

Web Release



Producer Price Index: May 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 PPI of all economic activities covering: agriculture, manufacturing and electricity & water supply for the month of May is 138.4. The annual growth rate of PPI for the month of May is 2.4 percent. The PPI reported for the economic activities: agriculture, manufacturing and electricity & water supply sectors are 153.4, 131.5 and 88.1 respectively. Manufacturing sector reported a positive annual growth rate of 7.5. Even though, electricity & water supply and agriculture activities reported negative growth rates of 0.1 percent and 7.1 percent in the month of May 2019. (Table 1).

The sub activity "Farming of animals" posted a positive growth rate of 15 percent, However, The sub activity, "growing of crops" reported a negative growth rate of 7.9 percent on annual basis. Even though, the sub activity "Growing of vegetables" (27.3%) marked a positive growth rate, other two activities " Growing of fruits, nuts, beverage and spice crops" (10.9%) and " Growing of cereals and other crops" (4.0%) reported negative growth rates " Egg production " (23.4%) and "Dairy production" (2.7%) reported positive growth rates in May 2019 compared to the same month in 2018.

The sub activities of the manufacturing sector: "Manufacturing of tobacco products " (29.3%), " Publishing, printing and reproduction of recorded media " (24.5%) recorded significantly high growth rates while, "Manufacture of textiles "(16.3%), "Manufacturing of chemicals and chemical products "(15.2%), "Manufacturing of coke, refine petroleum products and nuclear fuel "(14.8%), "Manufacturing of other transport equipment "(11.6%), "Manufacturing of rubber and plastics "(9.8%), "Manufacturing of electrical machinery and apparatus n.e.c. "(8.3%), "Manufacturing of basic metals " (8.0%), "Manufacturing of furniture, Manufacturing n.e.c. " (5.8%), "Manufacturing of wearing apparel, dressing, and dyeing of fur " (5.0%), "Manufacturing of other non-metallic mineral products " (3.7%) reported positive growth rates. The only activity which reported "Manufacturing of food products and beverages "(0.2%) in May 2019 on annual basis (Table 4).

"Collection, purification and distribution of water "(10.7%) reported a positive growth rate. Even though, "Production, collection and distribution of electricity "(1.5%) reported a negative growth rate in the month of May of 2019 compared to the month of May 2018 (Table 4).

**Table 1: PPI of May 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 (May 2019**/ May 2018)
	2018 May	2019 May**	
All Activities	135.2	138.4	2.4
Agriculture	165.2	153.4	-7.1
Manufacturing	122.3	131.5	7.5
Electricity & water supply	88.2	88.1	-0.1

** - Provisional

Monthly Changes of Producer Price Index

The overall PPI increased by 0.3 index points from 138.1 index points in April 2019 to 138.4 index points in May 2019. The overall monthly growth rate of PPI in the month of May is 0.2 percent. All three sub activities reported marginal growth rates on monthly basis. Manufacturing (0.3%), agriculture (0.1%) activities posted positive growth rates in the prices received for their outputs; however, electricity & water supply activity recorded a negative growth rate of 0.5 percent in the month of May 2019 compared to previous month (Table 2).

Sub activities of agriculture sector, "Growing of crops "(0.5%) reported positive growth rate and "Farming of animals "(8.7%) reported negative growth rate on monthly basis. The sub activities related to "Growing of crops ": "Growing of vegetables "(11.7%), and "Growing of cereals and other crops "(6.5%) reported positive growth rates. However the sub activity, "Growing of fruits, nuts, beverage and spice crops "(1.1%) marked a negative growth rate on monthly basis. The sub activity related to "Farming of animals ": "Production of Dairy "marked positive growth rate of 0.1 percent. While "Production of Eggs "recorded a high negative growth rate of 13.1 percent on monthly basis.

In manufacturing sector, the sub activity, "Manufacturing of coke, refine petroleum products and nuclear fuel "(11.0%) reported a remarkably high growth rate. Further, "Manufacturing of other transport equipment "(0.9%), "Publishing, printing and reproduction of recorded media "(0.7%), "Manufacturing of chemicals and chemical products "(0.6%) and "Manufacturing of furniture, Manufacturing n.e.c. "(0.6%) reported same positive growth rates." Manufacturing of wearing apparel, dressing, and dyeing of fur "(0.4%), " Manufacturing of textiles "(0.2%) and "Manufacturing of rubber and plastics "(0.2%), "Manufacturing of other non-metallic mineral products "(0.1%) activities reported positive growth rates on monthly basis. Although sub activities; "Manufacturing of food products and beverages "(1.7%) and "Manufacturing of basic metals "(0.1%) reported negative growth rates on monthly basis. Meanwhile, the activities "Manufacturing of tobacco products " and "Manufacturing of electrical machinery and apparatus n.e.c. " remained unchanged in the month of May 2019 compared to April 2019 (Table 4).

Both activities in the utility sector, "Generation and distribution of electricity "(0.6%)," Collection, purification and distribution of water "(0.3%) and reported negative growth rates on monthly basis (Table 4).

**Table 2: PPI of April & May 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 May**/ 2019 April*)
	2019 April*	2019 May**	
All Activities	138.1	138.4	0.2
Agriculture	153.3	153.4	0.1
Manufacturing	131.1	131.5	0.3
Electricity & Water Supply	88.5	88.1	-0.5

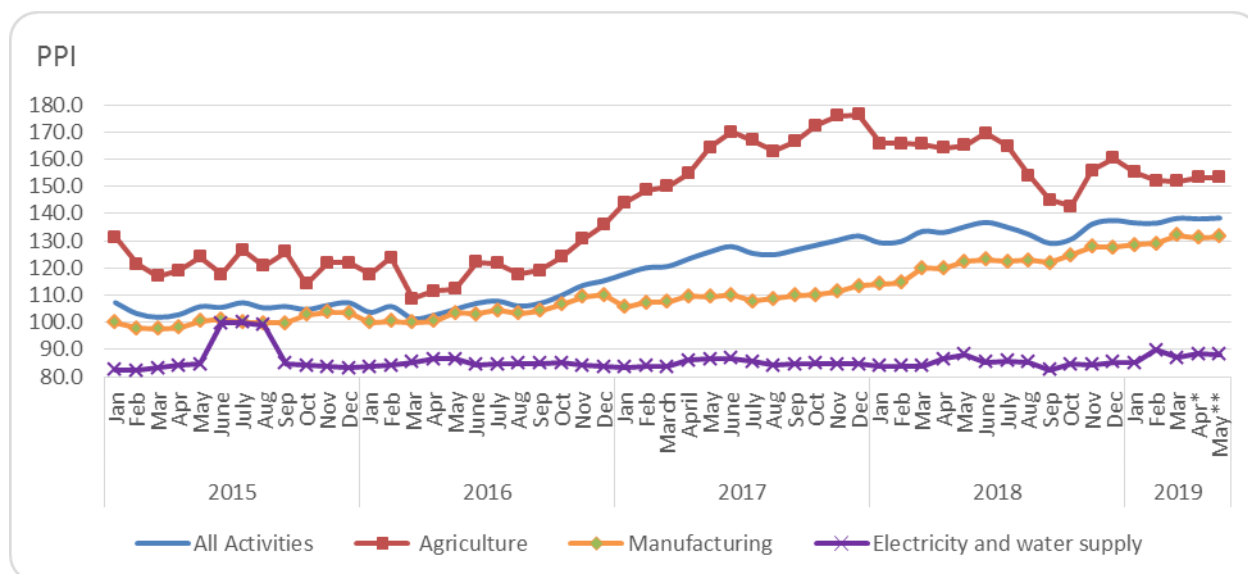
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 –May 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	136.6	-0.7	5.6	6.0	155.2	-3.2	-6.3	-3.3	128.5	0.7	12.7	11.9	85.1	-0.4	1.6	0.2
	Feb	136.5	-0.1	5.2	5.8	152.2	-1.9	-8.2	-4.9	129.1	0.5	12.7	12.4	87.4	2.7	4.0	0.5
	Mar*	138.3	1.3	3.6	5.2	151.8	-0.3	-8.3	-6.3	132.1	2.3	10.1	12.2	87.0	-0.5	3.7	0.8
	Apr*	138.1	-0.1	3.8	4.9	153.3	1.0	-6.6	-7.3	131.1	-0.8	9.4	12.2	88.5	1.7	2.2	0.9
	May**	138.4	0.2	2.4	4.5	153.4	0.1	-7.1	-7.9	131.5	0.3	7.5	11.8	88.1	-0.5	-0.1	0.8

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of April of 2019 & May 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	
		May	April*	May**	May** 2019/April* 2019	May** 2019/May 2018
	All Activities	135.2	138.1	138.4	0.2	2.4
	Agriculture	165.2	153.3	153.4	0.1	-7.1
01	Agriculture and farming	165.2	153.3	153.4	0.1	-7.1
	Manufacturing	122.3	131.1	131.5	0.3	7.5
15	Manufacture of food products and beverages	131.5	133.6	131.3	-1.7	-0.2
16	Manufacture of tobacco products	182.8	236.3	236.3	0.0	29.3
17	Manufacture of textiles	109.8	127.5	127.7	0.2	16.3
18	Manufacture of wearing apparel, dressing, and dyeing of fur	131.3	137.4	137.9	0.4	5.0
22	Publishing, printing and reproduction of recorded media	105.5	130.5	131.4	0.7	24.5
23	Manufacture of coke, refine petroleum products and nuclear fuel	89.0	92.1	102.2	11.0	14.8
24	Manufacture of chemicals and chemical products	106.5	122.0	122.7	0.6	15.2
25	Manufacture of rubber and plastics	97.4	106.7	106.9	0.2	9.8
26	Manufacture of other non metallic mineral products	110.4	114.4	114.5	0.1	3.7
27	Manufacture of basic metals	107.8	116.5	116.4	-0.1	8.0
31	Manufacture of electrical machinery and apparatus n.e.c.	113.6	123.0	123.0	0.0	8.3
35	Manufacture of other transport equipments	110.1	121.8	122.9	0.9	11.6
36	Manufacture of furniture, Manufacturing n.e.c.	121.2	127.4	128.2	0.6	5.8
	Electricity and water supply	88.2	88.5	88.1	-0.5	-0.1
40	Electricity	86.6	85.8	85.3	-0.6	-1.5
41	Collection, purification and distribution of water	103.0	114.4	114.0	-0.3	10.7

* - 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 May 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 June, 2019 will be released on 15th of August 2019.

Director General

Department of Census and Statistics

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