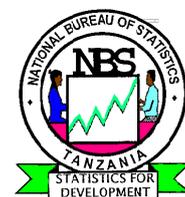




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Our Ref: BD/50/156/01/73

PRESS RELEASE

Date: 24th November, 2023

INDEX OF INDUSTRIAL PRODUCTION (IIP) FOR JULY- SEPTEMBER 2023

Definition

The Index of Industrial Production (IIP) measures volume changes in the production by different industrial sectors of an economy. IIP is the index that indicates the performance of various industrial sectors of the economy. The quarterly IIP shows the short-term fluctuations in the economy as well as identifying the turning points in economic development at the earlier stage. Furthermore, it is used in economic policy making and forecasting future economic performance in the industrial sector.

The volume of industrial production is collected every quarter (Q1: January-March), (Q2: April-June), (Q3: July-September) and (Q4: October-December).

Scope, Coverage and Classification

The IIP follows the recommended International Standards Industrial Classification of all economic activities (ISIC) Revision 4 to enhance international comparison. The ISIC classifies all the economic activities of the economy and uses the term 'industry' in a broad sense to mean any economic activity. However, in the compilation of IIP the scope is limited. IIP covers four broad sectors of the economy, namely; mining and quarrying, manufacturing; electricity, gas, steam and air conditioning supply; and water supply; sewerage, waste management and remediation activities. Moreover, IIP covers a total of 285 establishments, 50 industrial activities and a basket of 73 products.

Weighting and a Reference Period

The IIP uses industrial weighting approach for aggregating the elementary indices, this approach focuses on the way industrial production is organized and data is easily accessible. Weights used in IIP are value added for specific sub sectors from the Annual Survey of Industrial Production, 2015. The reference period for IIP is the fourth quarter (October-December) of 2018.

Index Calculation Procedures

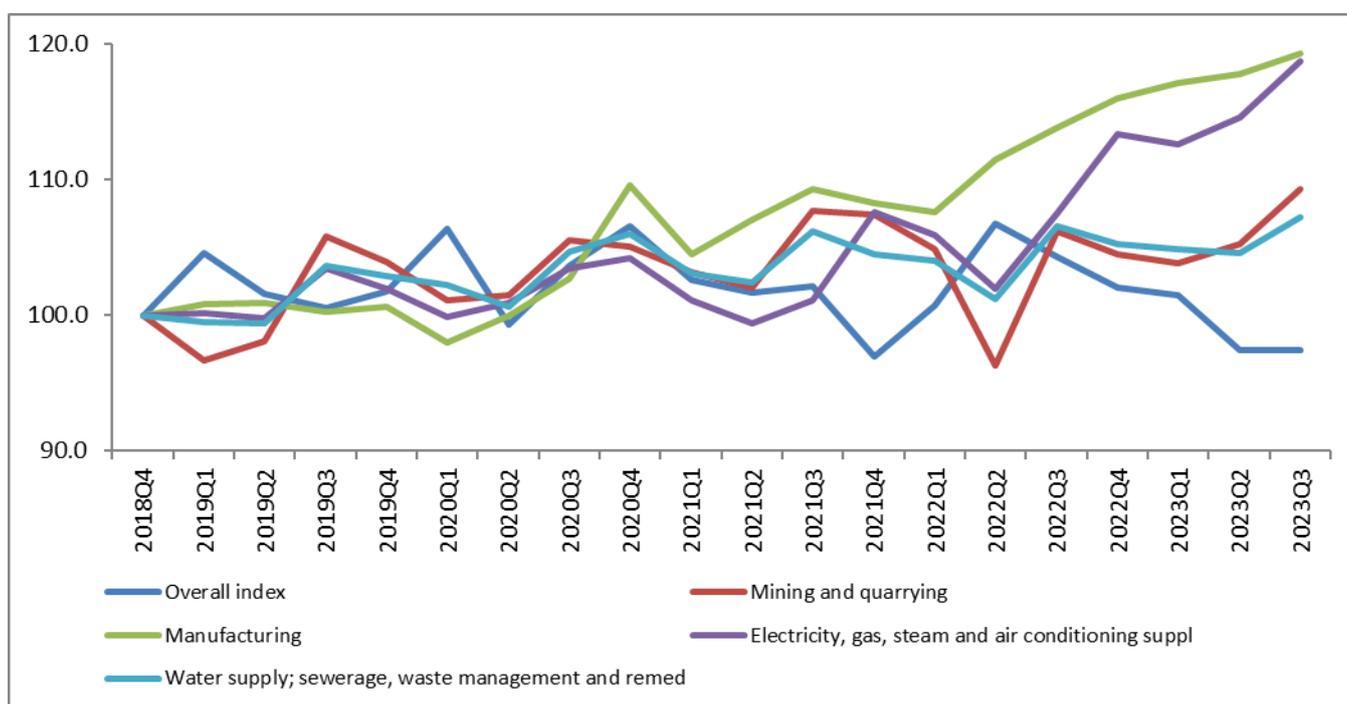
Indices are calculated by comparing the volume of production in the current period with that in reference (base) period. The result at first stage is a set of volume relatives for the elementary items in the index series. The elementary indices are subsequently aggregated as weighted averages to obtain the indices at higher levels. The base weighted Laspeyres index is used for calculation of index series.

Index of Industrial Production Broad Sectors

The overall Index of Industrial Production (IIP) increased from 104.6 in the second quarter of 2023 to 107.2 in the third quarter of 2023, recording a 2.5 percentage change over the period. The increase is attributed to manufacturing which increased by 3.8 percent followed by water supply; sewerage, waste management and remediation activities increased by 3.7 percent and electricity, gas, steam and air conditioning supply increased by 1.3 percent. Moreover, mining and quarrying slightly increased by 0.1 percent.

On other hand, long term index recorded an increase from 106.6 in the third quarter of 2022 to 107.2 of third quarter 2023 recording an increase of 0.6 percentage change. The increase is attributed to water supply; sewerage, waste management and remediation activities which increased by 10.4 percent followed by electricity, gas, steam and air conditioning supply increased by 4.8 and manufacturing increased by 1.4 percent. However, during the same period mining and quarrying decreased by 6.5 percent.

Chart 1: Quarterly Indices of Industrial Production by Broad Sector (2018Q4=100): 2018Q4 to 2023Q3



Index of Industrial Production in Manufacturing Industrial Activity

The index in manufacturing sub-sector when comparing current quarter with previous quarter shows an increase of 3.8 percent from 105.3 of 2023Q2 to 109.3 of 2023Q3. An increase is attributed to manufacture of electrical equipment which increased by 12.5 percent followed by manufacture of basic pharmaceutical products and pharmaceutical preparations increased by 12.3 percent and manufacture of tobacco products increased by 10.4 percent. While, manufacture of machinery and equipment n.e.c decreased by 13.7 percent followed by repair and installation of machinery and equipment increased by 3.4 percent and printing and reproduction of recorded media increased by 3.1 percent.

When comparing IIP in manufacturing subsector of third quarter of the current year 2023 to the corresponding quarter in the previous year 2022, the results indicate an increase of 2.9

percent from index of 106.2 in 2022Q3 to 109.3 in 2023Q3. An increase was attributed to manufacture of coke and refined petroleum products which increased by 16.9 percent followed by manufacture of chemicals and chemical products increased by 12.8 percent and repair and installation of machinery and equipment increased by 11.4 percent. However, during the same period the index shows a decrease in manufacture of leather and related products by 11.1 percent followed by Manufacture of machinery and equipment n.e.c. decreased by 8.3 percent and manufacture of basic pharmaceutical products and pharmaceutical preparations decreased by 5.4 percent.

Quarterly Index of Industrial Production by Industrial Activity (2018Q4 = 100)

ISIC	Industrial Activity	Weight	2022Q3	2023Q2	2023Q3	Percentage change	
						2023Q3 VS 2023Q2	2023Q3 VS 2022Q3
B	Mining and quarrying	28.8	104.3	97.4	97.5	0.1	-6.5
07	Mining of metal ores	23.8	104.0	97.5	95.5	-2.0	-8.2
08	Other mining and quarrying	5.0	105.3	97.1	106.8	9.9	1.4
C	Manufacturing	58	106.2	105.3	109.3	3.8	2.9
10	Manufacture of food products	12.6	96.8	98.5	102.3	3.9	5.8
11	Manufacture of beverages	14.5	109.1	112.0	114.0	1.8	4.5
12	Manufacture of tobacco products	4.8	115.9	108.7	120.1	10.4	3.6
13	Manufacture of textiles	1.7	102.2	104.4	102.3	-2.0	0.1
15	Manufacture of leather and related products	0.1	117.6	107.3	104.5	-2.6	-11.1
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.4	89.1	86.9	92.0	5.9	3.2
17	Manufacture of paper and paper products	3.3	111.2	113.2	113.2	0.0	1.8
18	Printing and reproduction of recorded media	1.4	95.4	102.8	99.6	-3.1	4.4
19	Manufacture of coke and refined petroleum products	0.1	96.4	112.6	112.7	0.1	16.9
20	Manufacture of chemicals and chemical products	2.6	96.6	101.7	109.0	7.2	12.8
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	0.4	113.0	95.3	107.0	12.3	-5.4
22	Manufacture of rubber and plastics products	2.6	102.3	92.4	101.1	9.4	-1.2
23	Manufacture of other non-metallic mineral products	5.6	118.2	106.4	115.0	8.1	-2.7
24	Manufacture of basic metals	3.0	108.5	107.5	107.6	0.1	-0.9
25	Manufacture of fabricated metal products, except machinery and equipment	0.3	105.4	107.8	109.9	1.9	4.3
27	Manufacture of electrical equipment	0.5	120.1	101.7	114.4	12.5	-4.7
28	Manufacture of machinery and equipment n.e.c.	0.1	109.1	115.9	100.0	-13.7	-8.3
29	Manufacture of motor vehicles, trailers and semi-trailers	0.4	106.9	104.9	102.9	-1.9	-3.7
31	Manufacture of furniture	2.2	112.3	108.4	109.7	1.2	-2.3
32	Other manufacturing	0.2	102.5	106.0	103.9	-2.0	1.4
33	Repair and installation of machinery and equipment	0.2	101.5	117.1	113.1	-3.4	11.4
D	Electricity, gas, steam and air conditioning supply	11.7	113.8	117.8	119.3	1.3	4.8
E	Water supply; sewerage, waste management and remediation activities	1.5	107.5	114.5	118.8	3.7	10.4
	Overall Index	100	106.6	104.6	107.2	2.5	0.6

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