



ශ්‍රී ලංකා මහ බැංකුව  
இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

## Communications Department

30, Janadhipathi Mawatha, Colombo 01, Sri Lanka.

Tel : 2477424, 2477423, 2477311

Fax: 2346257, 2477739

E-mail: [dcommunications@cbsl.lk](mailto:dcommunications@cbsl.lk), [communications@cbsl.lk](mailto:communications@cbsl.lk)

Web: [www.cbsl.gov.lk](http://www.cbsl.gov.lk)

# Press Release

Issued By Statistics Department

Date 2016-06-24

## Purchasing Managers' Index (PMI) Survey

The Statistics Department of the Central Bank of Sri Lanka (CBSL) initiated conducting PMI survey for Manufacturing and Services sectors in the country starting from May 2015. The purpose of the survey is to provide purchasing professionals, business decision-makers and economic analysts with a timely set of data to help better understand industry conditions. This survey is conducted monthly by the department and it completed one year cycle in April 2016. Thus, the CBSL decided to release the survey results for the information of the general public. The report on the PMI survey results for May 2016 along with the past series of PMI is given below. The survey results can be accessed via CBSL website under Statistics section which will be updated on monthly basis.

**STATISTICS DEPARTMENT CENTRAL BANK OF SRI LANKA**

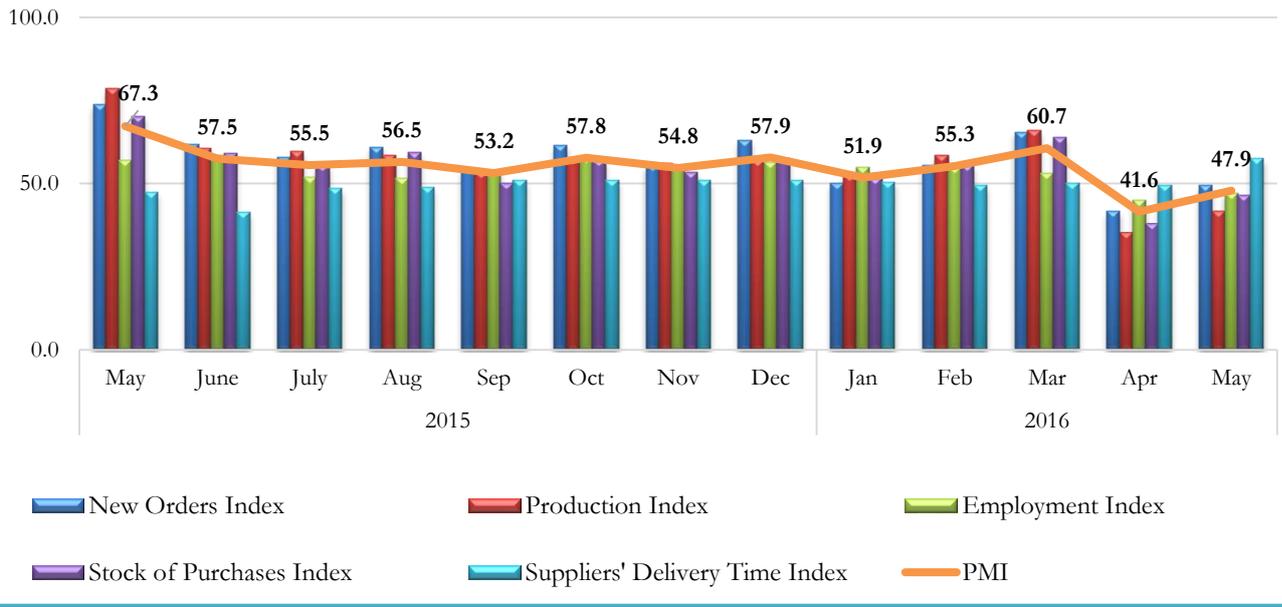
RESULTS OF PMI MANUFACTURING AND PMI SERVICES INDICES

KEY POINTS:

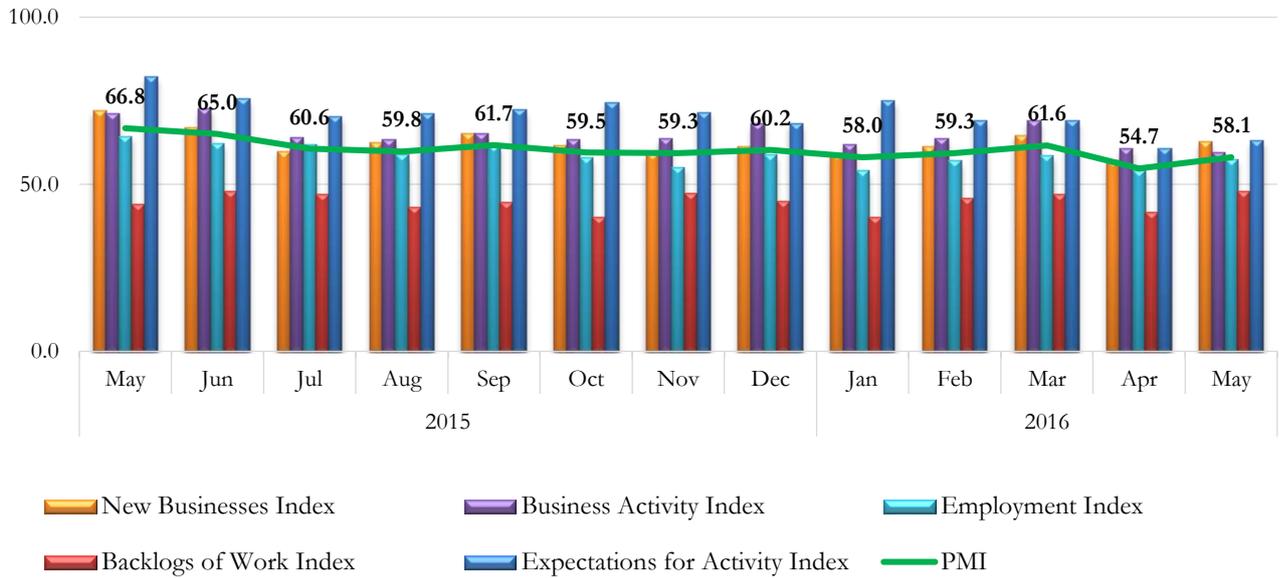
- **The Manufacturing PMI** fell below 50 threshold for the second consecutive month in May 2016 with a value of 47.9 index points recording a slight improvement when compared to 41.6 index points registered in April 2016. On a year on year basis, this is a drop of 19.4 index points from May 2015. As highlighted by the respondents, this contraction was mainly due to adverse weather conditions prevailed during the last two weeks of May disturbing the overall operations. Factory premises of 29% of the survey respondents were directly affected by flood while others recorded disturbance due to transport issues and employee absenteeism. Nevertheless, the expectations for activities indicated an improvement for the next three months.
- **The Services Sector PMI** for May 2016 was 58.1 index points, which is a recovery from 54.7 index points recorded in April 2016, the lowest since its introduction in May 2015. The increase in PMI over the last month's value indicates that economic activities expanded at a higher rate compared to April 2016. The increase in Services PMI was underpinned by increases in new businesses, employment, backlogs of work and expectations for activity sub-indices. Business activity sub-index, although expanded, slipped down further with the onset of off-season for certain service sector activities, recording the weakest level since the survey began in May 2015. Prices charged increased in May compared to month-on-month decline recorded in April 2016.

Year	Month	PMI Manufacturing	PMI Services
2015	May	67.3	66.8
	Jun	57.5	65.0
	Jul	55.5	60.6
	Aug	56.5	59.8
	Sep	53.2	61.7
	Oct	57.8	59.5
	Nov	54.8	59.3
	Dec	57.9	60.2
2016	Jan	51.9	58.0
	Feb	55.3	59.3
	Mar	60.7	61.6
	Apr	41.6	54.7
	May	47.9	58.1

## PMI Manufacturing



## PMI Services



Technical Note:

**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 sampling frame was based on a list of large companies located in the Western province obtained from the EPF Department. A random sample of 150 institutions for Manufacturing and 140 institutions for Services were selected based on the GDP sectoral share, with a minimum target of 100 responses for each month.

**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 due to increased flow of business activity

Other variables are self-explanatory.