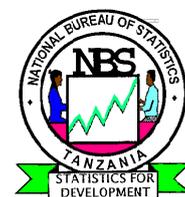




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PRESS RELEASE

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INDEX OF INDUSTRIAL PRODUCTION (IIP) FOR OCTOBER- DECEMBER 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

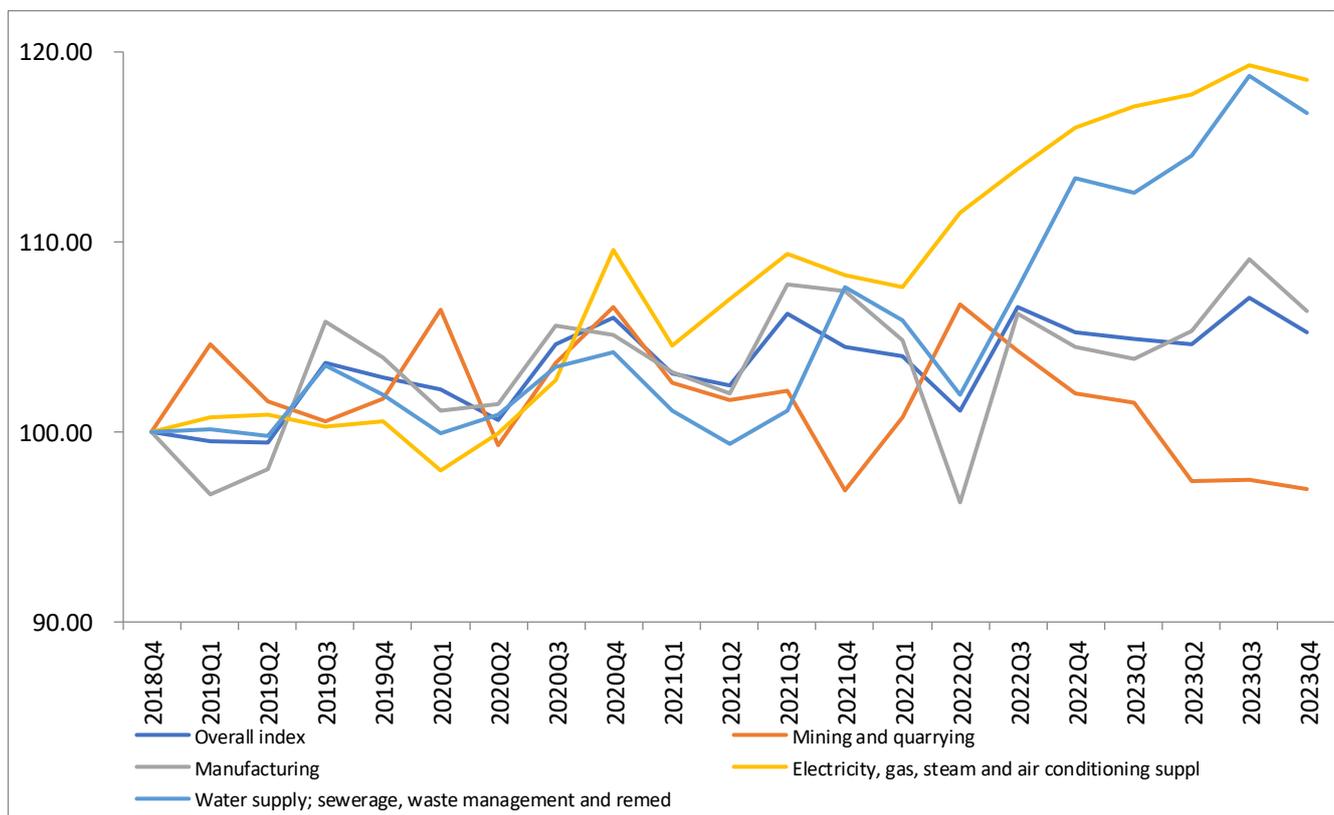
Indices are calculated by comparing the volume of production in the current period with that in reference (base) period. The result at first stage is a set of volume relatives for the elementary items in the index series. The elementary indices are subsequently aggregated as weighted averages to obtain 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) decreased from 107.2 in the third quarter of 2023 to 105.2 in the fourth quarter of 2023, recording a 1.8 percentage change over the period. The decrease is due to manufacturing which decreased by 2.7 percent followed by water supply; sewerage, waste management and remediation activities decreased by 1.7 percent and electricity, gas, steam and air conditioning supply decreased by 0.6 percent. Moreover, mining and quarrying decreased by 0.5 percent.

On other hand, long term index recorded the same percentage change from fourth quarter of 2022 to fourth quarter 2023 which was 105.2. However, there was an increase of water supply; sewerage, waste management and remediation activities which increased by 3.0 percent followed by electricity, gas, steam and air conditioning supply increased by 2.2 percent and manufacturing slightly increased by 1.8 percent. Moreover, mining and quarrying decreased by 5.0 percent.

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



Index of Industrial Production in Manufacturing Industrial Activity

The index in manufacturing sub-sector when comparing current quarter with previous quarter shows a decrease of 2.7 percent from 109.3 of 2023Q3 to 106.4 of 2023Q4. A decrease is due to manufacture of tobacco products decreased by 14.5 followed by manufacture of other non-metallic products by 11.5 percent and Manufacture of chemicals and chemical products by 5.0 percent. While, Manufacture of paper and paper products increased by 10.1 percent, followed by Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials by 7.6 percent and Manufacture of machinery and equipment n.e.c. by 4.5 percent.

When comparing IIP in manufacturing subsector of fourth quarter of the current year 2023 to the corresponding quarter in the previous year 2022, the results indicate an increase of 1.8 percent from index of 104.5 in fourth quarter of 2022 to 106.4 in fourth quarter of 2023. An increase was attributed to Manufacture of tobacco products which increased by 66.3 percent, followed by Manufacture of motor vehicles, trailers and semi-trailers which increased by 15.3 percent and Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials which increased by 14.7 percent. However, during the same period the index shows a decrease in manufacture of basic metals by 24.7 followed by Manufacture of other non-metallic mineral products by 15.7 and Manufacture of machinery and equipment n.e.c by 6.1 percent.

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

ISIC	Industrial Activity	Weight	2022Q4	2023Q3	2023Q4	Percentage change	
						2023Q4 VS 2023Q3	2023Q4 VS 2022Q4
B	Mining and quarrying	28.8	102	97.5	97.0	-0.5	-5.0
07	Mining of metal ores	23.8	102.9	95.5	95.3	-0.2	-7.4
08	Other mining and quarrying	5.0	98.0	106.8	105.1	-1.6	7.2
C	Manufacturing	58.0	104.5	109.3	106.4	-2.7	1.8
10	Manufacture of food products	12.6	100.9	102.3	99.3	-3.0	-1.6
11	Manufacture of beverages	14.5	115.4	114.0	114.5	0.4	-0.8
12	Manufacture of tobacco products	4.8	61.7	120.1	102.6	-14.5	66.3
13	Manufacture of textiles	1.7	97.4	102.3	101.6	-0.7	4.3
15	Manufacture of leather and related products	0.1	96.4	104.5	103.0	-1.4	6.9
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.4	86.3	92.0	99.0	7.6	14.7
17	Manufacture of paper and paper products	3.3	109.3	113.2	124.6	10.1	14
18	Printing and reproduction of recorded media	1.4	98.6	99.6	102.3	2.7	3.8
19	Manufacture of coke and refined petroleum products	0.1	114.1	112.7	111.1	-1.4	-2.6
20	Manufacture of chemicals and chemical products	2.6	94.5	109.0	103.6	-5.0	9.6
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	0.4	96.1	107.0	106.5	-0.5	10.8
22	Manufacture of rubber and plastics products	2.6	96.5	101.1	101.4	0.3	5.1
23	Manufacture of other non-metallic mineral products	5.6	120.7	115.0	101.8	-11.5	-15.7
24	Manufacture of basic metals	3.0	137.5	107.6	103.5	-3.8	-24.7
25	Manufacture of fabricated metal products, except machinery and equipment	0.3	99.4	109.9	111.3	1.3	11.9
27	Manufacture of electrical equipment	0.5	120.0	114.4	116.1	1.5	-3.3
28	Manufacture of machinery and equipment n.e.c.	0.1	111.4	100.0	104.5	4.5	-6.1
29	Manufacture of motor vehicles, trailers and semi-trailers	0.4	92.4	102.9	106.5	3.6	15.3
31	Manufacture of furniture	2.2	95.0	109.7	106.6	-2.8	12.2
32	Other manufacturing	0.2	105.5	103.9	103.1	-0.8	-2.3
33	Repair and installation of machinery and equipment	0.2	99.7	113.1	110.2	-2.5	10.5
D	Electricity, gas, steam and air conditioning supply	11.7	116.0	119.3	118.5	-0.6	2.2
E	Water supply; sewerage, waste management and remediation activities	1.5	113.4	118.8	116.8	-1.7	3.0
Overall Index		100.0	105.2	107.2	105.2	-1.8	-0.0

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