

PRESS RELEASE

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 இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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SL Purchasing Managers' Index (PMI) – November 2024

Purchasing Managers' Indices indicate expansions in both Manufacturing and Services activities in November 2024

Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) recorded an index value of 53.3 in November 2024. This indicates an expansion in manufacturing activities on a month-on-month basis, with positive contributions from all the sub-indices.

New Orders sub-index expanded during the month, primarily driven by the textile & wearing apparel sector. Further, the expansion in Production sub-index was mainly attributable to the food & beverages sector. Moreover, Employment and Stock of Purchases sub-indices remained expanded during the month, aligning with the New Orders and Production sub-indices. Meanwhile, Suppliers' Delivery Time remained lengthened during the month.

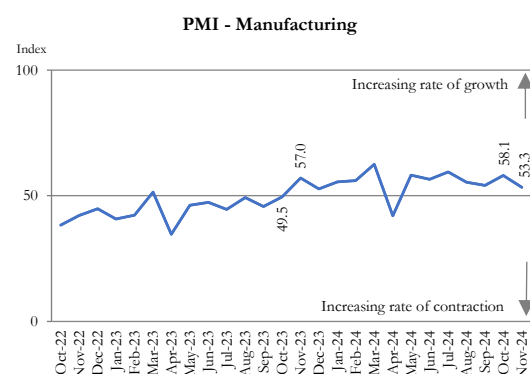
Summary of the PMI - Manufacturing Survey

Variable	Oct.	Nov.	+/-	Direction
PMI - Manufacturing	58.1	53.3	-	Rising, Slower Rate
New Orders	58.5	53.5	-	Rising, Slower Rate
Production	62.6	52.0	-	Rising, Slower Rate
Employment	52.0	52.0	=	Rising, Same Rate
Stock of Purchases	62.5	57.6	-	Rising, Slower Rate
Suppliers' Delivery Time	55.1	54.1	-	Lengthening, Slower Rate

Source: Central Bank of Sri Lanka

The outlook for manufacturing activities for the next three months remains positive. However, some manufacturers, especially in the food sector, are concerned about the limited supply of several key raw materials.

PMI
Manufacturing
November 2024
53.3



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Manufacturing

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

Source: S&P Global¹ as of 16 December 2024 ([PMI Releases \(spglobal.com\)](https://www.spglobal.com))

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

Sri Lanka Purchasing Managers' Index for Services (PMI – Services) indicated a further expansion in services activities in November 2024 as reflected by the Business Activity Index, which recorded an index value of 60.5.

The expansion in Business Activities was driven by the improvements observed across most of the sectors. Accordingly, business activities in the financial services experienced a significant improvement amid increased lending activities. Further, business activities in accommodation, food and beverage also showed a considerable improvement due to the increase in tourist arrivals. Meanwhile, wholesale and retail trade business activities also increased ahead of the festive season, despite the adverse impact of unfavourable weather on sales.

New Businesses increased in November 2024, primarily due to considerable expansions in the financial services and accommodation, food and beverage activities.

Employment increased amid recruitments made to accommodate growing economic activities with increased tourist arrivals and festive season, whereas Backlogs of Work continued to decline in November 2024.

Summary of the PMI - Services Survey

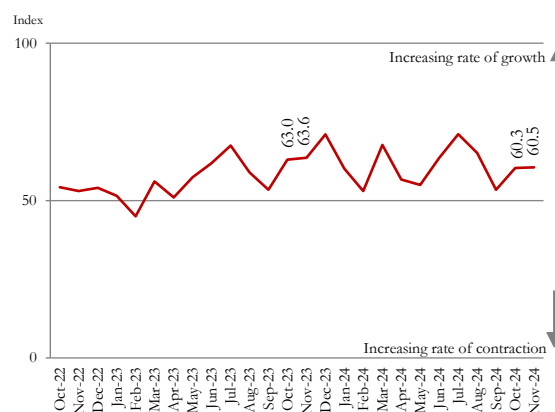
Variable	Oct.	Nov.	+/-	Direction
PMI - Services (Business Activity Index)	60.3	60.5	+	Rising, Higher Rate
New Businesses	58.8	61.0	+	Rising, Higher Rate
Employment	47.9	53.1	+	Rising from falling
Backlogs of Work	48.9	48.4	-	Falling, Higher Rate
Expectations for Activity	77.6	82.7	+	Rising, Higher Rate

Source: Central Bank of Sri Lanka

Expectations for Business Activities for the following three months continued to improve, at a higher rate, driven by the ongoing tourist season and the upcoming festive season.



PMI - Services (Business Activity Index)



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Services

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

Source: S&P Global ¹ as of 16 December 2024 ([PMI Releases \(spglobal.com\)](https://www.spglobal.com))

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 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 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.	