

# Web Release



## Producer's Price Index : March 2017 (Base: Fourth Quarter 2013=100)



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### Introduction

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. Department of Census and Statistics (DCS) has been releasing PPI quarterly from September, 2015 with time lag of 5 weeks. Giving due consideration for making the estimates available more frequently, it has now been arranged to release PPI monthly with a time lag of 45 days.

PPI is an important macroeconomic indicator. It serves as an indicator of short term inflationary trends and as a deflator of economic series. It is also used in productivity analysis, contract escalation, business analysis and current cost accounting etc. PPI covers the Producer's prices of Agriculture, Manufacturing and Electricity & Water supply sectors of the economy.

PPI for all economic activities reported for March of 2017 is 120.6. The price index for three major economic activities of the economy namely, "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 150.2, 107.5 and 83.7 respectively. On year on year basis, growth rate of overall index for March, 2017 is 18.9%. Agriculture and Manufacturing activities reported positive growth rates of 38.2% and 7.6% respectively while, Electricity & Water Supply sector recorded a negative growth rate of 1.8 % in March 2017 compared to March 2016 (Table 1).

The positive growth recorded for the agriculture sector on year on year basis is mainly due to the increase in prices received by the activities of "Growing of cereals", "Growing of fruits, nuts & beverage crops", "Production of fresh milk" and "Production of eggs".

The positive growth reported in the manufacturing sector is largely due to the growth of prices received by activities of "Manufacturing of food products and beverages", "Manufacturing of tobacco products", "Refined petroleum products", and "Manufacturing of furniture, jewellery & Manufacturing of other products not elsewhere classified" in the month of March 2017 compared to the same month in 2016. On the other hand, activities of "Publishing, printing & reproduction of recorded media", "Manufacturing of chemicals and chemical products", "Manufacture of rubber and plastic products" and "Manufacture of electrical machinery and apparatus" reported slight negative growth rates in March 2017 on year on year basis.

Activities of "Electricity generation and distribution" reported a negative growth rate while "Collection, purification and distribution of water reported a positive growth rate in March, 2017 on annual basis (Table 4).

**Table 1: PPI of March of 2016 & 2017 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)**

Major Economic Activity	PPI		Year on Year % change (March 2017/ March 2016)
	2016 March	2017 March**	
All Activities	101.4	120.6	18.9
Agriculture	108.7	150.2	38.2
Manufacturing	99.9	107.5	7.6
Electricity & water supply	85.2	83.7	-1.8

\*\* - Provisional

### Monthly Changes of Producer's Price Index

PPI for all activities increased by 0.3 per cent in March 2017 compared to that of in February, 2017. PPI of Agriculture and Manufacturing sectors reported positive growth rates of 0.9 and 0.1 per cent respectively, while Electricity & Water Supply activity reported negative growth rate of 0.4 per cent (Table 2).

Prices of Maize and Kurakkan, of cereal group recorded a price increase in March 2017 compared to that of in February. Further, Coconuts and Tea Leaves (green) of "Growing of fruits, nuts and beverage crops" activity reported a price increase. Even though prices of Paddy and Black Gram of cereal group reported a decrease.

The activities "Manufacturing of refined petroleum products", "Manufacturing of food products and beverages", "Manufacturing of furniture, jewellery & other products not elsewhere classified", "Manufacturing of other nonmetallic mineral products" and "Manufacturing of rubber and plastic products" may have significantly contributed for the marginal positive growth in manufacturing sector.

In March, PPI for activity "Generation and distribution of Electricity" reported a negative growth of 1.1 per cent. However, the PPI for "Collection, purification and distribution of water" activity increased 4.7 per cent in March from February level (Table 4).

**Table 2: PPI of February & March of 2017 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)**

Major Economic Activity	PPI		Month to Month % change (2017 Mar. / 2017 Feb.)
	2017 February*	2017 March**	
All Activities	120.2	120.6	0.3
Agriculture	148.9	150.2	0.9
Manufacturing	107.4	107.5	0.1
Electricity & Water Supply	84.0	83.7	-0.4

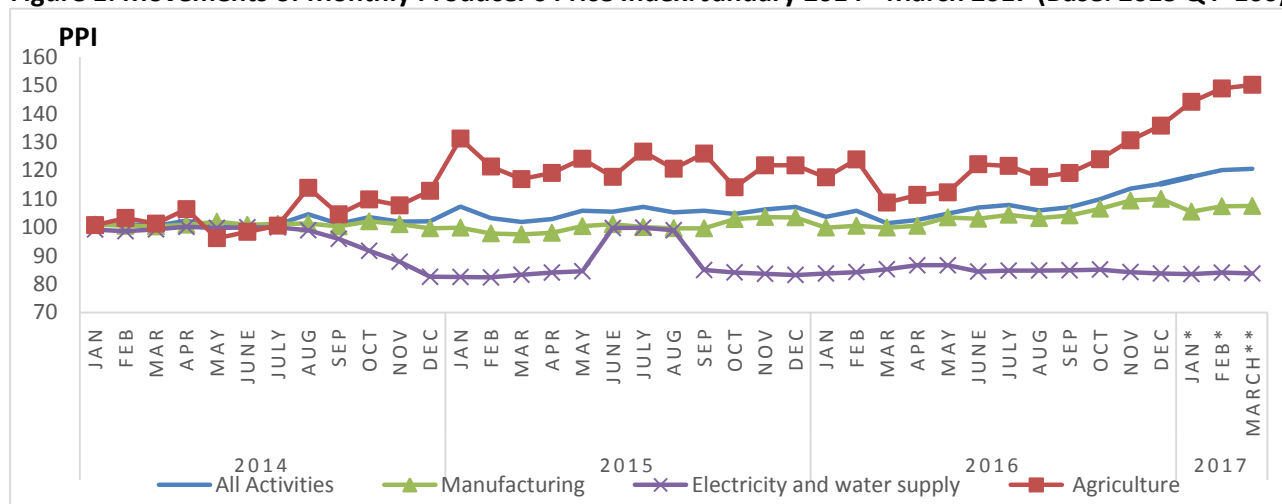
\* - Revised \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 - March 2017 (Base: 2013 Q4=100)**

Year	Month	All activities			Agriculture			Manufacturing			Electricity & Water Supply						
		Index number	% changes		Index number	% changes		Index number	% changes		Index number	% changes					
			Month to month	Year on year		12 Months MA	Month to month		Year on year	12 Months MA		Month to month	Year on year	12 Months MA	Month to month	Year on year	12 Months MA
2014	January	100.8			100.7			101.0			99.2						
	February	101.1	0.3		103.3	2.5		100.5	-0.5		98.6	-0.6					
	March	100.5	-0.6		101.3	-1.9		100.3	-0.2		99.2	0.6					
	April	102.3	1.8		106.4	5.0		100.9	0.6		100.2	0.9					
	May	100.2	-2.1		96.2	-9.6		101.9	1.0		99.8	-0.4					
	June	100.1	-0.1		98.4	2.3		100.9	-1.1		100.0	0.2					
	July	100.9	0.8		100.6	2.2		101.2	0.3		100.0	0.0					
	August	104.5	3.6		113.9	13.3		101.3	0.1		98.9	-1.0					
	September	101.2	-3.2		104.6	-8.2		100.3	-1.0		95.9	-3.0					
	October	103.5	2.3		109.8	5.0		102.1	1.8		91.7	-4.4					
	November	102.0	-1.4		107.7	-1.9		101.1	-1.0		87.8	-4.2					
	December	102.1	0.1		112.8	4.8		99.6	-1.4		82.5	-6.0					
2015	January	107.3	5.0	6.4	131.2	16.3	30.3	99.9	0.2	-1.1	82.5	-0.1	-16.9				
	February	103.2	-3.7	2.1	121.4	-7.5	17.5	97.9	-2.0	-2.6	82.3	-0.2	-16.5				
	March	101.9	-1.3	1.4	117.0	-3.7	15.5	97.5	-0.4	-2.8	83.3	1.2	-16.1				
	April	102.9	1.0	0.5	119.1	1.9	12.0	98.0	0.5	-2.8	84.0	0.9	-16.1				
	May	105.8	2.9	5.6	124.1	4.2	29.1	100.4	2.4	-1.5	84.5	0.6	-15.3				
	June	105.5	-0.3	5.4	117.8	-5.1	19.7	101.1	0.7	0.2	99.7	18.0	-0.3				
	July	107.2	1.6	6.2	126.6	7.5	25.9	100.1	-1.0	-1.1	99.9	0.2	-0.1				
	August	105.3	-1.8	0.7	120.6	-4.7	5.9	99.7	-0.4	-1.6	98.9	-1.0	0.0				
	September	105.8	0.5	4.6	126.0	4.4	20.5	99.6	0.0	-0.7	84.9	-14.2	-11.5				
	October	104.7	-1.0	1.2	114.1	-9.4	3.9	102.9	3.3	0.8	84.1	-1.0	-8.3				
	November	106.3	1.5	4.2	121.8	6.8	13.1	103.6	0.7	2.5	83.6	-0.6	-4.8				
	December	107.2	0.9	5.0	121.8	0.0	8.0	103.5	-0.1	3.9	-0.6	83.2	-0.5	0.7	-8.9		
2016	January	103.7	-3.3	-3.3	2.7	117.6	-3.5	-10.4	12.6	99.9	-3.5	0.0	-0.5	83.7	0.7	1.5	-7.5
	February	105.8	2.0	2.5	2.8	123.9	5.4	2.1	11.2	100.5	0.6	2.7	0.0	84.2	0.6	2.3	-6.0
	March	101.4	-4.2	-0.5	2.6	108.7	-12.3	-7.1	9.3	99.9	-0.6	2.5	0.4	85.2	1.2	2.3	-4.4
	April	102.6	1.2	-0.3	2.6	111.4	2.5	-6.5	7.6	100.5	0.6	2.5	0.8	86.6	1.6	3.1	-2.8
	May	104.8	2.1	-1.0	2.0	112.3	0.8	-9.5	4.6	103.5	3.0	3.1	1.2	86.6	0.0	2.5	-1.2
	June	107.0	2.1	1.4	1.7	122.2	8.8	3.8	3.4	103.0	-0.5	1.9	1.4	84.4	-2.5	-15.4	-2.6
	July	107.8	0.7	0.5	1.2	121.6	-0.5	-4.0	1.1	104.4	1.4	4.3	1.8	84.7	0.4	-15.2	-4.0
	August	106.0	-1.7	0.7	1.2	117.7	-3.2	-2.4	0.4	103.2	-1.1	3.5	2.3	84.8	0.1	-14.3	-5.3
	September	107.0	0.9	1.1	0.9	119.1	1.2	-5.4	-1.5	104.2	1.0	4.6	2.7	84.8	0.0	-0.1	-4.4
	October	109.9	2.7	4.9	1.3	124.0	4.1	8.7	-1.1	106.5	2.2	3.5	2.9	85.1	0.4	1.2	-3.6
	Nov	113.4	3.2	6.7	1.5	130.6	5.3	7.2	-1.5	109.2	2.5	5.4	3.2	84.2	-1.1	0.7	-3.1
	Dec	115.3	1.7	7.5	1.7	135.8	4.0	11.5	-1.1	110.0	0.7	6.2	3.4	83.7	-0.6	0.7	-3.1
2017	Jan*	117.8	2.2	13.6	3.1	144.2	6.2	22.6	1.6	105.5	-4.1	5.6	3.8	83.5	-0.2	-0.2	-3.3
	Feb*	120.2	2.0	13.6	4.0	148.9	3.3	20.2	3.2	107.4	1.8	6.9	4.2	84.0	0.6	-0.2	-3.5
	March**	120.6	0.3	18.9	5.6	150.2	0.9	38.2	6.6	107.5	0.1	7.6	4.6	83.7	-0.4	-1.8	-3.8

\* - Revised \*\* - Provisional

**Figure 1: Movements of Monthly Producer's Price Index: January 2014 - March 2017 (Base: 2013 Q4=100)**



\* - Revised \*\* - Provisional

**Table 4: PPI of March of 2016 & 2017, February 2017 and percentage changes by two digit level Economic Activity of ISIC (Base: 2013 Q4=100)**

ISIC Rev.3.1	Description of the Economic Activity	2016	2017		% change	
		March	February*	March**	Mar 2017/Feb 2017	Mar 2017/Mar 2016
	<b>All Activities</b>	<b>101.4</b>	<b>120.2</b>	<b>120.6</b>	<b>0.3</b>	<b>18.9</b>
	<b>Agriculture</b>	<b>108.7</b>	<b>148.9</b>	<b>150.2</b>	<b>0.9</b>	<b>38.2</b>
01	Agriculture and farming	108.7	148.9	150.2	0.9	38.2
	<b>Manufacturing</b>	<b>99.9</b>	<b>107.4</b>	<b>107.5</b>	<b>0.1</b>	<b>7.6</b>
15	Manufacture of food products and beverages	103.2	124.7	125.4	0.6	21.5
16	Manufacture of tobacco products	125.1	182.4	182.4	0.0	45.8
17	Manufacture of textiles	97.1	104.8	104.4	-0.4	7.5
18	Manufacture of wearing apparel, dressing, and dyeing of fur	109.1	116.7	115.7	-0.9	6.0
22	Publishing, printing and reproduction of recorded media	96.8	95.9	95.9	0.0	-0.9
23	Manufacture of coke, refine petroleum products and nuclear fuel	48.8	73.5	75.1	2.2	53.9
24	Manufacture of chemicals and chemical products	99.2	96.5	96.5	0.0	-2.7
25	Manufacture of rubber and plastics	93.3	90.8	90.9	0.1	-2.6
26	Manufacture of other non metallic mineral products	105.8	109.8	110.0	0.2	4.0
27	Manufacture of basic metals	94.9	98.9	98.9	0.0	4.2
31	Manufacture of electrical machinery and apparatus n.e.c.	112.3	109.0	109.0	0.0	-2.9
35	Manufacture of other transport equipments	103.4	105.2	105.2	0.0	1.7
36	Manufacture of furniture, Manufacturing n.e.c.	104.5	117.1	117.3	0.2	12.2
	<b>Electricity and water supply</b>	<b>85.2</b>	<b>84.0</b>	<b>83.7</b>	<b>-0.4</b>	<b>-1.8</b>
40	Electricity	83.0	82.4	81.5	-1.1	-1.8
41	Collection, purification and distribution of water	106.7	99.4	104.1	4.7	-2.4

\* - Revised \*\* - Provisional

ISIC refers to International Standard Industrial Classification of all activities (Revision 3.1)

## Revision Policy

PPI is compiled by collecting producer's prices for about 514 product items from 376 manufacturing and utility related establishments. Prices of 36 agricultural products are collected from 331 Divisional Secretariat Divisions covering whole country. Electricity & Water supply sector prices are collected from Ceylon Electricity Board and National Water Supply & Drainage Board respectively.

In certain circumstances, it is not possible to collect requested prices by the time of releasing PPI. Such prices are therefore statistically imputed. Therefore, indices of the latest month are released as provisional. These indices are finalized with time lag of two months.

Further details of Producer's Price Index compiled for the month of March of 2017, are also published in the department web site ([www.statistics.gov.lk](http://www.statistics.gov.lk)).

Producer's Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017. The PPI for month of April will be released on 15<sup>th</sup> of June 2017.

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