



## **NEWS RELEASE**

### **Producer's Price Index (Base: Fourth Quarter 2013=100)**

#### **Second Quarter of 2016**

**Department of Census and Statistics  
Ministry of National Policy and Economic Affairs**

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The Department of Census and Statistics (DCS) disseminates a newly introduced Producer's Price Index (PPI) since second quarter of 2015 with a time lag of 5 weeks after each quarter. Along with the introduction of this index, DCS fully covers the price structure statistics for the economy through Producer's prices to Consumer prices.

PPI for all activities reported for April, May and June are 102.6, 104.8 and 107.1 respectively. The overall PPI has decreased by 0.3% in April, 0.9% in May and PPI for June has increased by 1.5% compared to the same months in the previous year. PPI of agricultural sector for the months of April and May, 2016 has declined. But it recorded an increase in the month of June. PPI of manufacturing sector reported an increase for all three months in the second quarter, 2016 compared to the same months of second quarter, 2015. Even if the PPI for utility sector reported an increase for April and May, a significant decline has reported for the month of June 2016 compared to the same month in 2015.

The month to month changes for all activities of PPI for the second quarter, 2016 reported a positive growth. When consider the major activities separately, PPI for agricultural activities have reported a continuous increase in each month of the second quarter. While month to month percentage change of PPI for manufacturing and electricity & water supply sectors were negative for certain months of the quarter.

The Producer's Price Index (PPI) measures the average change over the time in the prices received by domestic producers of goods and services. The introduction of the PPI in Sri Lanka provides a more complete picture of price movements and trends for making informed decisions.

Further, this is an important macroeconomic indicator. It serves as an indicator of short term inflationary trends and as a deflator. It is also used in productivity analysis, contract escalation, business analysis and current cost accounting etc.

Department of Census and Statistics stated that the full report on the PPI for second quarter, 2016 has published in the department website.

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