

Web Release



Producer's Price Index: March 2018 (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

The overall Producer's Price Index covering the three major economic activities: "Agriculture", "Manufacturing" and "Electricity & Water Supply" reported for the month of March 2018 is 131.6. PPI for "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 165.6, 117.1 and 86.1 respectively. The annual growth rate of overall PPI is 9.1 per cent for the month of March, 2018. These three major economic activities marked positive annual growth rates in the month of March, 2018. Annual Growth rate recorded for "Agriculture" sector is 10.3 per cent, while "Manufacturing" and "Electricity & Water Supply" activities also reported positive growth rates of 8.9 per cent and 2.9 per cent respectively (Table 1).

The sub activities of agriculture sector; "Growing of fruits, nuts & beverage crops" (13.0%) and "Production of fresh milk" (2.1%) reported positive growth rates in prices received by domestic producers for their goods produced. However, the activities, "Growing of vegetables", "Production of eggs" and "Growing of cereals" reported negative growth rates of 3.0 per cent, 2.5 per cent and 2.0 per cent respectively in March 2018 compared to that of in the same month of 2017.

"Manufacturing of coke, refined petroleum products and nuclear fuel" (55.4%), "Manufacturing of wearing apparels" (9.7%), "Publishing, printing and reproduction of recorded media" (9.0%), "Manufacturing of chemicals and chemical products" (7.8%), "Manufacturing of basic metals" (7.5%), "Manufacturing of rubber and plastics" (6.1%), "Manufacturing of textiles" (5.0%), "Manufacturing of food products and beverages" (4.9%), "Manufacturing of electrical machinery and apparatus" (3.6%), Manufacturing of other transport equipments" (3.2%) and Manufacturing of furniture & Manufacturing of goods not elsewhere classified (1.8%) activities significantly contributed to the positive growth rate reported in the manufacturing sector in the month of March 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 March 2018 on year on year basis (Table 4).

“Electricity generation and distribution” activity marked a positive growth rate of 3.4 per cent. On the other hand “Collection, purification and distribution of water” reported a negative growth rate of 1.3 per cent in March of 2018 on year on year basis (Table 4).

Table 1: PPI of March 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 (March 2018/ March 2017)
	2017 March	2018 March**	
All Activities	120.6	131.6	9.1
Agriculture	150.1	165.6	10.3
Manufacturing	107.5	117.1	8.9
Electricity and water supply	83.7	86.5	3.3

** - Provisional

Monthly Changes of Producer’s Price Index

The overall PPI increased by 1.8 index points from 129.8 in February 2018 to 131.6 in March 2018. Manufacturing and utility sectors reported positive growth rates of 2.2 per cent and 3.0 per cent respectively on monthly basis. However, “Agriculture” activity recorded a marginal decrease of 0.1 per cent in the month of March 2018 compared to the previous month (Table 2).

Even though, “Egg production” (3.6%), “Growing of cereal crops” (1.7%), “Growing of fruits, nuts and beverage crops” (0.8%) and “Production of Dairy” (0.9%) activities reported positive growth rates, “Growing of vegetables” (14.8%) and “Production of dairy” (0.6%) activities reported negative growth rates in agriculture sector in March 2018 compared to previous month.

Activities of “Manufacturing of coke, refined petroleum products and nuclear fuel” (32.5%), “Publishing, printing and reproduction of recorded media” (5.1%), “Manufacture of chemicals and chemical products” (2.6%), and “Manufacturing of furniture & Manufacturing of goods not elsewhere classified (1.0%) reported significant positive growth rates while contributing to the positive growth rate recorded in the manufacturing sector on monthly basis. However, “Manufacturing of textiles” (0.8%) and “Manufacturing of food and beverages” (0.4%) activities recorded negative growth rates compared to that of in the previous month (Table 4).

PPI of the each of the activities “Generation and distribution of Electricity” and “Collection, purification and distribution of water” reported positive growth rates of 2.9 per cent in March 2018 compared to that of in February 2018 (Table 4).

Table 2: PPI of February & March 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 March / 2018 February)
	2018 February*	2018 March**	
All Activities	129.8	131.6	1.4
Agriculture	165.8	165.6	-0.1
Manufacturing	114.6	117.1	2.2
Electricity and water supply	84.0	86.5	3.0

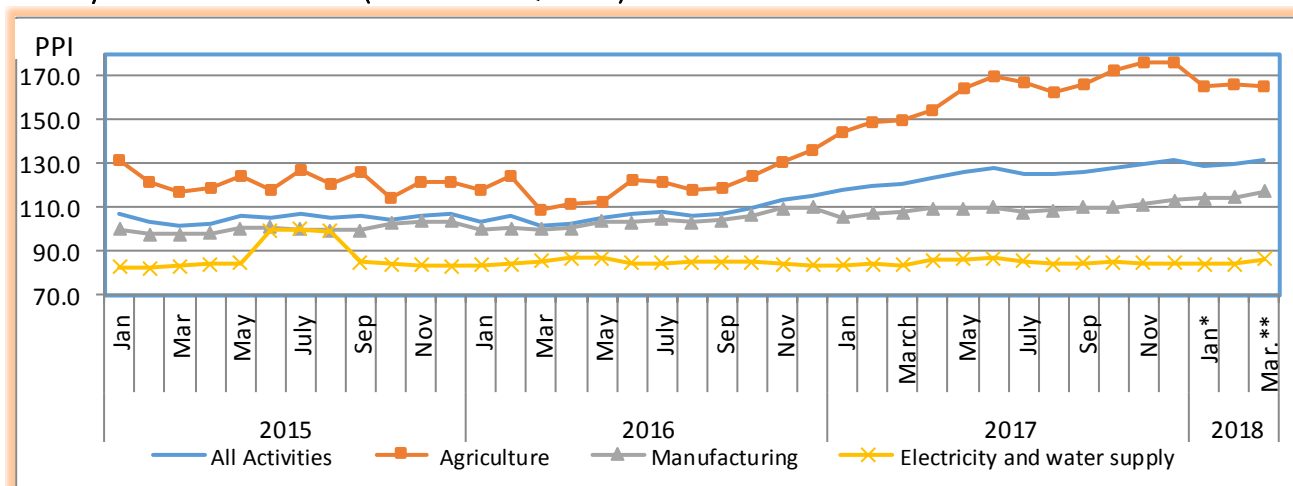
* - Revised ** - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:
January 2014 – March 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		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*	129.3	-1.9	9.8	16.6	165.7	-6.1	14.9	34.2	114.0	0.6	8.1	5.5	83.9	-0.7	0.5	0.1
	February*	129.8	0.4	8.1	16.1	165.8	0.1	11.6	33.1	114.6	0.5	6.8	5.5	84.0	0.1	0.0	0.2
	March**	131.6	1.4	9.1	15.2	165.6	-0.1	10.3	30.5	117.1	2.2	8.9	5.6	86.5	3.0	3.3	0.6

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of February of 2018 & March 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	
		March	February*	March**	March 2018/Feb. 2018	March 2018/March 2017
	All Activities	120.6	129.8	131.6	1.4	9.1
	Agriculture	150.1	165.8	165.6	-0.1	10.3
01	Agriculture and farming	150.1	165.8	165.6	-0.1	10.3
	Manufacturing	107.5	114.6	117.1	2.2	8.9
15	Manufacture of food products and beverages	126.8	133.5	133.0	-0.4	4.9
16	Manufacture of tobacco products	182.4	182.8	182.9	0.1	0.3
17	Manufacture of textiles	104.2	110.3	109.4	-0.8	5.0
18	Manufacture of wearing apparel, dressing, and dyeing of fur	114.6	126.1	125.7	-0.3	9.7
22	Publishing, printing and reproduction of recorded media	95.9	99.4	104.5	5.1	9.0
23	Manufacture of coke, refine petroleum products and nuclear fuel	74.2	87.0	115.3	32.5	55.4
24	Manufacture of chemicals and chemical products	96.3	101.2	103.8	2.6	7.8
25	Manufacture of rubber and plastics	91.1	95.9	96.7	0.8	6.1
26	Manufacture of other non metallic mineral products	109.9	109.2	109.4	0.2	-0.5
27	Manufacture of basic metals	98.9	105.9	106.3	0.4	7.5
31	Manufacture of electrical machinery and apparatus n.e.c.	109	112.3	112.9	0.5	3.6
35	Manufacture of other transport equipments	105.2	108.0	108.6	0.6	3.2
36	Manufacture of furniture, Manufacturing n.e.c.	117.3	118.2	119.4	1.0	1.8
	Electricity and water supply	83.7	84.0	86.5	3.0	3.3
40	Electricity	81.5	82.4	84.8	2.9	4.0
41	Collection, purification and distribution of water	104.1	99.8	102.7	2.9	-1.3

* - 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 March 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 April, 2018 will be released on 18th of June 2018.

Director General

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