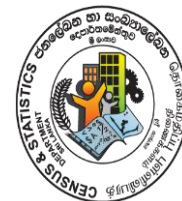


# Web Release



## Producer's Price Index: July 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 Producer's Price Index recorded for all major economic activities covering agriculture, manufacturing and water supply & electricity generation and distribution activities is 134.9. The annual growth rate recorded for the overall PPI is 7.6 per cent. PPI for agriculture, manufacturing and electricity & water supply sectors are 164.9, 122.3, and 85.2 respectively. Manufacturing sector has recorded a significant positive annual growth rate of 13.5 per cent; however, other two major activities in the economy, agriculture and electricity & water supply reported marginal negative annual growth rates of 1.2 per cent and 0.4 per cent respectively.

"Growing of vegetables" (21.9%), "Production of eggs" (16.2%) and "Production of dairy" (1.1%) activities received higher prices for their output in the month of July 2018 on annual basis. However, producers engage in activities of "Growing of cereals" (12.8%) and "Growing of fruits" (3.1%) reported negative growth rates in the month of July, 2018 on annual basis.

"Manufacturing of coke, refined petroleum products and nuclear fuel" (43.8%) reported the highest positive growth rate in manufacturing sector on annual basis. Further, "Manufacturing of wearing apparel, dressing, and dyeing of fur" (13.5%), "Publishing, printing and reproduction of recorded media" (12.1%), "Manufacturing of chemicals and chemical products" (10.2%), "Manufacturing of other transport equipment" (10.1%), "Manufacturing of rubber and plastics" (8.2%), "Manufacturing of basic metals" (7.7%), "Manufacturing of electrical machinery and apparatus" (6.6%), "Manufacture of furniture and Manufacturing of goods not elsewhere classified" (2.8%) and "Manufacturing of textiles" (2.4%) activities also marked considerably high growth rates on annual basis. The only activity recorded a negative growth rate is "Manufacturing of food products and beverage" (0.1%) in the month of July 2018, compared to July, 2017 (Table 4).

“Water supply” activity reported a positive annual growth rate of 1.0 per cent, while, “Generation and distribution of Electricity” activity reported a negative growth rate of 0.6 per cent on annual basis (Table 4).

**Table 1: PPI of July 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 (July 2018/ July 2017) |
|----------------------------|-----------|-------------|----------------------------------------------|
|                            | 2017 July | 2018 July** |                                              |
| All Activities             | 125.4     | 134.9       | 7.6                                          |
| Agriculture                | 166.9     | 164.9       | -1.2                                         |
| Manufacturing              | 107.8     | 122.3       | 13.5                                         |
| Electricity & water supply | 85.5      | 85.2        | -0.4                                         |

\*\* - Provisional

### Monthly Changes of Producer’s Price Index

The overall PPI decreased by 1.9 index points from 136.8 index points in June 2018 to 134.9 index points in July 2018. The overall monthly negative growth rate recorded for three major economic activities for month of July 2018 is 1.4 per cent. Agriculture and manufacturing sectors reported negative growth rates of 2.8 per cent and 0.7 per cent respectively, while, electricity & water supply sector remained unchanged on monthly basis (Table 2).

“Egg production” (11.2%) “Growing of vegetables” (5.0%) and “Production of dairy” (1.2%) activities recorded positive growth rates, while, “Growing of cereal crops” (5.7%) and “Growing of fruits, nuts and beverage crops” (3.9%) activities recorded negative growth rates in the month of July 2018 on monthly basis.

“Manufacturing of other transport equipment” (4.4%) activity marked the highest positive growth rate in July, 2018 on monthly basis, while, “Manufacturing of rubber and plastics” (1.2%), “Publishing, printing and reproduction of recorded media”(0.9%), “Manufacturing of wearing apparel, dressing, and dyeing of fur” (0.8%), “Manufacturing of basic metals” (0.4%), “Manufacturing of electrical machinery and apparatus” (0.2%) activities reported marginal positive growth rates in the month of July 2018 compared to that of in 2017. “Manufacturing of coke, refined petroleum products and nuclear fuel” (3.9%), “Manufacturing of food products and beverages” (2.5%) activities recorded comparatively high negative growth rates. However, “Manufacturing of tobacco products” and “Manufacturing of chemicals and chemical products” activities remained unchanged on monthly basis (Table 4).

“Collection, purification and distribution of water” activity marked positive growth rate of 3.4 per cent and “Generation and distribution of electricity” reported a negative growth rate of 0.5 per cent in July 2018 compared to the price level of June 2018 (Table 4).

**Table 2: PPI of June & July 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 July/ 2018 June) |
|----------------------------|------------|-------------|------------------------------------------------|
|                            | 2018 June* | 2018 July** |                                                |
| All Activities             | 136.8      | 134.9       | -1.4                                           |
| Agriculture                | 169.6      | 164.9       | -2.8                                           |
| Manufacturing              | 123.2      | 122.3       | -0.7                                           |
| Electricity & Water Supply | 85.2       | 85.2        | 0.0                                            |

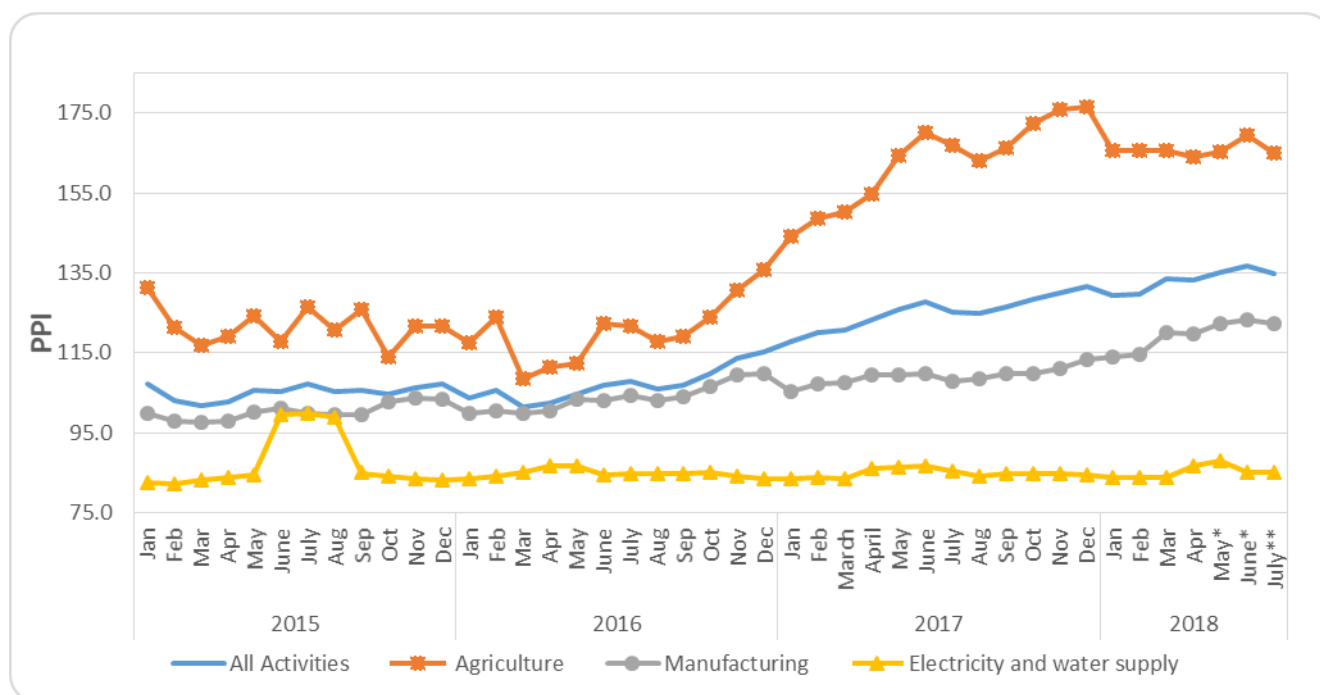
\* - Revised \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:  
January 2014 – July 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          | 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     | 133.1          | -0.3           | 7.9          | 14.3                     | 164.1        | -0.9           | 6.1          | 27.6                     | 119.8        | -0.2           | 9.3          | 5.9                        | 86.6         | 3.2            | 0.7          | 0.4                      |
|      | May*      | 135.2          | 0.8            | 6.5          | 13.2                     | 165.2        | 0.7            | 0.5          | 23.6                     | 122.3        | 0.8            | 10.3         | 6.3                        | 88.2         | 1.8            | 2.0          | 0.6                      |
|      | June*     | 136.8          | 1.3            | 6.3          | 12.0                     | 169.6        | 2.7            | -0.2         | 20.0                     | 123.2        | 0.7            | 10.6         | 6.6                        | 85.2         | -2.0           | -0.5         | 0.3                      |
|      | July**    | 134.9          | -1.4           | 7.6          | 11.4                     | 164.9        | -2.8           | -1.2         | 16.8                     | 122.3        | -0.7           | 13.5         | 7.7                        | 85.2         | 0.0            | -0.4         | 0.1                      |

\* - Revised \*\* - Provisional

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



\* - Revised \*\* - Provisional

**Table 4: PPI of June 2018 & July 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            |                     |
|--------------|-----------------------------------------------------------------|--------------|--------------|--------------|---------------------|---------------------|
|              |                                                                 | July         | June*        | July**       | July 2018/June 2018 | July 2018/July 2017 |
|              | <b>All Activities</b>                                           | <b>125.4</b> | <b>136.8</b> | <b>134.9</b> | <b>-1.4</b>         | <b>7.6</b>          |
|              | <b>Agriculture</b>                                              | <b>166.9</b> | <b>169.6</b> | <b>164.9</b> | <b>-2.8</b>         | <b>-1.2</b>         |
| 01           | Agriculture and farming                                         | 166.9        | 169.6        | 164.9        | -2.8                | -1.2                |
|              | <b>Manufacturing</b>                                            | <b>107.8</b> | <b>123.2</b> | <b>122.3</b> | <b>-0.7</b>         | <b>13.5</b>         |
| 15           | Manufacture of food products and beverages                      | 126.5        | 129.7        | 126.4        | -2.5                | -0.1                |
| 16           | Manufacture of tobacco products                                 | 182.4        | 182.7        | 182.7        | 0.0                 | 0.2                 |
| 17           | Manufacture of textiles                                         | 108.7        | 111.7        | 111.3        | -0.4                | 2.4                 |
| 18           | Manufacture of wearing apparel, dressing, and dyeing of fur     | 115.9        | 130.5        | 131.5        | 0.8                 | 13.5                |
| 22           | Publishing, printing and reproduction of recorded media         | 95.2         | 105.7        | 106.7        | 0.9                 | 12.1                |
| 23           | Manufacture of coke, refine petroleum products and nuclear fuel | 71.5         | 107.0        | 102.8        | -3.9                | 43.8                |
| 24           | Manufacture of chemicals and chemical products                  | 95.2         | 104.9        | 104.9        | 0.0                 | 10.2                |
| 25           | Manufacture of rubber and plastics                              | 91.7         | 98.0         | 99.2         | 1.2                 | 8.2                 |
| 26           | Manufacture of other non metallic mineral products              | 109.0        | 110.5        | 110.4        | -0.1                | 1.3                 |
| 27           | Manufacture of basic metals                                     | 98.6         | 105.8        | 106.2        | 0.4                 | 7.7                 |
| 31           | Manufacture of electrical machinery and apparatus n.e.c.        | 107.2        | 114.1        | 114.3        | 0.2                 | 6.6                 |
| 35           | Manufacture of other transport equipments                       | 105.2        | 110.9        | 115.8        | 4.4                 | 10.1                |
| 36           | Manufacture of furniture, Manufacturing n.e.c.                  | 118.1        | 121.5        | 121.4        | -0.1                | 2.8                 |
|              | <b>Electricity and water supply</b>                             | <b>85.5</b>  | <b>85.2</b>  | <b>85.2</b>  | <b>0.0</b>          | <b>-0.4</b>         |
| 40           | Electricity                                                     | 83.7         | 83.6         | 83.2         | -0.5                | -0.6                |
| 41           | Collection, purification and distribution of water              | 103.0        | 100.6        | 104.0        | 3.4                 | 1.0                 |

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

Director General

Department of Census and Statistics

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