

# Web Release



## Producer's Price Index: May 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 May 2018 is 133.0. The overall annual growth rate recorded for the month of May 2018 is 5.6 per cent. PPI for "Agriculture", "Manufacturing" and "Electricity & Water Supply" activities are 165.2, 119.4 and 83.6 respectively. Agriculture and Manufacturing activities recorded positive annual growth rates of 0.5 per cent and 9.0 per cent respectively; however, Electricity and Water Supply activity marked a negative growth rate of 3.4 per cent (Table 1).

The marginal positive growth rate in prices recorded by the Agriculture sector is mainly due to the positive growth rates reported for the sub activities of Agriculture sector; "Growing of fruits, nuts & beverage crops" (3.3%) and "Production of fresh milk" (1.6%), while, "Growing of vegetables" (18.3%), "Growing of cereals" (8.2%) and "Production of eggs" (3.0%) activities reported negative annual growth rates in the month of May 2018 compared to the same month in 2017.

None of the activities in manufacturing sector reported negative annual growth rates in the month of May of 2018 on annual basis. The significant positive annual growth rate in Manufacturing sector is mainly due to prices received by activities of "Manufacturing of coke, refined petroleum products and nuclear fuel" (14.5%), "Manufacturing of chemicals and chemical products" (11.5%), "Publishing, printing and reproduction of recorded media" (10.1%), "Manufacturing of wearing apparels" (8.8%), "Manufacturing of rubber and plastics" (7.2%), "Manufacturing of basic metals" (7.0%), "Manufacturing of electrical machinery and apparatus" (6.0%), "Manufacturing of textiles" (4.7%), "Manufacturing of other transport equipments" (4.7%), "Manufacturing of food products and beverages" (3.7%) (Table 4).

"Collection, purification and distribution of water" activity reported a positive growth rate of 0.1 per cent; however, "Generation and distribution of electricity" activity reported a negative growth rate of 3.8 per cent in May of 2018 compared to the same month in 2017 (Table 4).

**Table 1: PPI of May 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 (2018 May / 2017 May)
	2017 May	2018 May**	
All Activities	126.0	133.0	5.6
Agriculture	164.3	165.2	0.5
Manufacturing	109.5	119.4	9.0
Electricity & Water Supply	86.5	83.6	-3.4

\*\* - Provisional

### Monthly Changes of Producer's Price Index

The overall PPI increased by 1.2 index points from 131.8 index points in April 2018 to 133.0 index points in May 2018. All three major economic activities reported marginal increases in the month of May 2018. The monthly growth rate recorded for the overall PPI in May 2018 is 0.9 per cent. The positive growth rates recorded by Agriculture, Manufacturing and Electricity & water supply sectors are 0.7 per cent, 0.9 per cent and 0.6 per cent respectively on monthly basis (Table 2).

“Growing of vegetables” (23.0%), “Production of Dairy” (0.7%), “Growing of cereal crops” (0.4%), and “Egg production” (0.3%) activities recorded positive growth rates in the month of May 2018 on monthly basis and “Growing of fruits, nuts and beverage crops” (0.7%) is the only activity reported a negative growth rate in agriculture sector in May 2018 compared to previous month.

The activities of “Manufacturing of wearing apparel, dressing, and dyeing of fur” (3.5%), “Manufacturing of other transport equipments” (1.1%), “Manufacturing of textiles” (0.8%), “Manufacturing of rubber and plastics” (0.7%), “Manufacturing of electrical machinery and apparatus” (0.7%), “Publishing, printing and reproduction of recorded media” (0.6%), “Manufacturing of furniture & Manufacturing of goods not elsewhere classified” (0.6%) and “Manufacturing of non-metallic mineral products” (0.5%) reported positive growth rates in the month of May 2018, while, “Manufacturing of food products and beverages” (0.4%), “Manufacturing of coke, refined petroleum products and nuclear fuel” (0.4%) and “Manufacturing of basic metals” (0.3%) reported negative growth rates. “Manufacturing of chemicals and chemical products” and “Manufacturing of tobacco products” activities remained unchanged in the month of May 2018 compared to previous month (Table 4).

PPI of the activities “Generation and distribution of electricity” and “Collection, purification and distribution of water” marked marginal positive growth rates of 0.7 per cent and 0.6 per cent in May 2018 compared to the price level of April (Table 4).

**Table 2: PPI of April & May 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 (May 2018/ April 2018)
	2018 April	2018 May**	
All Activities	131.8	133.0	0.9
Agriculture	164.1	165.2	0.7
Manufacturing	118.3	119.4	0.9
Electricity & water supply	83.1	83.6	0.6

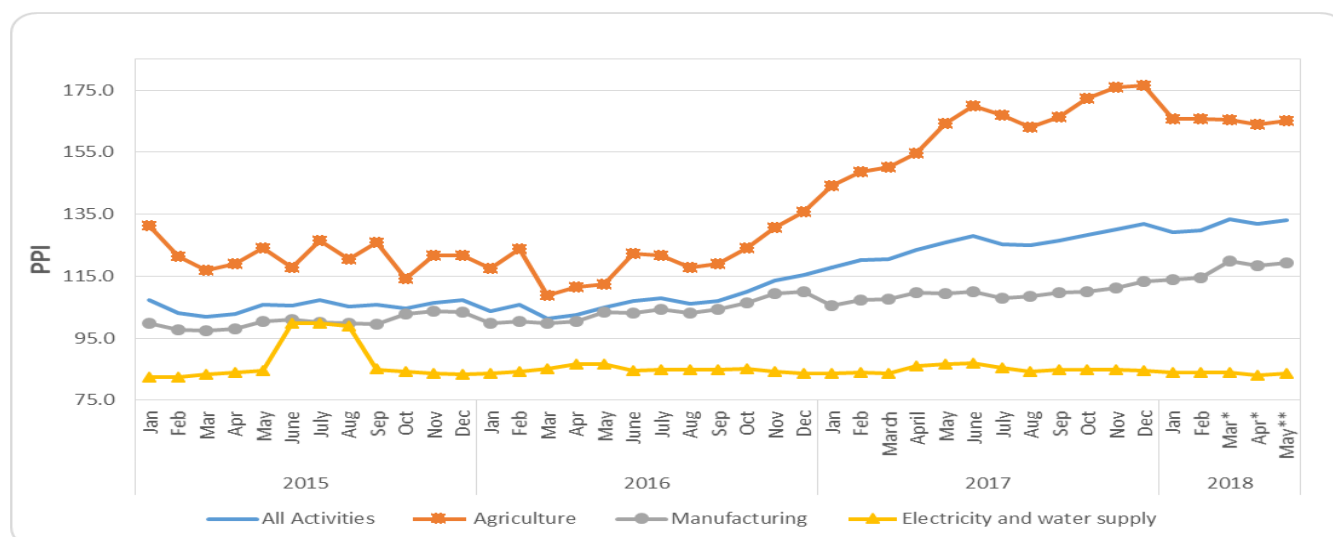
\* - Revised \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – May 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	83.8	-0.8	0.4	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	0.2	0.0	0.1
	March*	133.5	2.9	10.7	15.4	165.6	-0.1	10.3	30.5	120.0	4.7	11.6	5.8	83.9	-0.1	0.2	0.3
	April*	131.8	-1.3	6.8	14.2	164.1	-0.9	6.1	27.6	118.3	-1.4	7.9	5.7	83.1	-1.0	-3.4	0.1
	May**	133.0	0.9	5.6	13.0	165.2	0.7	0.5	23.6	119.4	0.9	9.0	6.0	83.6	0.6	-3.4	-0.2

\* - Revised \*\* - Provisional

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



\* - Revised \*\* - Provisional

**Table 4: PPI of April 2018 & May 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	
		May	April*	May**	May 2018/Apr. 2018	May 2018/May 2017
	<b>All Activities</b>	<b>126.0</b>	<b>131.8</b>	<b>133.0</b>	<b>0.9</b>	<b>5.6</b>
	<b>Agriculture</b>	<b>164.3</b>	<b>164.1</b>	<b>165.2</b>	<b>0.7</b>	<b>0.5</b>
01	Agriculture and farming	164.3	164.1	165.2	0.7	0.5
	<b>Manufacturing</b>	<b>109.5</b>	<b>118.3</b>	<b>119.4</b>	<b>0.9</b>	<b>9.0</b>
15	Manufacture of food products and beverages	126.8	132.0	131.5	-0.4	3.7
16	Manufacture of tobacco products	182.4	182.8	182.8	0.0	0.2
17	Manufacture of textiles	105.2	109.2	110.1	0.8	4.7
18	Manufacture of wearing apparel, dressing, and dyeing of fur	121.3	127.5	132.0	3.5	8.8
22	Publishing, printing and reproduction of recorded media	95.8	104.9	105.5	0.6	10.1
23	Manufacture of coke, refine petroleum products and nuclear fuel	77.7	89.4	89.0	-0.4	14.5
24	Manufacture of chemicals and chemical products	96.2	107.3	107.3	0.0	11.5
25	Manufacture of rubber and plastics	90.7	96.5	97.2	0.7	7.2
26	Manufacture of other non metallic mineral products	109.9	109.9	110.4	0.5	0.5
27	Manufacture of basic metals	99.1	106.3	106.0	-0.3	7.0
31	Manufacture of electrical machinery and apparatus not elsewhere class.	107.2	112.8	113.6	0.7	6.0
35	Manufacture of other transport equipments	105.2	108.9	110.1	1.1	4.7
36	Manufacture of furniture, Manufacturing not elsewhere classified	118.2	120.1	120.8	0.6	2.2
	<b>Electricity and water supply</b>	<b>86.5</b>	<b>83.1</b>	<b>83.6</b>	<b>0.6</b>	<b>-3.4</b>
40	Electricity	84.8	81.0	81.6	0.7	-3.8
41	Collection, purification and distribution of water	102.9	102.4	103.0	0.6	0.1

\* - 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 May 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 June, 2018 will be released on 15<sup>th</sup> of August 2018.

Director General

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