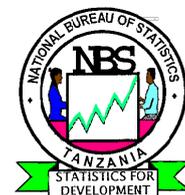




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PRESS RELEASE

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INDEX OF INDUSTRIAL PRODUCTION (IIP) FOR JANUARY- MARCH 2024

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 105.2 in the fourth quarter of 2023 to 98.9 in the first quarter of 2024, recording a decrease of 6.0 percentage change over the period. The decrease is due to water supply; sewerage, waste management and remediation activities which decreased by 8.3 followed by mining and quarrying decreased by 6.3 percent, manufacturing decreased by 6.1 percent and electricity, gas, steam and air conditioning supply decreased by 4.4 percent.

On other hand, long term index recorded a decrease from 104.6 in the first quarter of 2023 to 98.9 of first quarter 2024 recording a decrease of 5.4 percentage change. The decrease was attributed to mining and quarrying decreased by 10.4 percent followed by water supply; sewerage, waste management and remediation activities which decreased by 4.9 percent and manufacturing decreased by 3.5 percent and electricity, gas, steam and air conditioning supply decreased by 3.3 percent.

**Chart 1: Quarterly Indices of Industrial Production by Broad Sector (2018Q4=100):
2018Q4 to 2024Q1**



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 6.5 percent from 105.2 of fourth quarter 2023 to 98.9 of first quarter 2024. A decrease is attributed to manufacture of tobacco products which decreased by 35.6 percent followed by manufacture of electrical equipment by 17.1 percent, manufacture of textiles by 11.4 percent, manufacture of food products by 6.5 percent, and manufacture of other non-metallic mineral products by 7.2 percent. While, printing and reproduction of recorded media increased by 7.4 percent, repair and installation of machinery and equipment increased by 2.9 percent, manufacture of basic pharmaceutical products and pharmaceutical preparations increased by 2.3 percent and manufacture of machinery and equipment n.e.c. increased by 2.2 percent

When comparing IIP in manufacturing subsector of first quarter of the current year 2024 to the corresponding quarter in the previous year 2023, the results indicate a decrease of 5.4 percent from index of 104.6 in first quarter of 2023 to 98.9 in first quarter of 2024. The decrease was attributed to manufacture of machinery and equipment n.e.c. decreased by 20.3 percent followed by manufacture of food products decreased by 13.0 percent, manufacture of other non-metallic mineral products decreased by 12.4 percent and manufacture of tobacco products decreased by 8.7 percent. However, during the same period the index shows an increase in manufacture of basic pharmaceutical products and pharmaceutical preparations increased by 33.6 percent followed by manufacture of leather and related products increased by 20.8 percent, manufacture of chemicals and chemical products increased by 18.4 percent, manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials increased by 15.6 percent.

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

ISIC	Industrial Activity	Weight	2023Q1	2023Q4	2024Q1	Percentage change	
						2024Q1 VS 2023Q4	2024Q1 VS 2024Q1
B	Mining and quarrying	28.8	101.4	97	90.9	-6.3	-10.4
7	Mining of metal ores	23.8	98.6	95.3	87.9	-7.7	-10.8
8	Other mining and quarrying	5	114.7	105.1	104.8	-0.2	-8.6
C	Manufacturing	58	103.5	106.4	99.9	-6.1	-3.5
10	Manufacture of food products	12.6	106.7	99.3	92.8	-6.5	-13.0
11	Manufacture of beverages	14.5	118.4	114.5	113.4	-1.0	-4.3
12	Manufacture of tobacco products	4.8	72.3	102.6	66.0	-35.6	-8.7
13	Manufacture of textiles	1.7	79.6	101.6	90.0	-11.4	13.1
15	Manufacture of leather and related products	0.1	81.5	103	98.5	-4.4	20.8
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.4	84.8	99	98.0	-1.0	15.6
17	Manufacture of paper and paper products	3.3	105.8	124.6	116.2	-6.7	9.8
18	Printing and reproduction of recorded media	1.4	102.2	102.3	109.9	7.4	7.5
19	Manufacture of coke and refined petroleum products	0.1	109.2	111.1	107.3	-3.5	-1.7
20	Manufacture of chemicals and chemical products	2.6	86.5	103.6	102.5	-1.1	18.4
21	Manufacture of basic pharmaceutical products and pharmaceutical preparations	0.4	81.5	106.5	108.9	2.3	33.6
22	Manufacture of rubber and plastics products	2.6	91.1	101.4	97.9	-3.5	7.4
23	Manufacture of other non-metallic mineral products	5.6	107.9	101.8	94.5	-7.2	-12.4
24	Manufacture of basic metals	3	108.4	103.5	104.7	1.1	-3.3
25	Manufacture of fabricated metal products, except machinery and equipment	0.3	107.8	111.3	110.2	-0.9	2.3
27	Manufacture of electrical equipment	0.5	101.3	116.1	96.2	-17.1	-5.0
28	Manufacture of machinery and equipment n.e.c.	0.1	134.1	104.5	106.8	2.2	-20.3
29	Manufacture of motor vehicles, trailers and semi-trailers	0.4	94.3	106.5	102.2	-4.0	8.4
31	Manufacture of furniture	2.2	103	106.6	104.6	-1.9	1.5
32	Other manufacturing	0.2	105	103.1	102.0	-1.1	-2.9
33	Repair and installation of machinery and equipment	0.2	105.7	110.2	113.4	2.9	7.3
D	Electricity, gas, steam and air conditioning supply	11.7	117.1	118.5	113.3	-4.4	-3.3
E	Water supply; sewerage, waste management and remediation activities	1.5	112.6	116.8	107.1	-8.3	-4.9
Overall Index		100	104.6	105.2	98.9	-6.0	-5.4

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