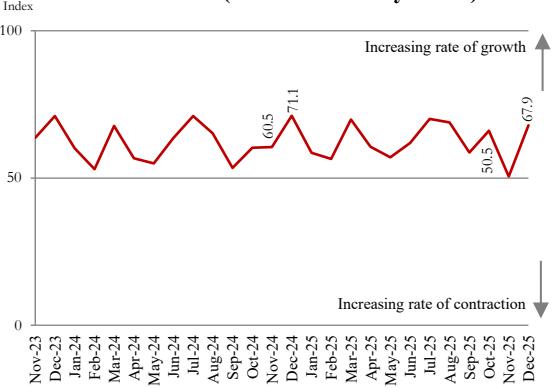
The sampling frame was based on a list of large companies located in the Western province obtained from the EPF Department. Samples for Manufacturing and Services activities were selected based on the GDP sectoral share, with a target of 100 responses for each.

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 **67.9**
December 2025

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, Higher Rate
Eurozone	Rising, Slower Rate

Source: S&P Global¹ as of 16 January 2026 ([PMI Releases \(spglobal.com\)](http://spglobal.com))