

Web Release



Producer's Price Index: December 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 (PPI)

The overall Producer's Price Index recorded for December 2018 is 137.6. The annual growth rate of overall PPI is 4.4 per cent. PPI for agriculture, manufacturing and electricity & water supply activities are 160.4 per cent, 127.9 per cent and 85.4 per cent respectively. Manufacturing sector reported a significantly high positive annual growth rate of 12.9 per cent. Further, electricity & water supply activity reported a positive annual growth rate of 1.1 per cent in December 2018 compared to the same month of previous year. However, agriculture activity reported a negative growth rate of 9.1 per cent (Table 1).

"Farming of animals" activity posted a positive growth rate of 18.0 per cent. The sub activities related to farming of animals: "Production of eggs" (28.6%) and "Production of dairy" (1.7%) activities reported positive growth rates on annual basis. However the activity, "Growing of crops" reported a negative growth rate of 9.9 per cent. It is mainly due to the reporting of negative growth rates by all sub activities related to "Growing of crops": "Growing of fruits, nuts and beverage crops" (11.4%), "Growing of cereals" (6.1%) and "Growing of vegetable" (2.0%) on annual basis.

Except "Manufacturing of food products and beverages" activity all other activities reported positive growth rates in December 2018 compared to the same month in 2017. "Publishing, printing and reproduction of recorded media" (26.2%), "Manufacturing of other transport equipment" (22.4%), "Manufacturing of textiles" (18.1%), "Manufacturing of coke, refined petroleum products and nuclear fuel" (16.1%), "Manufacturing of rubber and plastics" (15.7%), "Manufacturing of chemicals and chemical products" (14.8%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (12.5%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (9.5%), "Manufacturing of other non- metallic products" (4.5%), "Manufacturing of electrical machinery and apparatus" (3.0%) activities posted high growth rates in prices received by the domestic producers in December of 2018 on annual basis. Further, "Manufacturing of basic metals" (0.9%) and "Manufacturing of tobacco products" (0.4%) reported marginal increase in producer prices in December 2018 compared to that of in December 2017. However, the activity "Manufacturing of food products and beverages" (2.5%) reported a negative growth rate on annual basis (Table 4).

The activity, "Collection, purification and distribution of water" reported a huge growth rate of 13.1 per cent while, "Generation and distribution of electricity" recorded a negative annual growth rate of 0.4 percent (Table 4).

Table 1: PPI of December 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 (Dec 2018**/ Dec 2017)
	2017 Dec	2018 Dec**	
All Activities	131.8	137.6	4.4
Agriculture	176.5	160.4	-9.1
Manufacturing	113.3	127.9	12.9
Electricity & water supply	84.5	85.4	1.1

** - Provisional

Monthly Changes of Producer's Price Index

The overall PPI increased by 1.9 index points from 135.7 index points in November 2018 to 137.6 index points in December 2018. The monthly growth rate of PPI in the month of December 2018 is 1.4 per cent. Agriculture, manufacturing and utility sectors posted positive growth rates in the month of December 2018 on monthly basis. The positive growth rates reported for agriculture, manufacturing and utility sectors are 3.0 per cent, 0.7 per cent and 1.2 per cent respectively (Table 2).

"Production of eggs" (13.2%), "Growing of fruits, nuts and beverage crops" (4.0%) and "Growing of cereal crops" (3.6%) activities recorded positive growth rates in December 2018; however, the activities of "Growing of vegetables" (5.8%) and "Production of dairy" (0.3%) activities posted negative growth rates in producer prices compared to the previous month.

"Manufacturing of textiles" (3.2%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (2.7%), "Publishing, printing, and reproduction of recorded media" (2.5%), "Manufacturing of other transport equipment" (1.8%), "Manufacturing of rubber and plastics" (1.4%), "Manufacturing of furniture, "Manufacturing of goods not elsewhere classified" (0.9%), "Manufacturing of chemicals and chemical products" (0.2%) posted positive growth rates in the month of December 2018 on monthly basis. While, "Manufacturing of coke, refined petroleum products and nuclear fuel" (3.9%), "Manufacturing of electrical machinery and apparatus" (2.1%) "Manufacturing of food products and beverages" (0.6%), "Manufacturing of other non-metallic mineral products" (0.2%) activities showed price decrease on monthly basis. However, "Manufacturing of basic metal" and "Manufacturing of tobacco products" activities remained unchanged from November of 2018 level (Table 4).

"Collection, purification and distribution of water" activity marked a significantly high growth rate of 12.7 per cent due to the changes in revenue collection methods. However, "Generation and distribution of electricity" recorded negative monthly growth rate of 0.2 percent in December 2018 on monthly basis (Table 4).

Table 2: PPI of November & December 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 Dec**/ 2018 Nov*)
	2018 Nov*	2018 Dec**	
All Activities	135.7	137.6	1.4
Agriculture	155.8	160.4	3.0
Manufacturing	127.0	127.9	0.7
Electricity & Water Supply	84.4	85.4	1.2

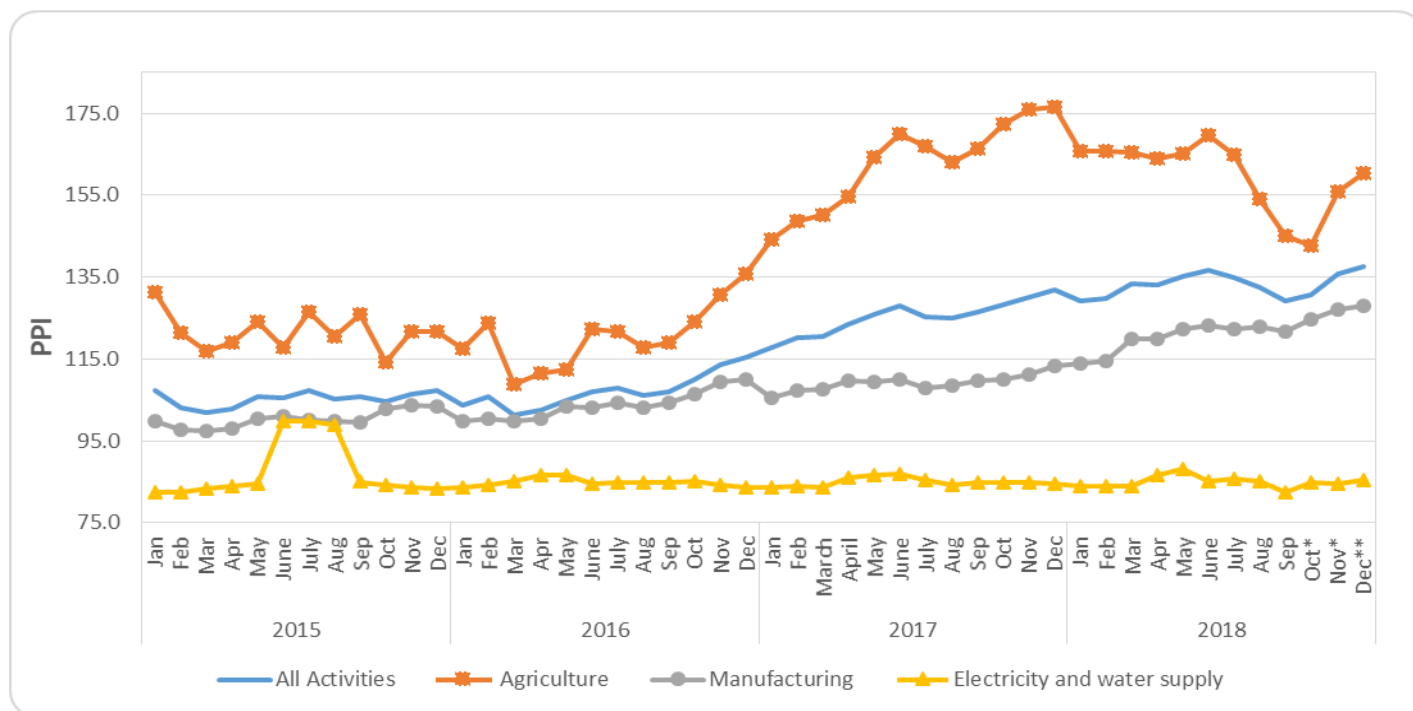
* - Revised ** - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:
January 2014 –December 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			
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	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	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	129.1	-2.5	2.0	9.2	145.1	-5.8	-12.8	9.2	121.8	-0.9	10.9	8.8	82.5	-3.2	-2.6	0.1
	Oct*	130.6	1.2	1.7	8.0	142.7	-1.7	-17.2	4.7	124.8	2.5	13.5	9.6	84.7	2.7	-0.1	0.2
	Nov*	135.7	3.9	4.2	7.1	155.8	9.2	-11.4	1.2	127.0	1.8	14.2	10.7	84.4	-0.4	-0.4	0.1
	Dec**	137.6	1.4	4.4	6.3	160.4	3.0	-9.1	-1.7	127.9	0.7	12.9	11.5	85.4	1.2	1.1	0.1

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of November of 2018 & December 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	
		Dec.	Nov*	Dec.**	Dec**. 2018/Nov*. 2018	Dec**. 2018/Dec. 2017
	All Activities	131.8	135.7	137.6	1.4	4.4
	Agriculture	176.5	155.8	160.4	3.0	-9.1
01	Agriculture and farming	176.5	155.8	160.4	3.0	-9.1
	Manufacturing	113.3	127.0	127.9	0.7	12.9
15	Manufacture of food products and beverages	133.0	130.5	129.7	-0.6	-2.5
16	Manufacture of tobacco products	182.2	182.9	182.9	0.0	0.4
17	Manufacture of textiles	108.2	123.8	127.8	3.2	18.1
18	Manufacture of wearing apparel, dressing, and dyeing of fur	125.1	137.1	140.8	2.7	12.5
22	Publishing, printing and reproduction of recorded media	98.0	120.7	123.7	2.5	26.2
23	Manufacture of coke, refine petroleum products and nuclear fuel	85.0	102.7	98.7	-3.9	16.1
24	Manufacture of chemicals and chemical products	95.4	109.3	109.5	0.2	14.8
25	Manufacture of rubber and plastics	92.5	105.5	107.0	1.4	15.7
26	Manufacture of other non metallic mineral products	108.2	113.3	113.1	-0.2	4.5
27	Manufacture of basic metals	105.8	106.8	106.8	0.0	0.9
31	Manufacture of electrical machinery and apparatus n.e.c.	110.5	116.3	113.8	-2.1	3.0
35	Manufacture of other transport equipments	106.8	128.4	130.7	1.8	22.4
36	Manufacture of furniture, Manufacturing n.e.c.	117.1	127.1	128.2	0.9	9.5
	Electricity and water supply	84.5	84.4	85.4	1.2	1.1
40	Electricity	82.9	82.8	82.6	-0.2	-0.4
41	Collection, purification and distribution of water	99.2	99.6	112.2	12.7	13.1

* - 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 December 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 January, 2019 will be released on 15th of March 2019.

Director General

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