

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



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 இலங்கை மத்திய வங்கி
 CENTRAL BANK OF SRI LANKA

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SL Purchasing Managers' Index (PMI) – April 2025

Purchasing Managers' Indices indicate the seasonal contraction in Manufacturing activities and an expansion in Services activities in April 2025

Following the seasonal pattern, Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) declined to 40.1 in April 2025. The key sub-indices of Production, New Orders, Stock of Purchases and Employment contracted during the month, resulting in an overall decline in the index compared to the seasonal peak in March.

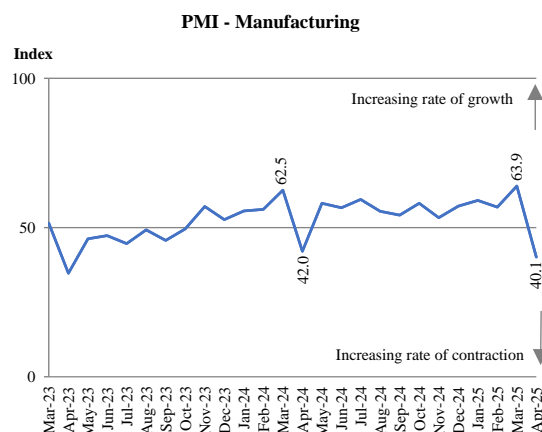
According to the respondents, the contraction in the New Orders sub-index was mainly attributed to the fading festive season demand, particularly in the food and beverage sector. Further, the decline in the Production sub-index was largely a result of fewer working days in April, as many manufacturing facilities temporarily halted their operations during the Sinhala and Tamil New Year season. The Employment sub-index declined, as manufacturers scaled back temporary workforces following the seasonal production requirements. Moreover, the Stock of Purchases sub-index also declined in April, alongside the decreases in the New Orders and Production. Meanwhile, Suppliers' Delivery Time further lengthened in April, mainly due to the disruptions to supply chains during the festive season.

Summary of the PMI - Manufacturing Survey

Variable	Mar.	Apr.	+/-	Direction
PMI - Manufacturing	63.9	40.1	-	Falling from Rising
New Orders	71.2	36.5	-	Falling from Rising
Production	70.2	30.0	-	Falling from Rising
Employment	51.9	44.9	-	Falling from Rising
Stock of Purchases	62.0	41.0	-	Falling from Rising
Suppliers' Delivery Time	56.3	57.0	+	Lengthening, Higher Rate

Source: Central Bank of Sri Lanka

PMI
Manufacturing
April 2025
40.1



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Manufacturing

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

Source: S&P Global ¹ as of 16 May 2025 (PMI Releases ([spglobal.com](https://www.spglobal.com)))

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

Outlook for manufacturing activities for the forthcoming three-month period remains optimistic due to the anticipated improvements in demand conditions.

Sri Lanka Purchasing Managers' Index for Services (PMI – Services) recorded a value of 60.6 in April 2025 indicating a slower expansion in services activities.

Business activities expanded in April 2025 supported by the improvements observed across several sectors. Accordingly, business activities related to wholesale and retail trade showed a notable expansion driven by the festive demand. Further, business activities in the financial services also continued to improve underpinned by increased lending activities. Nevertheless, business activities in general were impacted by the extended holidays during the month, while freight forwarding companies, in particular, were affected by the uncertainties that prevailed surrounding the import tariffs imposed by the US.

New Businesses increased in April 2025 primarily due to the expansions observed in the financial services and wholesale and retail trade related activities.

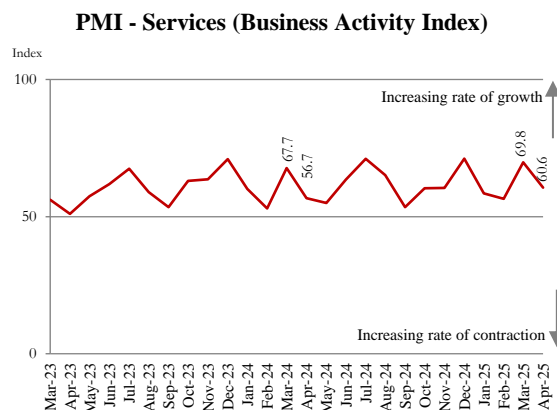
Employment continued to increase due to new recruitments made by several companies. Meanwhile, Backlogs of Work continued to decline in April 2025.

Summary of the PMI - Services Survey

Variable	Mar.	Apr.	+/-	Direction
PMI - Services (Business Activity Index)	69.8	60.6	-	Rising, Slower Rate
New Businesses	68.3	56.7	-	Rising, Slower Rate
Employment	61.9	55.0	-	Rising, Slower Rate
Backlogs of Work	48.4	47.5	-	Falling, Higher Rate
Expectations for Activity	73.0	75.8	+	Rising, Higher Rate

Source: Central Bank of Sri Lanka

Expectations for Business Activities for the next three months continued to improve at a higher rate amidst the temporary suspension of import tariffs by the US.



Source: Central Bank of Sri Lanka

The World Outlook Summary of PMI Services

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

Source: S&P Global ¹ as of 16 May 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 a month-on-month basis

PMI>50 - sector is generally expanding on a month-on-month basis

PMI<50 - sector is generally declining on a 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.	