



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

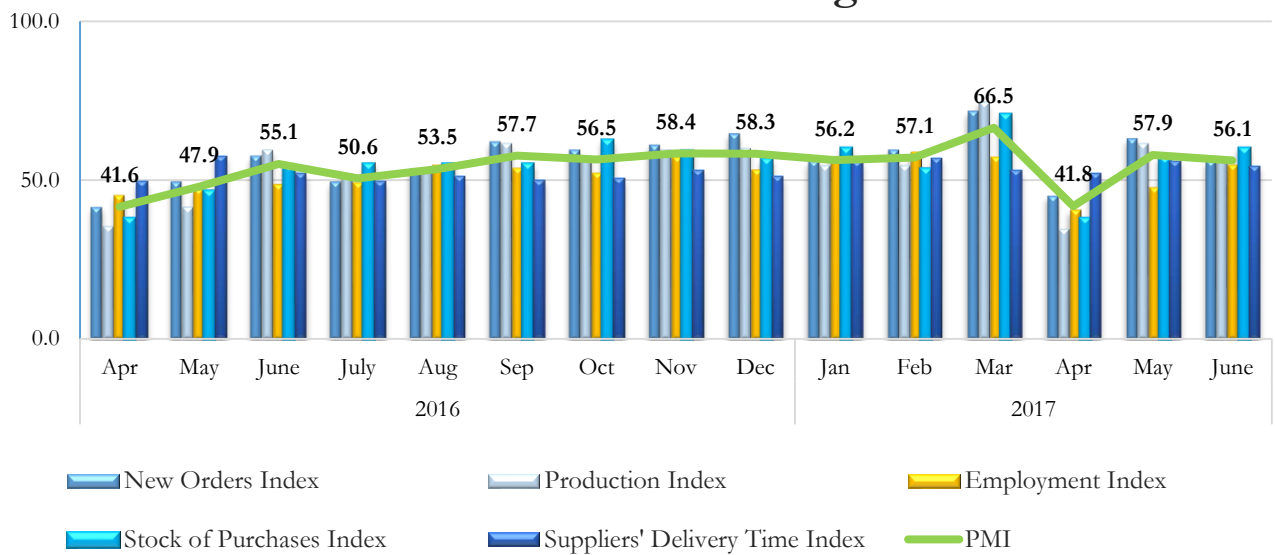
Date 14 July 2017

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

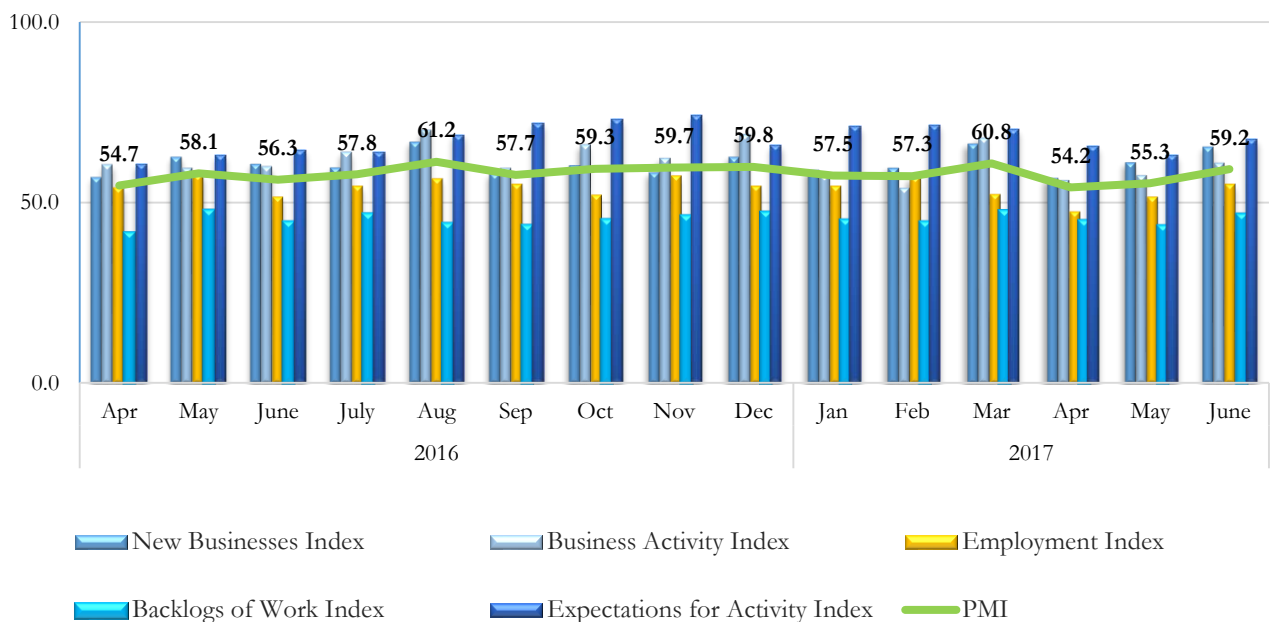
- **The Manufacturing Sector PMI** recorded 56.1 in June which is a decrease of 1.8 index points compared to May 2017. This indicates that the manufacturing activities expanded, albeit at a slower rate in June 2017, mainly due to the decrease in New Orders and Production sub-indices which were partly influenced by the adverse weather conditions. As a result, excessive stock levels were created and a marginal decline in lengthening of the suppliers' delivery time was experienced. However, the Employment level improved recovering from the contraction experienced in the previous month. Further, all the sub-indices of PMI recorded values above the neutral 50.0 threshold signalling an overall expansion. Moreover, the expectation for activities indicates an improvement for the next three months.
- **The Services Sector PMI** recorded 59.2 index points in June from 55.3 index points in May 2017. The acceleration in Services sector was supported by New Businesses, Business Activity, Employment and Expectations for Activity. Backlogs of Work declined, at a moderate pace compared to May 2017. Financial sector contributed to the acceleration in New Businesses through adoption of technological advancement to serve their clientele. An increase in Business Activity levels was reported, mainly in the health sector. Accommodation, food and beverage sector expects an increase in activity levels in the next 3 months due to anticipated growth in both domestic and foreign tourist activities. Prices Charged index experienced no change in June compared to May 2017 in the absence of any festival demand. Meanwhile, Expectations on Labour Cost increased marginally in June 2017 due to the increase in the employment level.

	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	56.1	-	-	-	-	-	-
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	59.2	-	-	-	-	-	-

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.