

Web Release



Producer's Price Index: December 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; "Agriculture", "Manufacturing" and "Electricity & Water Supply" increased by 1.6 index points to 132.0 index points in December of 2017 as compared to November 2017. PPI for "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 176.5, 113.7 and 84.0 respectively. The annual growth rate recorded for the month of December, 2017 is 14.5 per cent. Growth rate recorded for the "Agriculture" sector is 30.0 per cent, while "Manufacturing" and "Electricity & Water Supply" activities also reported positive growth rates of 3.4 and 0.4 per cent respectively (Table 1).

Almost all the sub activities of the agriculture sector reported positive growth rates except production of egg activity. The sub activities which received higher prices in the month of December are "Growing of vegetables" (65.2%), "Growing of fruits, nuts & beverage crops" (30.1%), "Growing of cereals" (10.7%), and "Production of fresh milk" (4.5%), while "Production of eggs" activity reported a negative growth rate of 3.3 per cent in December 2017 as compared to the same month in 2016.

The positive growth rate recorded in the manufacturing sector was mainly due to the activities of "Manufacturing of coke, refine petroleum products and nuclear fuel" (18.4%), "Manufacturing of food products and beverages", (15.8%), "Manufacturing of wearing apparels" (8.5%), "Manufacturing of basic metals" (6.9%), "Manufacturing of other transport equipments" (5.1%), "Manufacturing of textiles" (4.7%), "Manufacturing of rubber and plastics" (3.4%), "Manufacturing of electrical machinery and apparatus" , (2.2%) and "Publishing, printing and reproduction of recorded media" (1.9%) in the month of December 2017 compared to same month of 2016. However, activity "Manufacturing of other non-metallic products" (0.6%) negative growth rate in December 2017 on year on year basis (Table 4).

Activities of "Electricity generation and distribution" reported an increase of 0.5 per cent and "Collection, purification and distribution of water" reported a decrease of 1 per cent in December 2017 on annual basis (Table 4).

Table 1: PPI of December 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 (December 2017/ December 2016)
	2016 December	2017 December**	
All Activities	115.3	132.0	14.5
Agriculture	135.8	176.5	30.0
Manufacturing	110.0	113.7	3.4
Electricity & water supply	83.7	84.0	0.4

** - Provisional

Monthly Changes of Producer's Price Index

The overall PPI increased by 1.2 per cent in December 2017 compared to that in November 2017. "Agriculture" and "Manufacturing" activities contributed to this increase by 0.3 and 1.9 percent each sector; however, "Electricity & Water Supply" sector reported a negative growth rate of 0.5 per cent in December, 2017 compared to previous month (Table 2).

"Egg production" (3.6%), "Growing of cereal crops" (1.2%), "Production of Dairy" (0.4%), "Growing of fruits, nuts and beverage crops" (0.2%) and activities contributed to the positive growth rate recorded in agriculture sector in December 2017. The only sub sector which reported a negative growth rate was "Growing of vegetables" (0.3%) in December on monthly basis.

The activities of "Manufacturing of coke, refined petroleum products and nuclear fuel" (12.7%), "Manufacturing of wearing apparel" (2.2%), "Manufacturing of food products and beverages" (1.9%), "Publishing, printing and reproduction of recorded media" (1.9%), "Manufacturing of other transport equipments" (1.5%), " and "Manufacturing of chemicals and chemical products" (0.1%) reported positive growth rates. However, the activities, "Manufacturing of textiles" (0.7%), "Manufacturing of rubber and plastics" (0.6%), "Manufacturing of other non metallic mineral products" (0.3%) and "Manufacturing of electrical machinery and apparatus", (0.3%) recorded negative growth rates in December 2017 (Table 4).

PPI for the activities of "Generation and distribution of Electricity" and "Collection, purification and distribution of water" sectors marked a negative growth rate of 0.5 per cent each in December from November level (Table 4).

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

Major Economic Activities	PPI		Month to Month % change (2017 December / 2017 November)
	2017 November*	2017 December**	
All Activities	130.4	132.0	1.2
Agriculture	175.9	176.5	0.3
Manufacturing	111.6	113.7	1.9
Electricity & Water Supply	84.4	84.0	-0.5

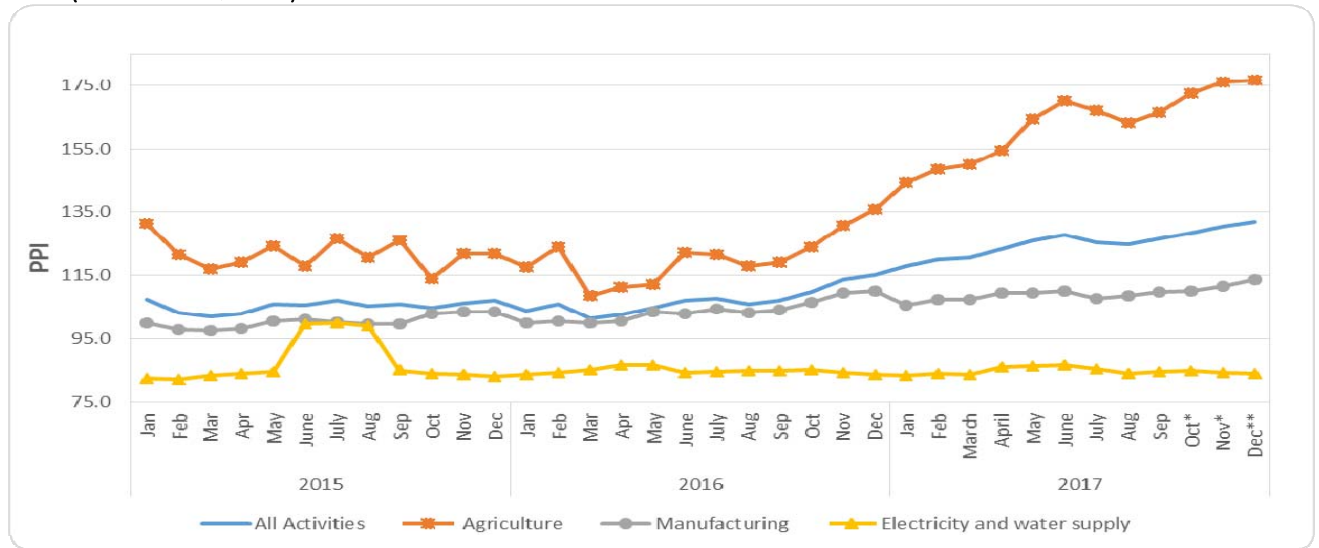
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – December 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			
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	-0.6	0.7	-3.1
2017	January	117.8	2.2	13.6	3.1	144.2	6.2	22.6	1.6	106	-4.1	5.6	3.8	83.5	-0.2	-0.2	-3.3
	Feb	120.1	2.0	13.5	4.0	148.6	3.1	19.9	3.2	107	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	108	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
	September	126.6	1.4	18.3	14.8	166.4	2.1	39.7	28.8	109.8	1.1	5.4	5.9	84.7	0.7	-0.1	0.2
	October*	128.4	1.4	16.8	15.8	172.4	3.6	39.0	31.3	110.0	0.2	3.3	5.8	84.8	0.1	-0.4	0.1
	November*	130.4	1.6	15.0	16.5	175.9	2.0	34.7	33.6	111.6	1.5	2.2	5.6	84.4	-0.5	0.2	0.0
	December**	132.0	1.2	14.5	17.0	176.5	0.3	30.0	35.2	113.7	1.9	3.4	5.3	84.0	-0.5	0.4	0.0

* - Revised ** - Provisional

Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 - December 2017 (Base: 2013 Q4=100)



* - Revised ** - Provisional

Table 4: PPI of December 2016 & 2017, November 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	
		December	November*	December**	December 2017/November 2017	December 2017/December 2016
	All Activities	115.3	130.4	132.0	1.2	14.5
	Agriculture	135.8	175.9	176.5	0.3	30.0
01	Agriculture and farming	135.8	175.9	176.5	0.3	30.0
	Manufacturing	110.0	111.6	113.7	1.9	3.4
15	Manufacture of food products and beverages	115.8	131.6	134.1	1.9	15.8
16	Manufacture of tobacco products	182.1	182.2	182.2	0.0	0.1
17	Manufacture of textiles	103.3	109.0	108.2	-0.7	4.7
18	Manufacture of wearing apparel, dressing, and dyeing of fur	115.8	123.0	125.7	2.2	8.5
22	Publishing, printing and reproduction of recorded media	95.5	95.5	97.3	1.9	1.9
23	Manufacture of coke, refine petroleum products and nuclear fuel	71.8	75.4	85.0	12.7	18.4
24	Manufacture of chemicals and chemical products	94.9	95.2	95.3	0.1	0.4
25	Manufacture of rubber and plastics	89.2	92.8	92.2	-0.6	3.4
26	Manufacture of other non metallic mineral products	108.8	108.5	108.2	-0.3	-0.6
27	Manufacture of basic metals	99.0	105.9	105.8	-0.1	6.9
31	Manufacture of electrical machinery and apparatus n.e.c.	108.1	110.8	110.5	-0.3	2.2
35	Manufacture of other transport equipments	101.6	105.2	106.8	1.5	5.1
36	Manufacture of furniture, Manufacturing n.e.c.	112.8	117.2	117.1	-0.1	3.8
	Electricity and water supply	83.7	84.4	84.0	-0.5	0.4
40	Electricity	82.0	82.8	82.4	-0.5	0.5
41	Collection, purification and distribution of water	100.2	99.7	99.2	-0.5	-1.0

* - Revised ** - Provisional

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 December 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 January, 2018 will be released on 15th of March 2018.

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