

Web Release



Producer's Price Index: September 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 for major economic activities, agriculture, manufacturing and water supply & electricity generation and distribution activities in September 2018 is 129.4. The annual growth rate recorded for the overall PPI is 2.2 per cent. PPI for agriculture, manufacturing and electricity & water supply sectors are 145.1, 121.9, and 86.9 respectively. Manufacturing sector reported a significantly high positive annual growth rate of 11.0 per cent. Further, electricity & water supply sector also reported a positive annual growth rate of 2.6 per cent. However, agriculture sector recorded a sharpest year on year decline of 12.8 per cent on annual basis mainly due to the ample supply of agricultural goods from producing areas after long drought period.

Domestic producers engaged in activities of "Production of eggs" (24.3%) and "Production of dairy" (2.7%) received higher prices for their output in the month of September 2018 compared to the same month in 2017. Although, activities of "Growing of vegetables" (18.0%), "Growing of cereals" (16.0%) and "Growing of fruits, nuts and beverage crops" (13.1%) reported significantly high negative growth rates in the month of September, 2018 on annual basis.

In manufacturing sector, the highest growth rate in prices received by domestic producers reported from the activity, "Manufacturing of coke, refined petroleum products and nuclear fuel" (35.0%) in September, 2018 on annual basis. The activities of manufacturing sector, "Manufacturing of other transport equipment" (13.5%), "Publishing, printing and reproduction of recorded media" (13.2%), "Manufacturing of chemicals and chemical products" (12.4%), and "Manufacturing of rubber and plastics" (9.2%) posted significantly high positive growth rates. Further, "Manufacturing of wearing apparel, dressing, and dyeing of fur" (6.5%), "Manufacturing of textiles" (5.7%), "Manufacturing of electrical machinery and apparatus" (5.2%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (4.1%), "Manufacturing of other non-metallic mineral products" (2.2%), "Manufacturing of basic metals" (1.3%) and "Manufacturing of tobacco" (0.2%) reported considerably higher growth rates on annual basis. The only manufacturing activity which reported a negative annual growth rate is "Manufacturing of food and beverage" (1.1%) in the month of September 2018 compared to that of in the same month of 2017 (Table 4).

“Generation and distribution of Electricity” and “Water supply” activities reported positive annual growth rates of 2.8 per cent and 2.5 per cent respectively in the month of September 2018 compared to September 2017 (Table 4).

Table 1: PPI of September 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 (Sep. 2018**/ Sep. 2017)
	2017 Sep.	2018 Sep.**	
All Activities	126.6	129.4	2.2
Agriculture	166.4	145.1	-12.8
Manufacturing	109.8	121.9	11.0
Electricity & water supply	84.7	86.9	2.6

** - Provisional

Monthly Changes of Producer’s Price Index

The overall PPI decreased by 3.0 index points from 132.4 index points in August 2018 to 129.4 index points in September 2018. A negative growth rate of 2.3 per cent reported for all economic activities in the month of September 2018 on monthly basis. The only positive monthly growth rate of 2.0 per cent has reported from electricity & water supply sector, whilst, other two major economic activities: agriculture and manufacturing, posted negative growth rates of 5.8 per cent and 0.8 per cent respectively, on monthly basis (Table 2).

Almost all the agricultural activities posted negative growth rates in September 2018: “Growing of vegetables” (22.6%), “Egg production” (14.4%), “Production of dairy” (5.0%), “Growing of fruits, nuts and beverage crops” (3.9%) and “Growing of cereal crops” (3.3%)

“Manufacturing of other transport equipment” (3.1%), “Manufacturing of electrical machinery and apparatus” (1.7%), “Manufacturing of textiles” (1.3%), “Manufacturing of furniture, Manufacturing of goods not elsewhere classified” (1.2%), “Publishing, printing, and reproduction of recorded media” (0.9%), “Manufacturing of rubber and plastics” (0.8%), “Manufacturing of food products and beverages” (0.6%) and “Manufacturing of chemicals and chemical products” (0.5%) activities reported marginal positive growth rates while, “Manufacturing of wearing apparel, dressing, and dyeing of fur” (4.2%), “Manufacturing of coke, refined petroleum products and nuclear fuel” (1.3%) and “Manufacturing of other non-metallic mineral products” (0.1%) activities reported negative growth rates on monthly basis. However, “Manufacturing of basic metal” and “Manufacturing of tobacco products” activities remained unchanged on monthly basis (Table 4).

The activities, “Generation and distribution of electricity” (2.2%) and “Collection, purification and distribution of water” (0.6%) marked positive growth rates in September 2018 compared to the price level of August 2018 (Table 4).

Table 2: PPI of August & September 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 Sep**/ 2018 Aug*)
	2018 Aug*	2018 Sep**	
All Activities	132.4	129.4	-2.3
Agriculture	154.1	145.1	-5.8
Manufacturing	122.9	121.9	-0.8
Electricity & Water Supply	85.2	86.9	2.0

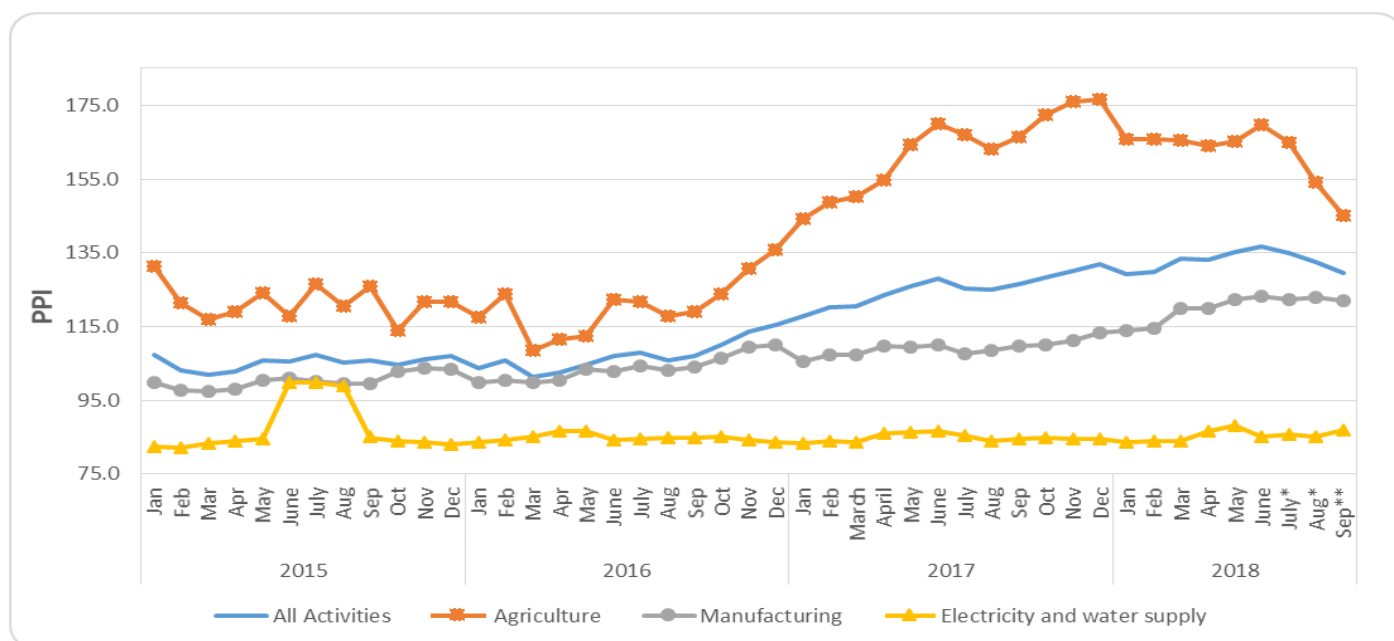
* - Revised ** - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:
January 2014 – September 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
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*	132.4	-1.9	6.0	10.5	154.1	-6.5	-5.5	13.3	122.9	0.5	13.2	8.3	85.2	-0.7	1.3	0.3
	Sep**	129.4	-2.3	2.2	9.2	145.1	-5.8	-12.8	9.2	121.9	-0.8	11.0	8.8	86.9	2.0	2.6	0.6

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of August 2018 & September 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	
		Sep.	Aug*	Sep.**	Sep.** . 2018/Aug* . 2018	Sep.** . 2018/Sep. 2017
	All Activities	126.6	132.4	129.4	-2.3	2.2
	Agriculture	166.4	154.1	145.1	-5.8	-12.8
01	Agriculture and farming	166.4	154.1	145.1	-5.8	-12.8
	Manufacturing	109.8	122.9	121.9	-0.8	11.0
15	Manufacture of food products and beverages	129.3	127.1	127.9	0.6	-1.1
16	Manufacture of tobacco products	182.4	182.7	182.7	0.0	0.2
17	Manufacture of textiles	108.6	113.3	114.8	1.3	5.7
18	Manufacture of wearing apparel, dressing, and dyeing of fur	120.2	133.6	128.0	-4.2	6.5
22	Publishing, printing and reproduction of recorded media	95.2	106.8	107.8	0.9	13.2
23	Manufacture of coke, refine petroleum products and nuclear fuel	71.9	98.4	97.1	-1.3	35.0
24	Manufacture of chemicals and chemical products	94.8	106.1	106.6	0.5	12.4
25	Manufacture of rubber and plastics	91.8	99.4	100.2	0.8	9.2
26	Manufacture of other non metallic mineral products	108.5	111.0	110.9	-0.1	2.2
27	Manufacture of basic metals	105.4	106.8	106.8	0.0	1.3
31	Manufacture of electrical machinery and apparatus n.e.c.	110.5	114.3	116.3	1.7	5.2
35	Manufacture of other transport equipments	105.2	115.8	119.4	3.1	13.5
36	Manufacture of furniture, Manufacturing n.e.c.	118.3	121.6	123.1	1.2	4.1
	Electricity and water supply	84.7	85.2	86.9	2.0	2.6
40	Electricity	82.9	83.4	85.2	2.2	2.8
41	Collection, purification and distribution of water	100.9	102.8	103.4	0.6	2.5

* - 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 September 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 October, 2018 will be released on 17th of December 2018.

Director General

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