

# PRESS RELEASE

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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

**Issued By** Statistics Department

**Date** 16.06.2025

## SL Purchasing Managers' Index (PMI) – May 2025

**Purchasing Managers' Indices indicate improvements in both Manufacturing and Services activities in May 2025**

Sri Lanka Purchasing Managers' Index for Manufacturing (PMI – Manufacturing) recorded an index value of 55.5 in May 2025, indicating an expansion in manufacturing activities. All sub-indices rebounded above the neutral threshold during the month, indicating a recovery from the seasonal slowdown recorded in April 2025.

The increases in the New Orders and Production sub-indices were mainly attributable to the manufacture of textiles & wearing apparel sector. Further, the Stock of Purchases remained the same as the previous month's levels. Moreover, the Employment sub-index denoted a recovery during the month, particularly due to the manufacture of textiles & wearing apparel sector. Meanwhile, Suppliers' Delivery Time remained lengthened during the period.

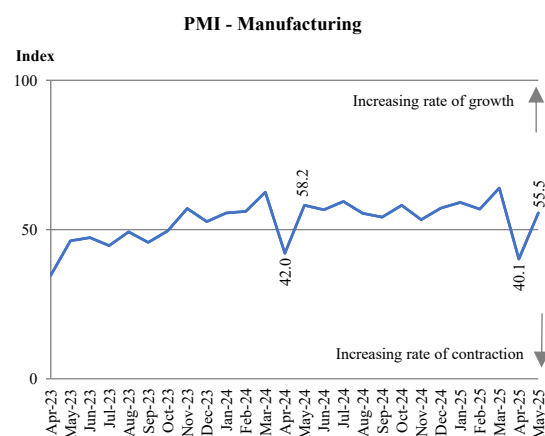
### Summary of the PMI - Manufacturing Survey

Variable	Apr.	May.	+/-	Direction
<b>PMI - Manufacturing</b>	<b>40.1</b>	<b>55.5</b>	<b>+</b>	<b>Rising from Falling</b>
New Orders	36.5	56.5	+	Rising from Falling
Production	30.0	55.5	+	Rising from Falling
Employment	44.9	56.0	+	Rising from Falling
Stock of Purchases	41.0	50.0	+	Neutral from Falling
Suppliers' Delivery Time	57.0	56.7	-	Lengthening, Slower Rate

Source: Central Bank of Sri Lanka

The industry expectations for the next three months remain positive, anticipating a gradual increase in demand. However, respondents are cautious about the upward revision in the electricity tariffs and the tense situation in the Middle East.

**PMI**  
**Manufacturing**  
**May 2025**  
**55.5**



Source: Central Bank of Sri Lanka

### The World Outlook Summary of PMI Manufacturing

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

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

<sup>1</sup>S&P Global compiles PMIs for over 40 economies worldwide.

**Sri Lanka Purchasing Managers' Index for Services (PMI – Services) recorded a value of 57.0 in May 2025 indicating a slower expansion in services activities, following a similar trend observed in the same period last year.**

Business activities expanded in May 2025 supported by the improvements observed across several sectors. Accordingly, business activities related to financial services continued to improve, underpinned by increased lending activity. Further, business activities in the professional services and wholesale and retail trade also recorded significant growth during the month. However, business activities in the accommodation, food and beverage services declined during the month in line with the decline in tourist arrivals on a month-on-month basis.

New Businesses increased in May 2025 primarily due to the expansion observed in the financial services.

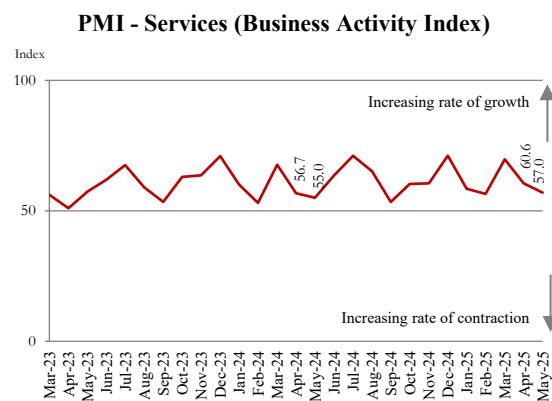
Employment declined in May 2025 due to retirements and resignations reported across several companies. Meanwhile, Backlogs of Work continued to decline during the month.

#### Summary of the PMI - Services Survey

Variable	Apr.	May.	+/-	Direction
<b>PMI - Services (Business Activity Index)</b>	<b>60.6</b>	<b>57.0</b>	<b>-</b>	<b>Rising, Slower Rate</b>
New Businesses	56.7	54.0	-	Rising, Slower Rate
Employment	55.0	44.0	-	Falling from Rising
Backlogs of Work	47.5	45.0	-	Falling, Higher Rate
Expectations for Activity	75.8	73.7	-	Rising, Slower Rate

Source: Central Bank of Sri Lanka

Expectations for Business Activities for the next three months continued to improve with 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 from Falling
Eurozone	Falling from Rising

Source: S&P Global <sup>1</sup> as of 16 June 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.	