



# Web Release

## Producer's Price Index: January 2019 (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 Producer's Price Index of three major economic activities namely, agriculture, manufacturing and electricity & water supply for the month of January 2019 is 136.0. The overall annual growth rate of PPI is 5.2 per cent. PPI for agriculture, manufacturing and electricity & water supply activities are 155.2, per cent, 127.6 per cent and 84.8 per cent respectively. Manufacturing and electricity & water supply sectors reported positive annual growth rates of 11.9 per cent and 1.2 percent respectively. Although agriculture activity posted a negative annual growth rate of 6.3 per cent on year on year basis (Table 1).

In the agriculture sector, "Farming of animals" activity posted a high positive growth rate of 23.3 per cent. Further, sub activities of "Farming of animals": "Production of eggs" and "Production of dairy" activities reported positive annual growth rates of 37.9 per cent and 1.9 per cent respectively. However, the activity "Growing of crops" reported a negative annual growth rate of 7.3 per cent. The negative growth rate reported in the activity of "Growing of crops" is mainly due to the negative annual growth rate reported by the sub activity of "Growing of fruits, nuts and beverage crops" (8.8%). However, other sub activities, "Growing of cereals" (1.5%) and "Growing of vegetable" (0.6%) reported positive growth rates on annual basis.

For the second consecutive month, except "Manufacturing of food products and beverages" activity, all other manufacturing activities reported positive growth rates in January 2019 compared to the same month in 2018. "Publishing, printing and reproduction of recorded media" (29.6%), "Manufacturing of other transport equipment" (23.3%), "Manufacturing of textiles" (20.8%), "Manufacturing of chemicals and chemical products" (15.8%), "Manufacturing of rubber and plastics" (14.8%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (10.9%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (9.9%), "Manufacturing of basic metals" (9.8%), "Manufacturing of other non-metallic mineral products" (5.2%) and "Manufacture of electrical machinery and apparatus not elsewhere classified" (1.8%) activities recorded positive growth rates in the month of January 2019 compared to the same month in the previous year. Further, "Manufacturing of coke, refined petroleum products and nuclear fuel" (0.9%) and "Manufacturing of tobacco products" (0.3%) activities reported marginal positive growth rates in the month of January 2019 on annual basis. However, "Manufacturing of food products and beverages" (2.2%) reported a negative growth rate on annual basis (Table 4).

The activity, "Collection, purification and distribution of water" reported a significant growth rate of 10.6 per cent while, "Generation and distribution of electricity" remained unchanged (Table 4).

**Table 1: PPI of January of 2018 & 2019 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)**

Major Economic Activity	PPI		Year on Year % change (Jan 2019**/ Jan 2018)
	2018 Jan	2019 Jan**	
All Activities	129.3	136.0	5.2
Agriculture	165.7	155.2	-6.3
Manufacturing	114.0	127.6	11.9
Electricity & water supply	83.8	84.8	1.2

\*\* - Provisional

### Monthly Changes of Producer's Price Index

The overall PPI decreased by 1.5 index points from 137.5 index points in December 2018 to 136.0 index points in January 2019. The monthly overall negative growth rate of PPI in the month of January 2019 is 1.1 per cent. Except manufacturing activity, other two activities reported negative growth rates on monthly basis. Agriculture sector and electricity & water supply sectors reported negative monthly growth rates of 3.2 per cent and 0.7 per cent respectively. However, manufacturing activity remained unchanged in the month of January 2019 compared to the previous month (Table 2).

"Farming of animals" activity reported a positive growth rate of 2.1 per cent while the activity "Growing of crops" posted a negative growth rate of 3.5 per cent on monthly basis. The sub activities under "Farming of animals"; "Production of eggs" (2.8%) and "Production of dairy" (0.7%) reported positive growth rates. Although, the sub activities related to "Growing of crops"; "Growing of vegetables" (24.7%), "Growing of cereals and other crops" (4.4%), "Growing of fruits, nuts and beverage crops" (0.3%) activities recorded negative growth rates in January 2019 compared to that of in 2018.

"Manufacturing of basic metal" (8.6%), "Publishing, printing, and reproduction of recorded media" (4.0%) and "Manufacturing of rubber and plastics" (3.4%) reported comparatively high growth rates while, "Manufacturing of textiles" (1.2%), "Manufacturing of other transport equipment" (1.1%), "Manufacturing of chemicals and chemical products" (1.0%), "Manufacturing of furniture, "Manufacturing of goods not elsewhere classified" (0.9%), "Manufacturing of food products and beverages" (0.6%), "Manufacturing of tobacco" (0.2%), "Manufacturing of other non-metallic mineral products" (0.1%) activities posted marginal growth rates on monthly basis. However, "Manufacturing of coke, refined petroleum products and nuclear fuel" (13.1%) and "Manufacturing of wearing apparel, dressing, and dyeing of fur" (0.1%) recorded negative growth rates in the month of January 2019 on monthly basis. While, "Manufacturing of electrical machinery and apparatus" activity remained unchanged from December of 2018 level (Table 4).

Both activities in the utility sector "Collection, purification and distribution of water" and "Generation and distribution of electricity" activities reported negative growth rates of 1.3 per cent and 0.6 percent respectively in January 2019 on monthly basis (Table 4).

**Table 2: PPI of December of 2018 & January 2019 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)**

Major Economic Activity	PPI		Month to Month % change (2019 Jan**/ 2018 Dec*)
	2018 Dec*	2019 Jan**	
All Activities	137.5	136.0	-1.1
Agriculture	160.4	155.2	-3.2
Manufacturing	127.6	127.6	0.0
Electricity & Water Supply	85.4	84.8	-0.7

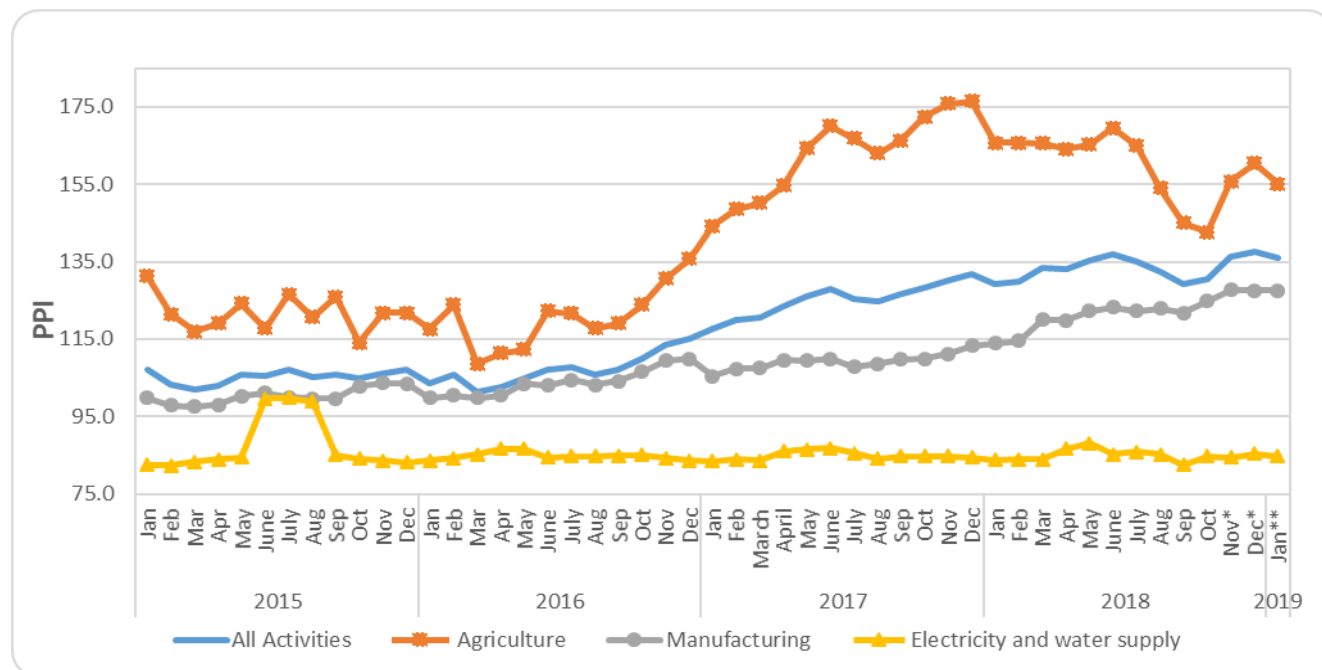
\* - Revised \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 -January 2019 (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	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*	136.2	4.3	4.6	7.1	155.8	9.2	-11.4	1.2	127.7	2.3	14.8	10.7	84.4	-0.4	-0.4	0.1
	Dec*	137.5	1.0	4.3	6.3	160.4	3.0	-9.1	-1.7	127.6	-0.1	12.6	11.5	85.4	1.2	1.1	0.1
2019	Jan**	136.0	-1.1	5.2	6.0	155.2	-3.2	-6.3	-3.3	127.6	0.0	11.9	11.8	84.8	-0.7	1.2	0.2

\* - Revised \*\* - Provisional

**Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 –January 2019 (Base: 2013 Q4=100)**



\* - Revised \*\* - Provisional

**Table 4: PPI of December of 2018 & January of 2018 & 2019 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4=100)**

ISIC Rev.3.1	Description of the Economic Activity	2018		2019	% change	
		Jan.	Dec*	Jan.**	Jan** . 2019/Dec. * . 2018	Jan** . 2019/Jan. 2018
	<b>All Activities</b>	<b>129.3</b>	<b>137.5</b>	<b>136.0</b>	<b>-1.1</b>	<b>5.2</b>
	<b>Agriculture</b>	165.7	160.4	155.2	-3.2	-6.3
01	Agriculture and farming	165.7	160.4	155.2	-3.2	-6.3
	<b>Manufacturing</b>	<b>114.0</b>	<b>127.6</b>	<b>127.6</b>	<b>0.0</b>	<b>11.9</b>
15	Manufacture of food products and beverages	133.5	129.8	130.6	0.6	-2.2
16	Manufacture of tobacco products	182.8	182.9	183.3	0.2	0.3
17	Manufacture of textiles	107.8	128.6	130.2	1.2	20.8
18	Manufacture of wearing apparel, dressing, and dyeing of fur	124.4	138.1	138.0	-0.1	10.9
22	Publishing, printing and reproduction of recorded media	99.2	123.7	128.6	4.0	29.6
23	Manufacture of coke, refine petroleum products and nuclear fuel	85.0	98.7	85.8	-13.1	0.9
24	Manufacture of chemicals and chemical products	101.6	116.5	117.7	1.0	15.8
25	Manufacture of rubber and plastics	96.3	107.0	110.6	3.4	14.8
26	Manufacture of other non metallic mineral products	108.5	114.0	114.1	0.1	5.2
27	Manufacture of basic metals	105.6	106.8	116.0	8.6	9.8
31	Manufacture of electrical machinery and apparatus n.e.c.	111.8	113.8	113.8	0.0	1.8
35	Manufacture of other transport equipments	107.2	130.7	132.2	1.1	23.3
36	Manufacture of furniture, Manufacturing n.e.c.	117.7	128.3	129.4	0.9	9.9
	<b>Electricity and water supply</b>	<b>83.8</b>	<b>85.4</b>	<b>84.8</b>	<b>-0.7</b>	<b>1.2</b>
40	Electricity	82.1	82.6	82.1	-0.6	0.0
41	Collection, purification and distribution of water	100.1	112.2	110.7	-1.3	10.6

\* - 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 January of 2019, 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 February, 2019 will be released on 16<sup>th</sup> of April 2019.

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