

Web Release



Producer's Price Index: February 2018 (Base: Fourth Quarter 2013=100)



Department of Census and Statistics
Ministry of National Policies and Economic Affairs

Tel: 011-2147414

Fax: 011-2877945

E-mail: prices@statistics.gov.lk

16th April, 2018

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 covering "Agriculture", "Manufacturing" and "Electricity & Water Supply" reported for February 2018 is 129.9. PPI for "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 165.8, 114.7 and 85.0 respectively. The annual growth rate of overall PPI is 8.2 per cent for the month of February, 2018. These three major economic activities marked positive annual growth rates in the month of February, 2018. Annual Growth rate recorded for "Agriculture" sector is 11.6 per cent, while "Manufacturing" and "Electricity & Water Supply" activities also reported positive growth rates of 6.9 per cent and 1.2 per cent respectively (Table 1).

The sub activities of agriculture sector; "Growing of fruits, nuts & beverage crops" (14.4%) "Growing of vegetables" (4.4%) and "Production of fresh milk" (4.0%) reported positive growth rates in prices received by domestic producers for their goods produced. However, the activities, "Production of eggs" and "Growing of cereals" reported negative growth rates of 6.6 per cent and 4.7 per cent respectively in February 2018 compared to that of in the same month of 2017.

"Manufacturing of coke, refined petroleum products and nuclear fuel" (18.4%), "Manufacturing of wearing apparels" (8.1%), "Manufacturing of food products and beverages" (7.2%), "Manufacturing of basic metals" (7.1%), "Manufacturing of textiles" (5.9%), "Manufacturing of rubber and plastics" (5.8%), "Manufacturing of chemicals and chemical products" (4.9%), "Publishing, printing and reproduction of recorded media" (3.6%) and "Manufacture of electrical machinery and apparatus" (3.0%) activities significantly contributed to the positive growth rate reported in the manufacturing sector in the month of February 2018 compared to the same month in 2017. "Manufacturing of other non-metallic mineral products" (0.5%) is the only activity in the manufacturing sector recorded a negative growth rate in February 2018 on year on year basis (Table 4).

"Electricity generation and distribution" (1.2%) and "Collection, purification and distribution of water" (0.4%) reported positive growth rates in February of 2018 on year on year basis (Table 4).

Table 1: PPI of February of 2017 & 2018 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activity	PPI		Year on Year % change (February 2018/ February 2017)
	2017 February	2018 February**	
All Activities	120.1	129.9	8.2
Agriculture	148.6	165.8	11.6
Manufacturing	107.3	114.7	6.9
Electricity & water supply	84.0	85.0	1.2

** - Provisional

Monthly Changes of Producer's Price Index

The overall PPI increased by 0.5 index points from 129.4 in January 2018 to 129.9 in February 2018. Agriculture and Manufacturing sectors reported positive growth rates of 0.1 per cent and 0.6 per cent respectively on monthly basis. However, "Electricity and Water Supply" activity recorded a negative growth rate of 0.2 per cent compared to the previous month (Table 2).

"Growing of fruits, nuts and beverage crops" (2.3%) "Production of Dairy" (0.9%) and "Egg production" (0.2%) activities reported positive growth rates while, "Growing of vegetables" (15.0%) and "Growing of cereal crops" (7.7%) activities reported negative growth rates in agriculture sector in February 2018 on monthly basis.

"Manufacturing of coke, refined petroleum products and nuclear fuel" (2.4%), "Manufacture of textiles" (2.3%) and "Manufacturing of wearing apparels" (1.4%) activities contributed significantly to the positive growth rate recorded in the manufacturing sector on monthly basis. On the other hand, the activities of "Manufacturing of chemicals and chemical products" (0.3%) and "Manufacturing of rubber and plastics" (0.3%) activities reported negative growth rates in the month of February 2018 compared to the previous month (Table 4).

PPI for the activities of "Generation and distribution of Electricity" and "Collection, purification and distribution of water" sectors reported negative growth rates of 0.2 per cent and 0.3 per cent respectively in February 2018 from January level (Table 4).

Table 2: PPI of January & February of 2018 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)

Major Economic Activity	PPI		Month to Month % change (2018 February / 2018 January)
	2018 January*	2018 February**	
All Activities	129.4	129.9	0.4
Agriculture	165.7	165.8	0.1
Manufacturing	114.0	114.7	0.6
Electricity & Water Supply	85.2	85.0	-0.2

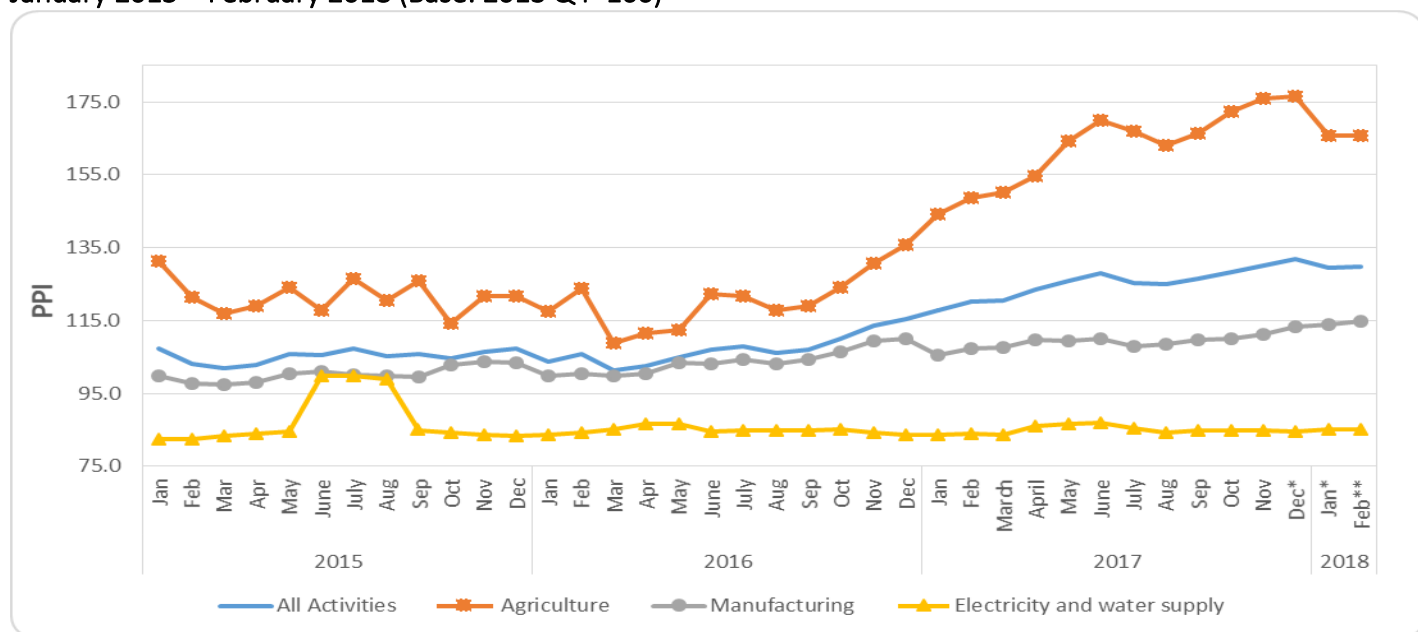
* - Revised ** - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:
January 2014 – February 2018 (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 Moving Average	Month to month		Year on year	12 Months Moving Average		Month to month	Year on year	12 Months Moving Average			
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	105.5	-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	107.3	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
	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	130.2	1.4	14.8	16.4	175.9	2.0	34.7	33.6	111.2	1.1	1.8	5.5	84.7	-0.1	0.6	0.1
	December*	131.8	1.2	14.3	17.0	176.5	0.3	30.0	35.2	113.3	1.9	3.0	5.2	84.5	-0.2	1.0	0.1
2018	January*	129.4	-1.8	9.8	16.6	165.7	-6.1	14.9	34.2	114.0	0.6	8.1	5.5	85.2	0.8	2.0	0.3
	February**	129.9	0.4	8.2	16.1	165.8	0.1	11.6	33.1	114.7	0.6	6.9	5.5	85.0	-0.2	1.2	0.4

* - Revised ** - Provisional

Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 – February 2018 (Base: 2013 Q4=100)



* - Revised ** - Provisional

Table 4: PPI of January of 2018 & February of 2017 & 2018 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4 = 100)

ISIC Rev.3.1	Description of the Economic Activity	2017			2018		% change	
		February	January*	February**	Feb. 2018/Jan. 2018	Feb. 2018/Feb. 2017		
	All Activities	120.1	129.4	129.9	0.4	8.2		
	Agriculture	148.6	165.7	165.8	0.1	11.6		
01	Agriculture and farming	148.6	165.7	165.8	0.1	11.6		
	Manufacturing	107.3	114.0	114.7	0.6	6.9		
15	Manufacture of food products and beverages	124.5	133.5	133.5	0.0	7.2		
16	Manufacture of tobacco products	182.4	182.8	182.8	0.0	0.2		
17	Manufacture of textiles	104.2	107.8	110.3	2.3	5.9		
18	Manufacture of wearing apparel, dressing, and dyeing of fur	116.7	124.4	126.1	1.4	8.1		
22	Publishing, printing and reproduction of recorded media	95.9	99.2	99.4	0.2	3.6		
23	Manufacture of coke, refine petroleum products and nuclear fuel	73.5	85.0	87.0	2.4	18.4		
24	Manufacture of chemicals and chemical products	96.6	101.6	101.3	-0.3	4.9		
25	Manufacture of rubber and plastics	90.7	96.3	96.0	-0.3	5.8		
26	Manufacture of other non metallic mineral products	109.8	108.5	109.2	0.6	-0.5		
27	Manufacture of basic metals	98.9	105.6	105.9	0.3	7.1		
31	Manufacture of electrical machinery and apparatus n.e.c.	109.0	111.8	112.3	0.4	3.0		
35	Manufacture of other transport equipments	105.2	107.2	108.0	0.7	2.7		
36	Manufacture of furniture, Manufacturing n.e.c.	117.2	117.7	118.2	0.4	0.9		
	Electricity and water supply	84.0	85.2	85.0	-0.2	1.2		
40	Electricity	82.4	83.6	83.4	-0.2	1.2		
41	Collection, purification and distribution of water	99.4	100.1	99.8	-0.3	0.4		

* - 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 February of 2018, 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 March, 2018 will be released on 15th of May 2018.

Director General

Department of Census and Statistics

Contact Numbers: 011-2147001 / 011- 2147020