

Web Release



Producer's Price Index: October 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 policy decisions. Department of Census and Statistics (DCS) has been releasing PPI quarterly from September, 2015 with time lag of 35 days. 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 Agriculture, Manufacturing and Electricity & Water supply sectors of the economy.

Annual Changes of Producer's Price Index

Producer's Price Index for all economic activities which include, "Agriculture", "Manufacturing" and "Electricity & Water Supply" increased marginally by 0.2 index points to 126.9 index points in October of 2017 as compared to the previous month. PPI for three major economic activities of the economy: "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 166.8, 110.0 and 84.1 respectively. The annual growth rate of the overall index for October, 2017 is 15.5 per cent. "Agriculture" sector reported a significantly high annual growth rate of 34.5 per cent and annual growth rate reported for "Manufacturing" activities is 3.3 per cent. However, "Electricity & Water Supply" sector recorded a negative annual growth rate of 1.2 per cent (Table 1).

Agriculture sector recorded a positive growth rate continuously for the thirteenth month on year on year basis. This is due to the increase in prices received by the domestic producers of sub activities in agriculture namely, "Growing of fruits, nuts & beverage crops" (37.9%), "Growing of vegetables" (36.9%), "Growing of cereals" (22.3%), and "Production of fresh milk" (5.5%), while "Production of eggs" activity reported a negative growth rate of 15.2 per cent in October 2017 as compared to the October of 2016.

The positive growth rate reported in the manufacturing sector is mainly due to the increase of prices received for activities of "Manufacturing of tobacco products" (19.8%), "Manufacturing of food products and beverages" (16.5%), "Manufacturing of furniture & manufacturing of other products not elsewhere classified" (12.6%), "Manufacture of basic metals", (10.0%), "Manufacturing of textiles" (8.9%), "Manufacture of other transport equipment" (4.9%), "Manufacturing of wearing apparel, dressing and dyeing of fur" (5.0%), "Manufacturing of coke, refined petroleum products and nuclear fuel" (4.6%) and "Manufacture of electrical machinery and apparatus and machinery not elsewhere classified" (3.8%) in the month of October 2017 compared to same month of 2016. However, activities of "Manufacture of other non-metallic products" (2.4%), "Manufacture of chemicals and chemical products" (0.3%) and "Publishing, printing and reproduction of recorded media" (0.1%) marked negative growth rates in October 2017 on year on year basis (Table 4).

Activities of "Electricity generation and distribution" and "Collection, purification and distribution of water" reported decreases of 0.7 and 4.8 per cent respectively in October 2017 compared to the same month in 2016 (Table 4).

Table 1: PPI of October 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 (October 2017/ October 2016)
	2016 October	2017 October**	
All Activities	109.9	126.9	15.5
Agriculture	124.0	166.8	34.5
Manufacturing	106.5	110.0	3.3
Electricity & water supply	85.1	84.1	-1.2

** - Provisional

Monthly Changes of Producer's Price Index

The overall PPI increased by 0.2 per cent in October 2017 compared to that of in September 2017. "Agriculture" and "Manufacturing" activities contributed to this increase by 0.2 percent each sector. However, "Electricity & Water Supply" sector reported a negative growth rate of 0.7 per cent in October, 2017 compared to previous month (Table 2).

The "Growing of cereal crops" (1.9%), Growing of vegetables" (8.9%) and "Production of Dairy" (0.2%) activities contributed to the positive growth in agriculture sector in October. On the other hand, sub activities of "Growing of fruits, nuts and beverage crops" (0.6%) and "Egg production" (10.1%) reported negative growth rates.

The activities of "Manufacturing of food and beverages" (1.6%), "Manufacturing of rubber and plastic products" (1.3%) reported significantly high positive growth rates. However, "Manufacturing of wearing apparel" (1.2%) and "Manufacturing of coke, refined petroleum products and nuclear fuel" (1.8%) activities reported relatively high negative growth rates (Table 4).

PPI for the activity of "Generation and distribution of Electricity" and "Collection, purification and distribution of water" sectors marked a negative growth rates of 0.6 per cent and 0.7 per cent respectively in October from September level (Table 4).

Table 2: PPI of September & October 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 October / 2017 September)
	2017 September *	2017 October **	
All Activities	126.7	126.9	0.2
Agriculture	166.5	166.8	0.2
Manufacturing	109.8	110.0	0.2
Electricity & Water Supply	84.7	84.1	-0.7

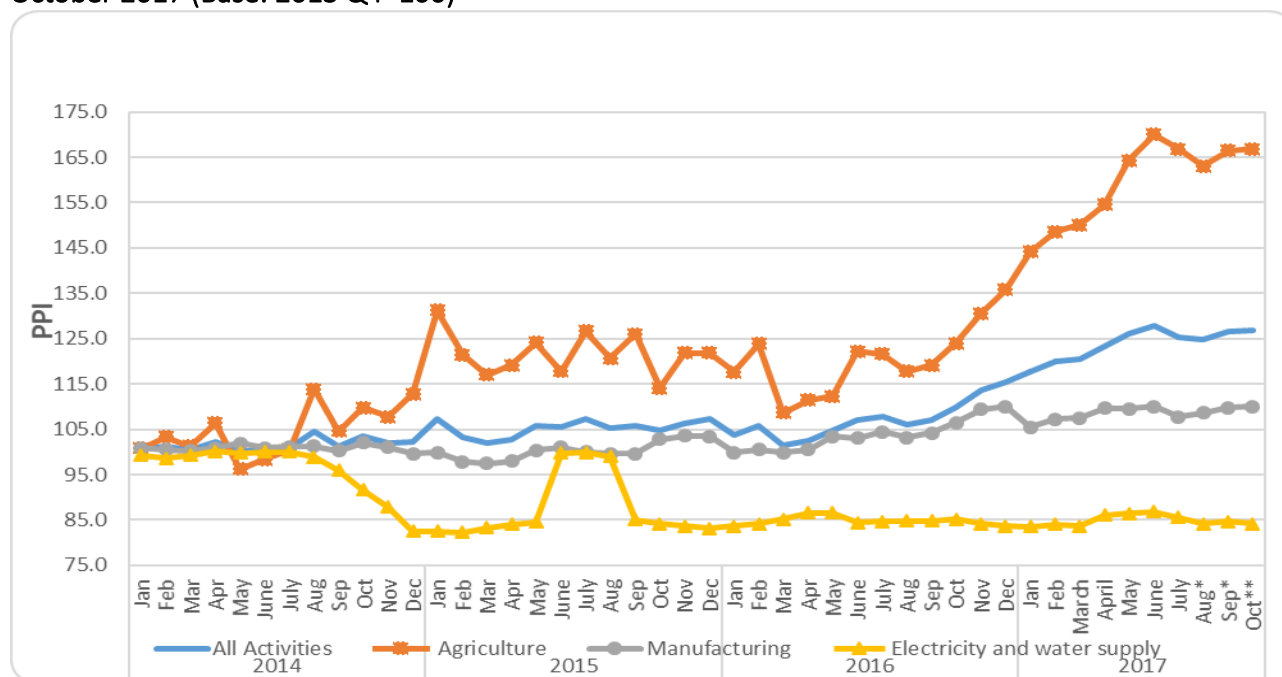
*- Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – October 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	120.6	0.4	18.9	5.6	150.1	1.0	38.1	6.6	107.5	0.2	7.6	4.6	83.7	-0.4	-1.8	-3.8
	April	123.4	2.3	20.3	7.3	154.6	3.0	38.8	10.2	109.6	2.0	9.1	5.1	86.0	2.7	-0.7	-4.1
	May	126.0	2.1	20.2	9.0	164.3	6.3	46.3	14.8	109.5	-0.1	5.8	5.4	86.5	0.6	-0.1	-4.3
	June	127.9	1.5	19.5	10.6	170.0	3.5	39.1	17.8	110.0	0.5	6.8	5.8	86.8	0.3	2.8	-2.6
	July	125.4	-2.0	16.3	11.9	166.9	-1.8	37.3	21.4	107.8	-2.0	3.3	5.7	85.5	-1.5	0.9	-1.1
	August*	124.9	-0.4	17.8	13.3	163.0	-2.3	38.5	24.8	108.6	0.7	5.2	5.8	84.1	-1.6	-0.8	0.2
	Sep. *	126.7	1.4	18.4	14.8	166.5	2.1	39.8	28.8	109.8	1.1	5.4	5.9	84.7	0.7	-0.1	0.2
	Oct. **	126.9	0.2	15.5	15.7	166.8	0.2	34.5	30.9	110.0	0.2	3.3	5.8	84.1	-0.7	-1.2	0.0

* - Revised ** - Provisional

Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2014 - October 2017 (Base: 2013 Q4=100)



* - Revised ** - Provisional

Table 4: PPI of October 2016 & 2017, September 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	
		October	September*	October**	Oct. 2017/Sep. 2017	Oct. 2017/Oct. 2016
	All Activities	109.9	126.7	126.9	0.2	15.5
	Agriculture	124.0	166.5	166.8	0.2	34.5
01	Agriculture and farming	124.0	166.5	166.8	0.2	34.5
	Manufacturing	106.5	109.8	110.0	0.2	3.3
15	Manufacture of food products and beverages	112.8	129.3	131.4	1.6	16.5
16	Manufacture of tobacco products	152.3	182.4	182.4	0.0	19.8
17	Manufacture of textiles	99.3	108.5	108.1	-0.4	8.9
18	Manufacture of wearing apparel, dressing, and dyeing of fur	113.2	120.3	118.9	-1.2	5.0
22	Publishing, printing and reproduction of recorded media	95.3	95.2	95.2	0.0	-0.1
23	Manufacture of coke, refine petroleum products and nuclear fuel	67.5	71.9	70.6	-1.8	4.6
24	Manufacture of chemicals and chemical products	95.2	94.8	94.9	0.1	-0.3
25	Manufacture of rubber and plastics	90.9	91.8	93.0	1.3	2.3
26	Manufacture of other non metallic mineral products	110.9	108.1	108.2	0.1	-2.4
27	Manufacture of basic metals	96.1	105.4	105.7	0.3	10.0
31	Manufacture of electrical machinery and apparatus n.e.c.	106.7	110.5	110.8	0.3	3.8
35	Manufacture of other transport equipments	100.3	105.2	105.2	0.0	4.9
36	Manufacture of furniture, Manufacturing n.e.c.	105.0	118.3	118.2	-0.1	12.6
	Electricity and water supply	85.1	84.7	84.1	-0.7	-1.2
40	Electricity	83.0	82.9	82.4	-0.6	-0.7
41	Collection, purification and distribution of water	105.3	100.9	100.2	-0.7	-4.8

* - Revised ** - Provisional

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

Revision Policy

PPI is compiled by collecting prices received by the domestic producers for about 514 products from 376 manufacturing and utility related establishments. Prices of 36 agricultural products are collected from 331 Divisional Secretariat Divisions covering the 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 October 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 November, 2017 will be released on 16th of January 2018.

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