

Web Release



Producer's Price Index: August 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

15th October, 2018

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 for economic activities covering agriculture, manufacturing and water supply & electricity generation and distribution activities is 133.1. The annual growth rate recorded for the overall PPI is 6.6 per cent. PPI for agriculture, manufacturing and electricity & water supply sectors are 154.1, 123.8, and 84.8 respectively. Manufacturing sector reported a substantial positive annual growth rate of 14.0 per cent; this growth rate directly affected the high positive overall annual growth rate reported in the month of August 2018. While, electricity & water supply reported a marginal positive annual growth rate of 0.8 per cent. On the other hand, agriculture sector recorded a significant negative growth rate of 5.5 per cent on annual basis.

"Production of eggs" (48.4%) and "Production of dairy" (8.0%) activities received higher prices for the output in the month of August 2018 on annual basis. However, producers engage in activities of "Growing of cereals" (11.5%), "Growing of fruits" (6.7%) and "Growing of vegetables" (2.3%), reported negative growth rates in the month of August, 2018 on annual basis.

The substantial growth rate reported in the manufacturing sector is mainly due to the higher prices received by producers in "Manufacturing of coke, refined petroleum products and nuclear fuel" (41.8%) on annual basis. Further, "Publishing, printing and reproduction of recorded media" (12.4%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (12.1%), "Manufacturing of chemicals and chemical products" (12.0%), "Manufacturing of other transport equipment" (10.1%), "Manufacturing of tobacco" (10.0%), "Manufacturing of basic metals" (8.1%), "Manufacturing of rubber and plastics" (8.0%), "Manufacturing of textiles" (4.7%), "Manufacturing of electrical machinery and apparatus" (4.4%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (2.8%) and "Manufacturing of other non-metallic mineral products" (2.3%) activities also reported positive growth rates on annual basis. "Manufacturing of food and beverage" activity remained unchanged, while, none of the activities reported negative growth rates in the month of August compared to that of in the same month in 2017 (Table 4).

“Generation and distribution of Electricity” and “Water supply” activities reported positive annual growth rates of 1.0 per cent and 0.1 per cent respectively in the month of August 2018 compared to the same month in 2017 (Table 4).

Table 1: PPI of August 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 (Aug 2018**/ Aug 2017) |
|----------------------------|----------|------------|--|
| | 2017 Aug | 2018 Aug** | |
| All Activities | 124.9 | 133.1 | 6.6 |
| Agriculture | 163.0 | 154.1 | -5.5 |
| Manufacturing | 108.6 | 123.8 | 14.0 |
| Electricity & water supply | 84.1 | 84.8 | 0.8 |

** - Provisional

Monthly Changes of Producer’s Price Index

The overall PPI decreased by 1.9 index points from 135.0 index points in July 2018 to 133.1 index points in August 2018. A negative monthly growth rate of 1.4 per cent has reported for the month of August 2018. The only positive monthly growth rate of 1.2 per cent has reported from manufacturing sector. Agriculture and electricity & water supply sectors marked negative growth rates of 6.5 per cent and 1.2 per cent respectively, on monthly basis (Table 2).

“Egg production” (23.5%), “Production of dairy” (5.1%) and “Growing of cereal crops” (3.4%) activities recorded positive growth rates, while, “Growing of vegetables” (23.8%), “Growing of fruits, nuts and beverage crops” (6.1%) activities recorded negative growth rates in the month of August 2018 on monthly basis.

“Manufacturing of tobacco products” (9.8%), “Manufacturing of textiles” (2.7%), “Manufacturing of wearing apparel, dressing, and dyeing of fur” (1.6%), “Manufacturing of chemicals and chemical products” (1.1%) “Manufacturing of food products and beverages” (0.6%), “Manufacturing of basic metals” (0.6%) reported positive growth rates. “Manufacturing of coke, refined petroleum products and nuclear fuel” (4.3%) is the only activity reported a negative growth rate on monthly basis. “Manufacturing of electrical machinery and apparatus” and “Manufacturing of other transport equipments” activities remained unchanged on monthly basis (Table 4).

The activities, “Generation and distribution of electricity” (1.1%) and “Collection, purification and distribution of water” (1.2%) marked negative growth rates in August 2018 compared to the price level of July 2018 (Table 4).

Table 2: PPI of July & August 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 Aug**/ 2018 July*) |
|----------------------------|------------|------------|--|
| | 2018 July* | 2018 Aug** | |
| All Activities | 135.0 | 133.1 | -1.4 |
| Agriculture | 164.9 | 154.1 | -6.5 |
| Manufacturing | 122.3 | 123.8 | 1.2 |
| Electricity & Water Supply | 85.8 | 84.8 | -1.2 |

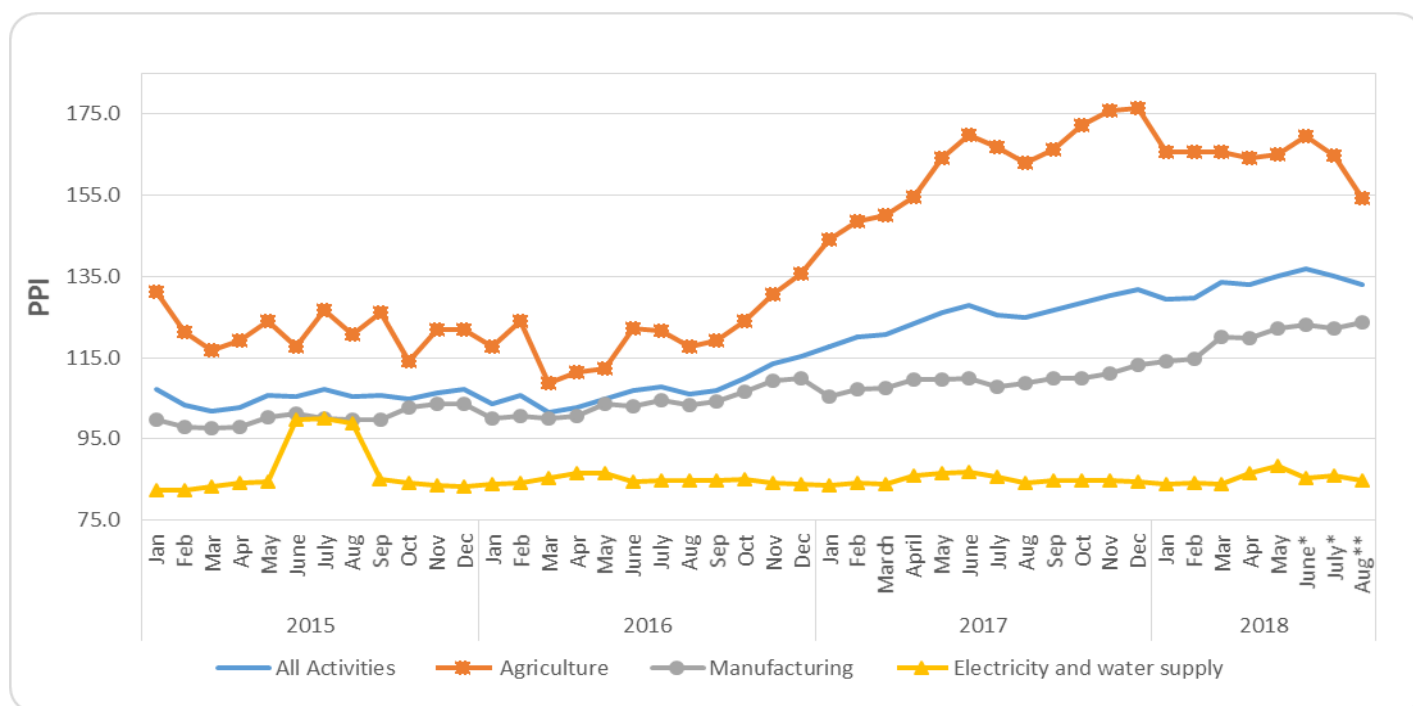
* - Revised ** - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:
January 2014 – August 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 | 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 | 1.6 | 7.3 | 13.2 | 165.2 | 0.7 | 0.5 | 23.6 | 122.3 | 2.1 | 11.7 | 6.4 | 88.2 | 1.8 | 2.0 | 0.6 |
| | June* | 136.8 | 1.2 | 7.0 | 12.2 | 169.6 | 2.7 | -0.2 | 20.0 | 123.2 | 0.7 | 12.0 | 6.8 | 85.2 | -3.4 | -1.8 | 0.2 |
| | July* | 135.0 | -1.3 | 7.7 | 11.5 | 164.9 | -2.8 | -1.2 | 16.8 | 122.3 | -0.7 | 13.5 | 7.7 | 85.8 | 0.7 | 0.4 | 0.2 |
| | Aug** | 133.1 | -1.4 | 6.6 | 10.6 | 154.1 | -6.5 | -5.5 | 13.3 | 123.8 | 1.2 | 14.0 | 8.4 | 84.8 | -1.2 | 0.8 | 0.3 |

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of July 2018 & August 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 | |
|--------------|---|--------------|--------------|--------------|----------------------|---------------------|
| | | Aug. | July* | Aug.** | Aug. 2018/July. 2018 | Aug. 2018/Aug. 2017 |
| | All Activities | 124.9 | 135.0 | 133.1 | -1.4 | 6.6 |
| | Agriculture | 163.0 | 164.9 | 154.1 | -6.5 | -5.5 |
| 01 | Agriculture and farming | 163.0 | 164.9 | 154.1 | -6.5 | -5.5 |
| | Manufacturing | 108.6 | 122.3 | 123.8 | 1.2 | 14.0 |
| 15 | Manufacture of food products and beverages | 127.1 | 126.4 | 127.1 | 0.6 | 0.0 |
| 16 | Manufacture of tobacco products | 182.4 | 182.7 | 200.6 | 9.8 | 10.0 |
| 17 | Manufacture of textiles | 109.2 | 111.3 | 114.3 | 2.7 | 4.7 |
| 18 | Manufacture of wearing apparel, dressing, and dyeing of fur | 119.2 | 131.5 | 133.6 | 1.6 | 12.1 |
| 22 | Publishing, printing and reproduction of recorded media | 95.0 | 106.7 | 106.8 | 0.1 | 12.4 |
| 23 | Manufacture of coke, refine petroleum products and nuclear fuel | 69.4 | 102.8 | 98.4 | -4.3 | 41.8 |
| 24 | Manufacture of chemicals and chemical products | 94.7 | 104.9 | 106.1 | 1.1 | 12.0 |
| 25 | Manufacture of rubber and plastics | 92.0 | 99.2 | 99.4 | 0.2 | 8.0 |
| 26 | Manufacture of other non metallic mineral products | 108.5 | 110.4 | 111.0 | 0.5 | 2.3 |
| 27 | Manufacture of basic metals | 98.8 | 106.2 | 106.8 | 0.6 | 8.1 |
| 31 | Manufacture of electrical machinery and apparatus n.e.c. | 109.5 | 114.3 | 114.3 | 0.0 | 4.4 |
| 35 | Manufacture of other transport equipments | 105.2 | 115.8 | 115.8 | 0.0 | 10.1 |
| 36 | Manufacture of furniture, Manufacturing n.e.c. | 118.3 | 121.4 | 121.6 | 0.2 | 2.8 |
| | Electricity and water supply | 84.1 | 85.8 | 84.8 | -1.2 | 0.8 |
| 40 | Electricity | 82.2 | 83.9 | 83.0 | -1.1 | 1.0 |
| 41 | Collection, purification and distribution of water | 102.7 | 104.0 | 102.8 | -1.2 | 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 August 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 September, 2018 will be released on 15th of November 2018.

Director General

Department of Census and Statistics

Contact Numbers: 011-2147001 / 011- 2147020