

PRESS RELEASE

✉ Communications Department, 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka
 ☎ +94 11 2477424 / +94 11 2477669 📠 +94 11 2346304
 @ communications@cbsl.lk / dcommunications@cbsl.lk 🌐 www.cbsl.gov.lk



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

Issued By Statistics Department

Date 17.01.2025

SL Purchasing Managers' Index (PMI) – December 2024

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

Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) recorded an index value of 57.2 in December 2024, indicating a further expansion in manufacturing activities. All sub-indices, except Employment, contributed positively to this improvement.

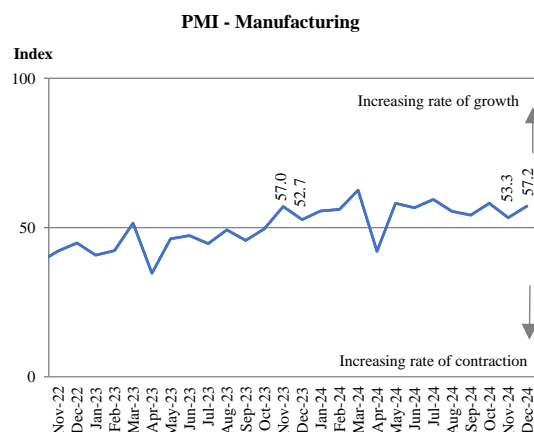
The New Orders and Production sub-indices increased further in December, bolstered by sustained production orders during the festive season, particularly in the food & beverages manufacturing sector. However, New Orders and Production sub-indices in the manufacture of textiles & apparel sector decreased during the month, owing to the decline in orders from major garment export destinations during the seasonal winter holidays. This resulted in a reduction of casual labour in the textiles & apparel sector, mainly contributing to the decline in the overall Employment sub-index. Meanwhile, the Stock of Purchases sub-index continued to expand during the month, while Suppliers' Delivery Time sub-index remained lengthened.

Summary of the PMI - Manufacturing Survey

Variable	Nov.	Dec.	+/-	Direction
PMI - Manufacturing	53.3	57.2	+	Rising, Higher Rate
New Orders	53.5	61.5	+	Rising, Higher Rate
Production	52.0	61.5	+	Rising, Higher Rate
Employment	52.0	48.5	-	Falling from Rising
Stock of Purchases	57.6	55.5	-	Rising, Slower Rate
Suppliers' Delivery Time	54.1	54.0	-	Lengthening, Slower Rate

Source: Central Bank of Sri Lanka

PMI
Manufacturing
December 2024
57.2



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Manufacturing

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

Source: S&P Global ¹ as of 17 January 2025 ([PMI Releases \(spglobal.com\)](https://www.spglobal.com))

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

Expectations for manufacturing activities for the next three months indicate an improvement, anticipating better economic conditions.

Sri Lanka Purchasing Managers' Index for Services (PMI – Services) indicated a significant expansion in services activities in December 2024 as reflected by the Business Activity Index, which recorded an index value of 71.1.

The notable expansion in Business Activities was driven by the improvements observed across most of the sectors. Accordingly, wholesale and retail trade business activities posted a strong growth during the festive season and the peak of tourist season. Further, business activities in the financial services experienced a significant improvement amid increased lending activities. Meanwhile, other personal service activities such as leisure activities also improved with the holiday season.

New Businesses increased in December 2024, primarily due to significant expansions in the financial services, wholesale and retail trade, and other personal service activities.

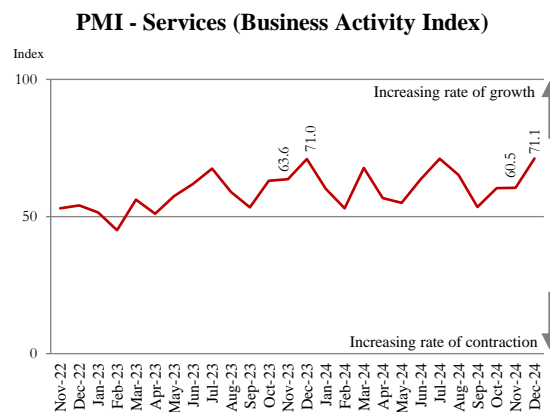
Employment increased amid recruitments made to accommodate growing economic activities driven by increased tourist arrivals and festive season. Meanwhile, Backlogs of Work increased in December 2024.

Summary of the PMI - Services Survey

Variable	Nov.	Dec.	+/-	Direction
PMI - Services (Business Activity Index)	60.5	71.1	+	Rising, Higher Rate
New Businesses	61.0	71.6	+	Rising, Higher Rate
Employment	53.1	52.1	-	Rising, Slower Rate
Backlogs of Work	48.4	51.6	+	Rising from falling
Expectations for Activity	82.7	78.6	-	Rising, Slower Rate

Source: Central Bank of Sri Lanka

Expectations for Business Activities for the next three months continued to improve, although at a slower pace, supported by favourable macroeconomic conditions.



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Services

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

Source: S&P Global ¹ as of 17 January 2025 ([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.	