



Web Release

Producer Price Index: February 2019 (Base: Fourth Quarter 2013=100)

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Introduction

The Producer 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 Price Index (PPI)

The overall PPI of three major economic activities namely, agriculture, manufacturing and electricity & water supply for the month of February 2019 is 134.8. The overall annual growth rate of PPI is 3.9 per cent. PPI for agriculture, manufacturing and electricity & water supply activities are 152.2, per cent, 126.9 per cent and 86.6 per cent respectively. Manufacturing and electricity & water supply sectors reported positive annual growth rates of 10.7 per cent and 3.1 percent respectively. However, agriculture activity posted a negative annual growth rate of 8.2 per cent on year on year basis (Table 1).

In the agriculture sector, "Farming of animals" activity posted a significantly high positive growth rate of 23.0 per cent, while, "Growing of crops" activity posted a negative growth rate of 9.3 percent. Further, sub activities of "Farming of animals": "Production of eggs" and "Production of dairy" activities reported positive annual growth rates of 38.5 per cent and 0.6 per cent respectively. All sub activities related to "Growing of Crops": "Growing of vegetables" (10.3%), "Growing of cereals" (10.8%) and "Growing of fruits, nuts and beverage crops" (9.1%) reported negative annual growth rates in the month of February 2019 on year on year basis.

Other than "Manufacturing of food products and beverages" activity, all other activities of the manufacturing sector reported positive growth rates in the month of February 2019 compared to the same month in 2018. "Publishing, printing and reproduction of recorded media" (29.3%), "Manufacturing of other transport equipment" (20.1%), "Manufacturing of chemicals and chemical products" (16.3%), "Manufacturing of textiles" (13.4%), "Manufacturing of rubber and plastics" (13.2%), "Manufacturing of basic metals" (9.6%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (8.6%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (7.8%) and "Manufacturing of other non-metallic mineral products" (4.9%) activities reported high positive growth rates. Further, the activities of "Manufacturing of electrical machinery and apparatus not elsewhere classified" (1.3%), "Manufacturing of coke, refined petroleum products and nuclear fuel" (0.2%) and "Manufacturing of tobacco products" (0.1%) also recorded marginal increases in growth rates in the month of February 2019 on annual basis. However, the activity "Manufacturing of food products and beverages" (1.3%) reported a negative growth rate (Table 4).

The both activities in the utility sector, namely, "Collection, purification and distribution of water" (13.3%) and "Generation and distribution of electricity" (1.7%) recorded positive growth rates in the month of February of 2019 compared to the same month in the previous year (Table 4).

Table 1: PPI of February 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 (Feb 2019**/ Feb 2018)
	2018 Feb	2019 Feb**	
All Activities	129.8	134.8	3.9
Agriculture	165.8	152.2	-8.2
Manufacturing	114.6	126.9	10.7
Electricity & water supply	84.0	86.6	3.1

** - Provisional

Monthly Changes of Producer Price Index

The overall PPI decreased by 1.2 index points from 136.0 index points in January 2019 to 134.8 index points in February 2019. The monthly overall negative growth rate of PPI in the month of February 2019 is 0.9 per cent. Electricity & water supply sector recorded a positive growth rate of 1.8 per cent, however, other two sectors, agriculture (1.9%) and manufacturing (0.5%) marked negative growth rates on monthly basis (Table 2).

“Farming of animals” activity reported a positive growth rate of 0.3 per cent, while the activity “Growing of crops” posted a negative growth rate of 2.0 per cent on monthly basis. The sub activities related to “Growing of crops”; “Growing of fruits, nuts, beverages and spice crops” (2.0%) reported a positive growth rate while, “Growing of vegetables” (24.3%) and “Growing of cereals and other crops” (18.9%) marked considerably high negative growth rates.

“Manufacturing of coke, refined petroleum products and nuclear fuel” (1.6%), “Manufacturing of food products and beverages” (0.8%), “Manufacturing of other non-metallic mineral products” (0.4%) and “Manufacturing of basic metal” (0.1%) reported marginal increases in growth rates in the month of February 2019 compared to previous month. “Manufacturing of textiles” (3.9%), “Manufacturing of other transport equipment” (1.9%), “Manufacturing of wearing apparel, dressing, and dyeing of fur” (1.8%), “Manufacturing of rubber and plastics” (1.7%), “Manufacturing of furniture and Manufacturing of goods not elsewhere classified” (0.8%), “Manufacturing of tobacco” (0.1%), “Publishing, printing, and reproduction of recorded media” (0.1%) activities reported negative growth rates on monthly basis. However, activities, “Manufacturing of chemicals and chemical products” and “Manufacturing of electrical machinery and apparatus” remained unchanged from January 2019 level (Table 4).

Both activities in the utility sector, “Collection, purification and distribution of water” and “Generation and distribution of electricity” activities reported positive growth rates of 2.2 per cent and 1.7 per cent respectively in February 2019 on monthly basis (Table 4).

Table 2: PPI of January & February of 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 Feb**/ 2019 Jan*)
	2019 Jan*	2019 Feb**	
All Activities	136.0	134.8	-0.9
Agriculture	155.2	152.2	-1.9
Manufacturing	127.6	126.9	-0.5
Electricity & Water Supply	85.1	86.6	1.8

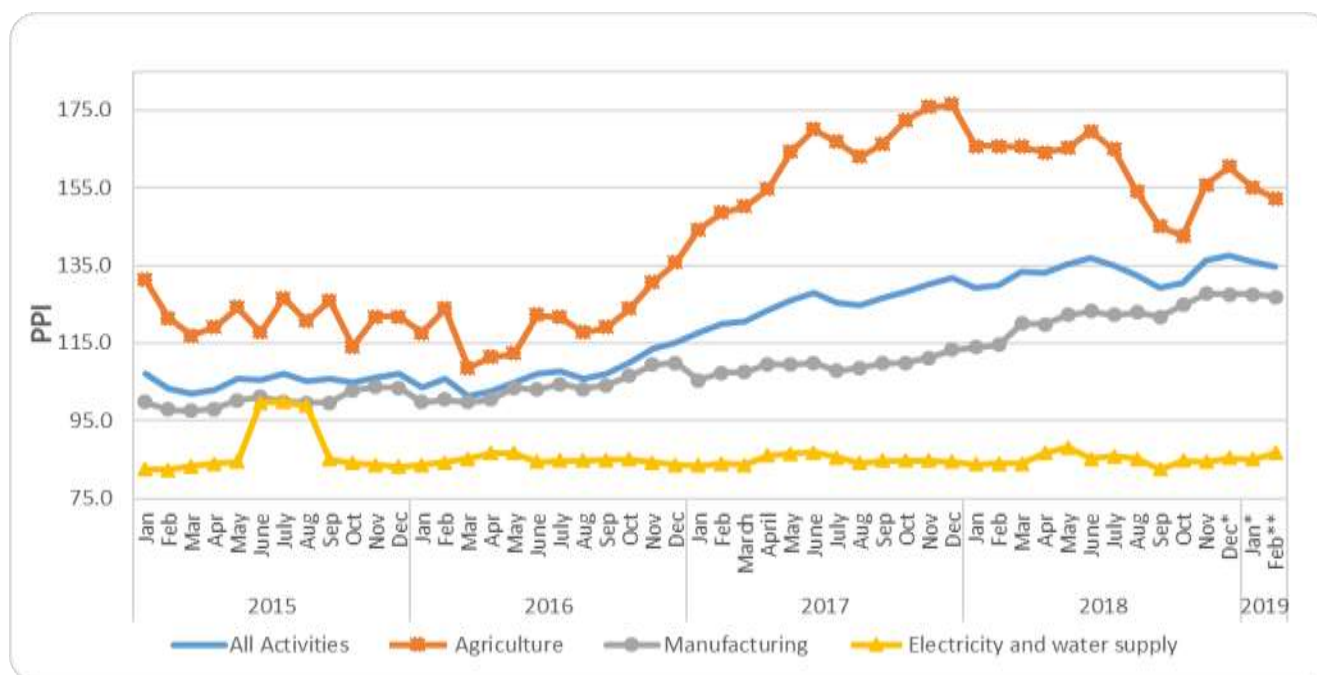
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 –February 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			
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	85.1	-0.4	1.6	0.2
	Feb**	134.8	-0.9	3.9	5.6	152.2	-1.9	-8.2	-4.9	126.9	-0.5	10.7	12.1	86.6	1.8	3.1	0.4

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of January of 2019 & February 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	
		Feb	Jan*	Feb**	Feb** 2019/Jan* 2019	Feb** 2019/Feb 2018
	All Activities	129.8	136.0	134.8	-0.9	3.9
	Agriculture	165.8	155.2	152.2	-1.9	-8.2
01	Agriculture and farming	165.8	155.2	152.2	-1.9	-8.2
	Manufacturing	114.6	127.6	126.9	-0.5	10.7
15	Manufacture of food products and beverages	133.5	130.7	131.7	0.8	-1.3
16	Manufacture of tobacco products	182.8	183.2	183.0	-0.1	0.1
17	Manufacture of textiles	110.3	130.2	125.1	-3.9	13.4
18	Manufacture of wearing apparel, dressing, and dyeing of fur	125.7	138.0	135.5	-1.8	7.8
22	Publishing, printing and reproduction of recorded media	99.4	128.6	128.5	-0.1	29.3
23	Manufacture of coke, refine petroleum products and nuclear fuel	87.0	85.8	87.2	1.6	0.2
24	Manufacture of chemicals and chemical products	101.2	117.7	117.7	0.0	16.3
25	Manufacture of rubber and plastics	96.0	110.6	108.7	-1.7	13.2
26	Manufacture of other non metallic mineral products	109.2	114.1	114.5	0.4	4.9
27	Manufacture of basic metals	105.9	116.0	116.1	0.1	9.6
31	Manufacture of electrical machinery and apparatus n.e.c.	112.3	113.8	113.8	0.0	1.3
35	Manufacture of other transport equipments	108.0	132.2	129.7	-1.9	20.1
36	Manufacture of furniture, Manufacturing n.e.c.	118.2	129.4	128.4	-0.8	8.6
	Electricity and water supply	84.0	85.1	86.6	1.8	3.1
40	Electricity	82.4	82.4	83.8	1.7	1.7
41	Collection, purification and distribution of water	99.8	110.7	113.1	2.2	13.3

* - 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 February of 2019, are also published in the department web site (www.statistics.gov.lk).

Producer Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017. The PPI for month of March, 2019 will be released on 15th of May 2019.

Director General

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