



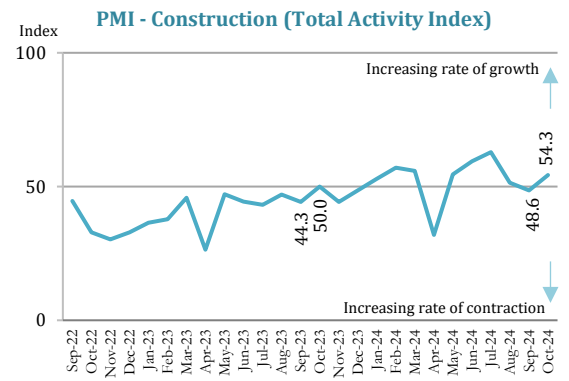
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SL Purchasing Managers' Index (PMI) for Construction Industry – October 2024

Sri Lanka Purchasing Managers' Index for Construction (PMI - Construction) rebounded in October 2024, recording a Total Activity Index value of 54.3. Many respondents mentioned that the operations in construction projects regained momentum in October, following the resolution of election-related uncertainties.

New Orders index continued to increase, reflecting the sustained availability of construction work. Many respondents stated that private investors are increasingly showing their interest in projects due to favourable market conditions, particularly with the decline in construction material prices. Quantity of Purchases index turned positive during the month, aligning with the improved activity levels. However, firms remain cautious in their recruitment strategies, as evidenced by the persistent decline in the Employment index. Meanwhile, Suppliers' Delivery Time further lengthened during the month.



Summary of the PMI - Construction Survey

Variable	Sep.	Oct.	+/-	Direction
PMI - Construction (Total Activity Index)	48.6	54.3	+	Rising from Falling
New Orders	52.9	54.3	+	Rising, Higher Rate
Employment	41.4	42.9	+	Falling, Slower Rate
Quantity of Purchases	44.3	51.4	+	Rising from Falling
Suppliers' Delivery Time	51.4	51.5	+	Lengthening, Higher Rate

Source: Central Bank of Sri Lanka

The outlook for construction activities for the next three months remains positive, mainly due to the increase in project availability.

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.

The World Outlook: Summary of PMI Construction

Country/Territory	Direction
Eurozone	Falling, Slower Rate
France	Falling, Slower Rate
Germany	Falling, Higher Rate
Ireland	Falling, Slower Rate
Italy	Falling, Slower Rate
UK	Rising, Slower Rate

Source: S&P Global¹ as of 28 November 2024 (PMI Releases (spglobal.com))

¹S&P Global compiles PMIs for over 40 economies worldwide.