

Web Release



Producer's Price Index: April 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 recorded for April of 2017 is 122.9. The price index for three major economic activities of the economy namely, "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 154.8, 109.0 and 83.8 respectively. On year on year basis, growth rate of overall index for April, 2017 is 19.8%. Agriculture and Manufacturing activities reported positive growth rates of 39.0% and 8.5% respectively while, Electricity & Water Supply sector recorded a negative growth rate of 3.2% in April 2017 compared to April 2016 (Table 1).

Very high positive growth recorded for the agriculture sector on year on year basis is due to the increase in prices received by the domestic producers of almost all the sub activities in agriculture namely, "Growing of cereals", "Growing of vegetable crops", "and Growing of fruits, nuts & beverage crops" and "Production of fresh milk".

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

Activities of "Electricity generation and distribution" and "Collection, purification and distribution of water" reported a negative growth rates in April 2017 compared to that in April, 2016 (Table 4).

Table 1: PPI of April 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 (April 2017/ April 2016)
	2016 April	2017 April**	
All Activities	102.6	122.9	19.8
Agriculture	111.4	154.8	39.0
Manufacturing	100.5	109.0	8.5
Electricity & water supply	86.6	83.8	-3.2

** - Provisional

Monthly Changes of Producer's Price Index

PPI for all below mentioned three activities increased by 1.7 per cent in April 2017 compared to that of in March, 2017, while growth rates recorded for these three activities agriculture, manufacturing and electricity & water supply were 3.1, 1.1 and 0.1 per cent respectively (Table 2).

Among cereal group, price of Paddy recorded an increase in April 2017 compared to that of in March, 2017, while prices of Kurakkan and Black gram decreased significantly. Most of the low country vegetable varieties reported a considerable price increase. Further, Plantain, Coconuts and Tea Leaves (green) of "Growing of fruits, nuts and beverage crops" activity reported a slight price increase.

The activities "Manufacturing of food products and beverages", "Manufacturing of wearing apparel", "Manufacturing of refined petroleum products", "Manufacturing of basic metal" and "Manufacturing of furniture, jewellery & manufacturing of other products not elsewhere classified" may have significantly contributed for the positive growth in manufacturing sector. However, activities of "Weaving of textiles", "Manufacturing of rubber and plastics", "Manufacturing of electrical machinery and apparatus" reported negative growth rates.

PPI for activity "Generation and distribution of Electricity" reported a positive growth of 0.5 per cent. However, the PPI for "Collection, purification and distribution of water" activity decreased by 1.6 per cent in April from March level (Table 4).

Table 2: PPI of March & April 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 April / 2017 March)
	2017 March*	2017 April**	
All Activities	120.8	122.9	1.7
Agriculture	150.1	154.8	3.1
Manufacturing	107.8	109.0	1.1
Electricity & Water Supply	83.7	83.8	0.1

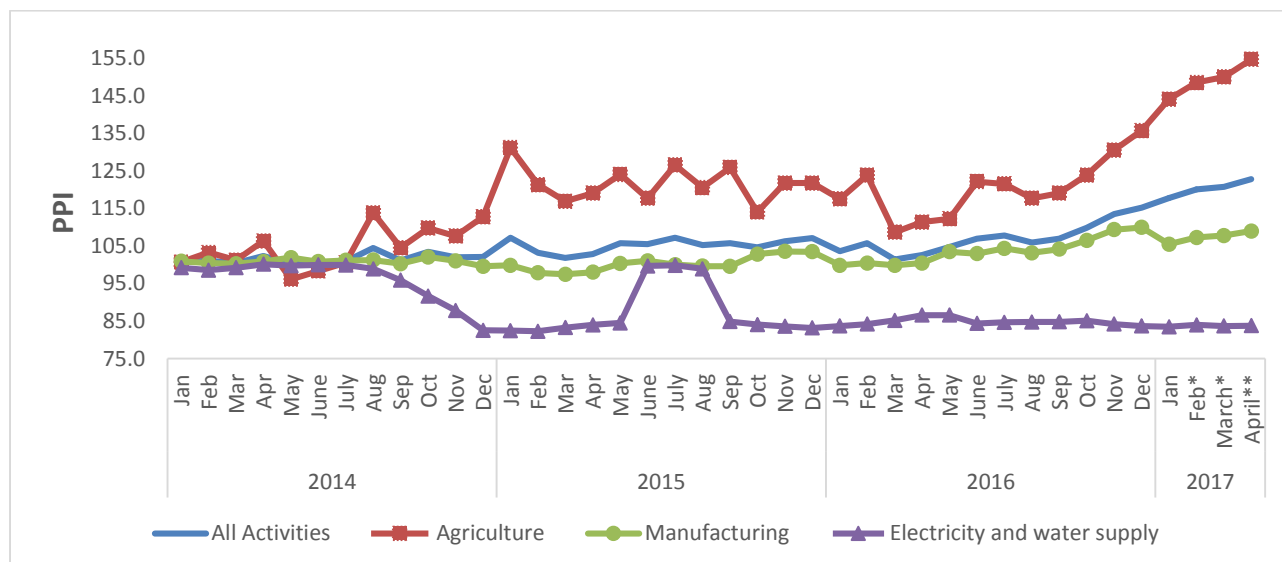
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 - April 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	3.6	121.8	0.0	8.0	16.4	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	-0.5	0.7	-3.1
2017	January	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	-0.3	-0.2	-3.3
	Feb*	120.1	2.0	13.5	4.0	148.6	3.1	19.9	3.2	107.3	1.7	6.8	4.2	84.0	0.6	-0.2	-3.5
	March*	120.8	0.6	19.1	5.6	150.1	1.0	38.1	6.6	107.8	0.5	7.9	4.6	83.7	-0.4	-1.8	-3.8
	April**	122.9	1.7	19.8	7.2	154.8	3.1	39.0	10.2	109.0	1.1	8.5	5.1	83.8	0.1	-3.2	-4.3

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of April of 2016 & 2017, March 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	
		April	March*	April**	Apr 2017/Mar 2017	Apr 2017/Apr2016
	All Activities	102.6	120.8	122.9	1.7	19.8
	Agriculture	111.4	150.1	154.8	3.1	39.0
01	Agriculture and farming	111.4	150.1	154.8	3.1	39.0
	Manufacturing	100.5	107.8	109.0	1.1	8.5
15	Manufacture of food products and beverages	104.1	126.9	127.8	0.7	22.8
16	Manufacture of tobacco products	125.1	182.4	182.4	0.0	45.8
17	Manufacture of textiles	98.8	104.2	102.5	-1.6	3.7
18	Manufacture of wearing apparel, dressing, and dyeing of fur	110.6	115.7	118.2	2.2	6.9
22	Publishing, printing and reproduction of recorded media	97.8	95.9	95.9	0.0	-1.9
23	Manufacture of coke, refine petroleum products and nuclear fuel	48.9	74.2	79.0	6.5	61.6
24	Manufacture of chemicals and chemical products	95.2	96.3	96.3	0.0	1.2
25	Manufacture of rubber and plastics	92.0	91.1	90.7	-0.4	-1.4
26	Manufacture of other non metallic mineral products	108.7	109.9	109.9	0.0	1.1
27	Manufacture of basic metals	96.3	98.9	99.0	0.1	2.8
31	Manufacture of electrical machinery and apparatus n.e.c.	110.8	109.0	107.2	-1.7	-3.2
35	Manufacture of other transport equipments	101.3	105.2	105.2	0.0	3.8
36	Manufacture of furniture, Manufacturing n.e.c.	104.7	117.2	117.4	0.2	12.1
	Electricity and water supply	86.6	83.7	83.8	0.1	-3.2
40	Electricity	84.7	81.5	81.9	0.5	-3.3
41	Collection, purification and distribution of water	104.6	104.1	102.4	-1.6	-2.1

* - 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 April of 2017, are also published in the department web site (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 May, 2017 will be released on 17th of July 2017.

Director General

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