

# Web Release



## Producer's Price Index: April 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 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 of three major economic activities covering, "Agriculture", "Manufacturing" and "Electricity & Water Supply" for the month of April 2018 is 129.8. The overall annual growth rate recorded for the month of April 2018 is 5.2 per cent, the lowest after 17 months. PPI for "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 164.1, 115.3 and 83.0 respectively. Agriculture and Manufacturing activities recorded positive annual growth rates of 6.1 per cent and 5.2 per cent respectively; however, Electricity and Water Supply activity marked a negative growth rate of 3.5 per cent (Table 1).

The sub activities of agriculture sector; "Growing of fruits, nuts & beverage crops" (10.8%) and "Production of fresh milk" (0.8%) reported positive growth rates in prices received by domestic producers for their goods. However, the activities, "Growing of vegetables", "Production of eggs" and "Growing of cereals" reported negative growth rates of 26.5 per cent, 7.7 per cent and 5.2 per cent respectively in April 2018 compared to the month of April in 2017.

"Manufacturing of coke, refined petroleum products and nuclear fuel" (13.2%), "Manufacturing of chemicals and chemical products" (11.7%), "Publishing, printing and reproduction of recorded media" (9.4%), "Manufacturing of basic metals" (7.4%), "Manufacturing of wearing apparels" (6.7%), "Manufacturing of electrical machinery and apparatus" (5.2%), "Manufacturing of textiles" (4.3%), Manufacturing of other transport equipments" (3.5%), "Manufacturing of food products and beverages" (3.0%) and Manufacturing of furniture & Manufacturing of goods not elsewhere classified (1.4%) activities significantly contributed for positive growth rate reported in the manufacturing sector on annual basis. The only manufacturing activity which recorded a negative annual growth rate of 0.4 per cent is "Manufacturing of other non-metallic mineral products" (Table 4).

Both activities in the utility sector, "Generation and distribution of Electricity" and "Collection, purification and distribution of water" reported negative growth rates of 3.9 per cent and 0.3 per cent respectively in April 2018 compared to the same month in 2017 (Table 4).

**Table 1: PPI of April 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 (April 2018/ April 2017)
	2017 April	2018 April**	
All Activities	123.4	129.8	5.2
Agriculture	154.6	164.1	6.1
Manufacturing	109.6	115.3	5.2
Electricity and Water Supply	86.0	83.0	-3.5

\*\* - Provisional

### Monthly Changes of Producer's Price Index

The overall PPI declined by 1.6 index points from 131.4 index points in March 2018 to 129.8 index points in April 2018. All three major economic activities contributed to the overall decrease in the month of April 2018. The monthly negative growth rate recorded for the overall PPI in April 2018 is 1.2 per cent. Agriculture, Manufacturing and "Electricity and Water Supply" sectors reported negative growth rates of 0.9 per cent 1.5 per cent and 1.1 per cent respectively on monthly basis (Table 2).

The only activity reported a positive growth rate in agriculture sector is "Growing of cereal crops" (2.8%) in April 2018 on monthly basis. "Growing of vegetables" (9.6%), "Egg production" (4.5%), "Production of Dairy" (1.1%) and "Growing of fruits, nuts and beverage crops" (0.5%) reported negative growth rates in agriculture sector in April 2018 compared to previous month.

Activities of "Manufacturing of chemicals and chemical products" (3.5%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (1.7%), "Manufacturing of basic metals" (0.4%), "Publishing, printing and reproduction of recorded media" (0.4%) and "Manufacturing of other transport equipments" (0.3%) reported positive growth rates, while, "Manufacturing of coke, refined petroleum products and nuclear fuel" (22.5%), "Manufacturing of food products and beverages" (0.7%), "Manufacturing of rubber and plastics" (0.3%) reported negative growth rates contributing to the negative growth rate recorded in the manufacturing sector on monthly basis (Table 4).

PPI of the activities "Generation and distribution of Electricity" and "Collection, purification and distribution of water" marked negative growth rates of 1.1 per cent and 0.6 per cent in April 2018 compared to March level (Table 4).

**Table 2: PPI of March & April 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 April / 2018 March)
	2018 March*	2018 April**	
All Activities	131.4	<b>129.8</b>	-1.2
Agriculture	165.6	164.1	-0.9
Manufacturing	117.0	115.3	-1.5
Electricity and water supply	83.9	83.0	-1.1

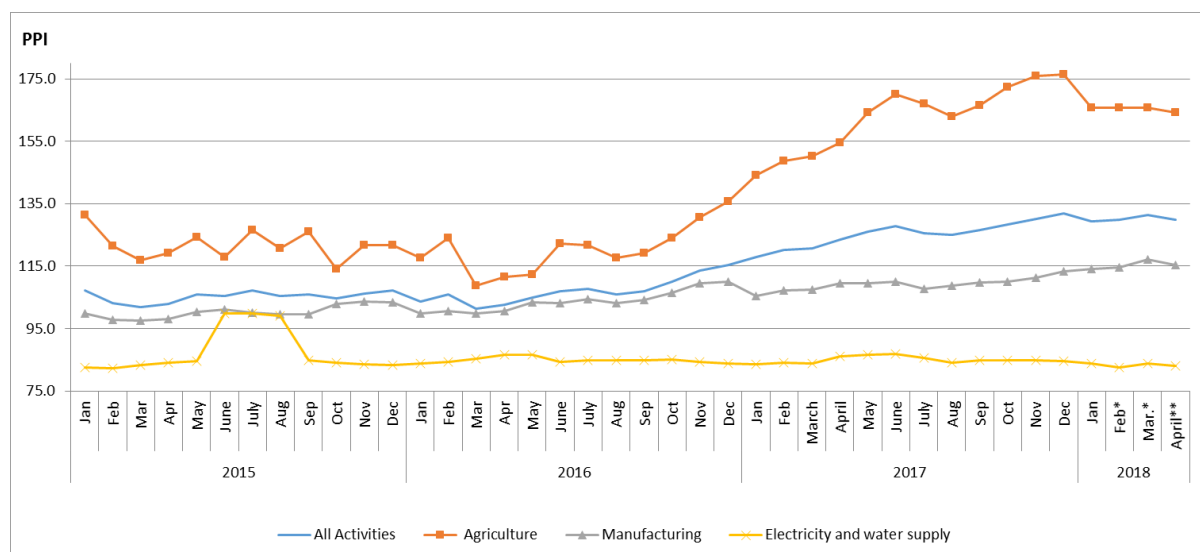
\* - Revised    \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:  
January 2014 – April 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*	131.4	1.2	9.0	15.2	165.6	-0.1	10.3	30.5	117.0	2.1	8.8	5.6	83.9	-0.1	0.2	0.3
	April**	129.8	-1.2	5.2	13.9	164.1	-0.9	6.1	27.6	115.3	-1.5	5.2	5.3	83.0	-1.1	-3.5	0.1

\* - Revised \*\* - Provisional

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



\* - Revised \*\* - Provisional

Table 4: PPI of March 2018 & April 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	
		April	March*	April**	April 2018/March 2018	April 2018/April 2017
	<b>All Activities</b>	<b>123.4</b>	<b>131.4</b>	<b>129.8</b>	<b>-1.2</b>	<b>5.2</b>
	<b>Agriculture</b>	<b>154.6</b>	<b>165.6</b>	<b>164.1</b>	<b>-0.9</b>	<b>6.1</b>
01	Agriculture and farming	154.6	165.6	164.1	-0.9	6.1
	<b>Manufacturing</b>	<b>109.6</b>	<b>117.0</b>	<b>115.3</b>	<b>-1.5</b>	<b>5.2</b>
15	Manufacture of food products and beverages	128.3	96.8	132.1	36.5	3.0
16	Manufacture of tobacco products	182.4	182.9	182.8	-0.1	0.2
17	Manufacture of textiles	104.7	109.4	109.2	-0.2	4.3
18	Manufacture of wearing apparel, dressing, and dyeing of fur	119.5	125.4	127.5	1.7	6.7
22	Publishing, printing and reproduction of recorded media	95.9	104.5	104.9	0.4	9.4
23	Manufacture of coke, refine petroleum products and nuclear fuel	79.0	115.3	89.4	-22.5	13.2
24	Manufacture of chemicals and chemical products	96.2	103.9	107.5	3.5	11.7
25	Manufacture of rubber and plastics	91.0	96.8	96.5	-0.3	6.0
26	Manufacture of other non metallic mineral products	110.0	109.4	109.6	0.2	-0.4
27	Manufacture of basic metals	99.0	105.9	106.3	0.4	7.4
31	Manufacture of electrical machinery and apparatus n.e.c.	107.2	112.9	112.8	-0.1	5.2
35	Manufacture of other transport equipments	105.2	108.6	108.9	0.3	3.5
36	Manufacture of furniture, Manufacturing n.e.c.	117.5	119.1	119.2	0.1	1.4
	<b>Electricity and water supply</b>	<b>86.0</b>	<b>83.9</b>	<b>83.0</b>	<b>-1.1</b>	<b>-3.5</b>
40	Generation and distribution of Electricity	84.3	81.9	81.0	-1.1	-3.9
41	Collection, purification and distribution of water	102.4	102.7	102.1	-0.6	-0.3

\* - 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 April of 2018, are also published in the department web site ([www.statistics.gov.lk](http://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, 2018 will be released on 16<sup>th</sup> of July 2018.

Director General

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