



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, communications@cbsl.lk

Web: www.cbsl.gov.lk

Press Release

Issued By Statistics Department

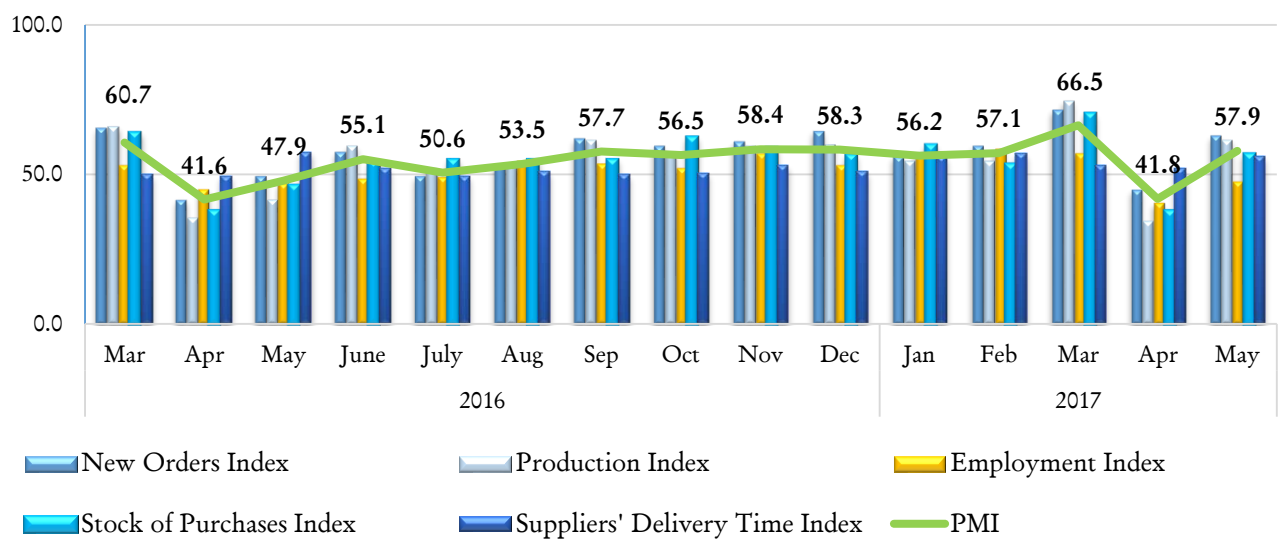
Date 15 June 2017

SL Purchasing Managers' Index (PMI) Survey – May 2017

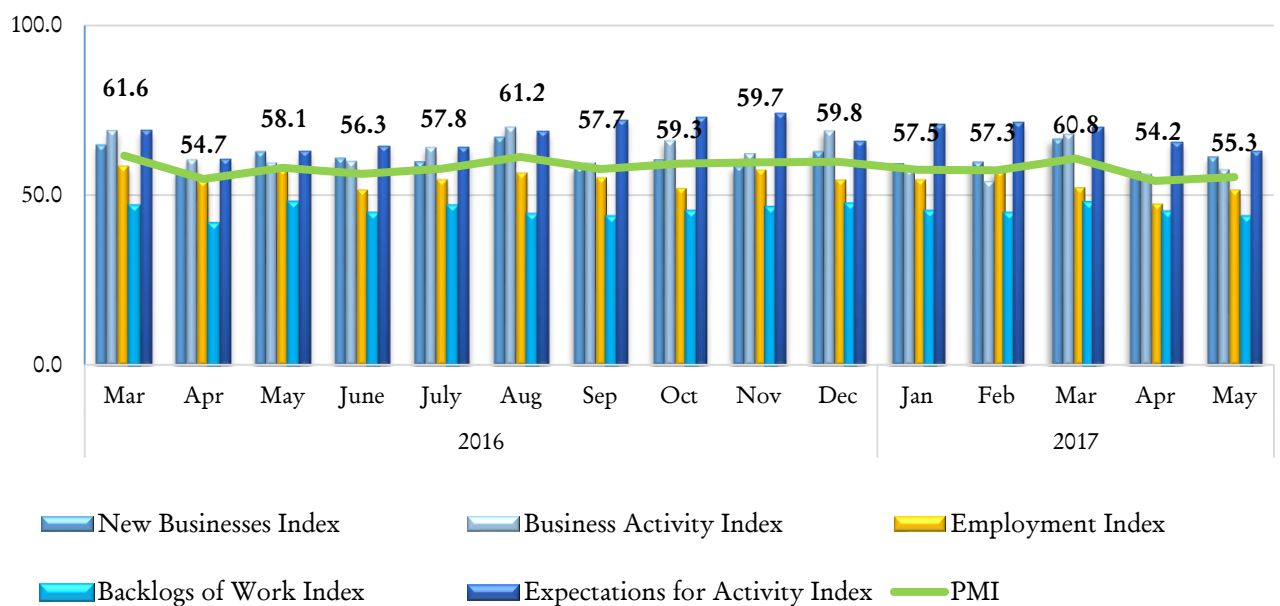
- **The Manufacturing Sector PMI** recorded 57.9 in May which is an increase of 16.1 index points compared to April 2017. This indicates that the manufacturing activities recovered in May 2017, largely attributable to the expansion in Production and New Orders sub-indices, following the seasonal contraction observed for the month of April 2017. Further, all the sub-indices of PMI apart from Employment sub-index recorded values above neutral 50.0 threshold. However, adverse weather conditions experienced from 25th day of the month slowed down the expected recovery of the operations due to employee absenteeism and lengthening of the suppliers' delivery time. Nevertheless, the expectation for activities indicates an improvement for the next three months.
- **The Services Sector PMI** recorded 55.3 index points in May from 54.2 index points in April 2017. The moderate acceleration in Services sector was supported by New Businesses, Business Activity and Employment. A recovery of Employment was observed in May following the contraction observed in April 2017. Expectations for Activity decelerated in May due to reasons such as adverse weather conditions and pacing out of peak and festive seasons in certain sub sectors. Backlogs of Work declined, continuing the trend observed since the survey began. Prices Charged decelerated in May 2017 with the decline in demand compared to April. Meanwhile, Expectations on Labour Cost also moderated in May 2017 following the annual increments accommodated in April.

	Y\M	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PMI Manufacturing	2015	n.a.	n.a.	n.a.	n.a.	67.3	57.5	55.5	56.5	53.2	57.8	54.8	57.9
	2016	51.9	55.3	60.7	41.6	47.9	55.1	50.6	53.5	57.7	56.5	58.4	58.3
	2017	56.2	57.1	66.5	41.8	57.9	-	-	-	-	-	-	-
PMI Services	2015	n.a.	n.a.	n.a.	n.a.	66.8	65.0	60.6	59.8	61.7	59.5	59.3	60.2
	2016	58.0	59.3	61.6	54.7	58.1	56.3	57.8	61.2	57.7	59.3	59.7	59.8
	2017	57.5	57.3	60.8	54.2	55.3	-	-	-	-	-	-	-

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. Samples for Manufacturing and Services activities were selected based on the GDP sectoral share, with a minimum 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 due to increased flow of business activity

Other variables are self-explanatory.