

Web Release



Producer's Price Index: June 2019 (Base: Fourth Quarter 2013=100)



Department of Census and Statistics Ministry of Economic Reforms and Public Distribution

Tel: 011-2147414

Fax: 011-2877945

E-mail: prices@statistics.gov.lk

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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 PPI of all economic activities covering: agriculture, manufacturing and water supply & electricity for the month of June is 137.6. The annual growth rate recorded for the overall PPI is 0.6 per cent. The PPI reported for the economic activities: agriculture, manufacturing and electricity & water supply sectors are 151.6, 130.9 and 89.3 respectively. Manufacturing and electricity & water supply sectors reported positive annual growth rate of 6.3 percent and 4.8 percent. Even though, agriculture sector recorded a significant negative growth rate of 10.6 per cent in the month of June 2019 (Table 1).

The sub activity, "Farming of animals" posted a positive growth rate of 14.5 percent. However, the sub activity, "Growing of crops" reported a negative growth rate of 11.5 percent on annual basis. Even though, the sub activities "Production of eggs" (21.9%) and "Production of dairy" (2.9%) reported a positive annual growth rates. The sub activities "Growing of vegetables" (18.7%) and other two activities "Growing of fruits, nuts, beverage and spice crops" (11.3%) and "Growing of cereals and other crops" (2.5%) marked a negative growth rates in June 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" (25.3%) recorded significantly high growth rates. While, "Manufacturing of chemicals and chemical products" (17.0%), "Manufacturing of textiles" (16.7%), "Manufacturing of other transport equipment" (10.9%), "Manufacturing of basic metals" (10.0%), "Manufacturing of rubber and plastics" (9.9%), "Manufacturing of electrical machinery and apparatus" (7.8%), "Manufacturing of other non-metallic" (6.4%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (5.9%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (5.8%) reported positive growth rates. "Manufacturing of coke, refined petroleum products and nuclear fuel" (9.3%) and "Manufacturing of food and beverage" (0.6%) reported negative growth rates in June 2019 on annual basis. (Table 4).

"Collection, purification and distribution of water" (14.9%) and "Generation and distribution of Electricity" (3.5%) reported positive growth rates in the month of 2019 compared to the month of June 2018. (Table 4).

Table 1: PPI of June 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 (June 2019**/ June 2018)
	2018 June	2019 June**	
All Activities	136.8	137.6	0.6
Agriculture	169.6	151.6	-10.6
Manufacturing	123.2	130.9	6.3
Electricity & water supply	85.2	89.3	4.8

** - Provisional

Monthly Changes of Producer's Price Index

The overall PPI decreased by 0.9 index points from 138.5 index points in May 2019 to 137.6 index points in June 2019. The overall monthly negative growth rate of 0.6 per cent has reported for the month of June 2019. All three sub activities reported marginal growth rates on monthly basis. Electricity and water supply activities recorded a positive growth rate of 1.4 percent. However, Agriculture (1.2%), Manufacturing (0.5%) activities posted negative growth rates in the prices received for their outputs; in the month of June 2019 compared to previous month (Table 2).

Sub activities of agriculture sector, "Farming of animals"(4.2%) reported positive growth rate and "Growing crops"(1.4%) reported negative growth rate on monthly basis. The sub activities related to "Egg production" (6.4%) and "Production of dairy" (0.2%) reported positive growth rates. However, the sub activities "Growing vegetable" (2.2%) and "Growing of cereal crops" (1.4%) recorded positive growth rates and other activity "Growing of fruits, nuts and beverage crops" (2.1%) reported negative growth rate in the month of June 2019 compared to previous month.

In Manufacturing sector, the sub activities: "Manufacturing of textiles" (2.0%), "Publishing, printing and reproduction of recorded media" (0.8%), "Manufacturing of rubber and plastics" (0.7%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (0.4%), "Manufacturing of other non-metallic" (0.3%), "Manufacture of furniture, Manufacturing n.e.c." (0.2%), "Manufacturing of other transport equipment" (0.1%) reported positive growth rates on monthly basis. Although, sub activities; "Manufacturing of coke, refined petroleum products and nuclear fuel" (5.1%) and "Manufacturing of food products and beverages" (1.7%) reported negative growth rates on monthly basis. Meanwhile, the activities "Manufacturing of tobacco products", "Manufacturing of chemicals and chemical products", "Manufacturing of basic metals", "Manufacturing of electrical machinery and apparatus" remained unchanged in the month of June 2019 compared to May 2019 (Table 4).

Both activities in the utility sector, "Generation and distribution of electricity" (1.4%) and "Collection, purification and distribution of water" (1.4%) reported positive growth rates on monthly basis (Table 4).

Table 2: PPI of May & June 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 June**/ 2019 May*)
	2019 May*	2019 June**	
All Activities	138.5	137.6	-0.6
Agriculture	153.4	151.6	-1.2
Manufacturing	131.6	130.9	-0.5
Electricity & Water Supply	88.1	89.3	1.4

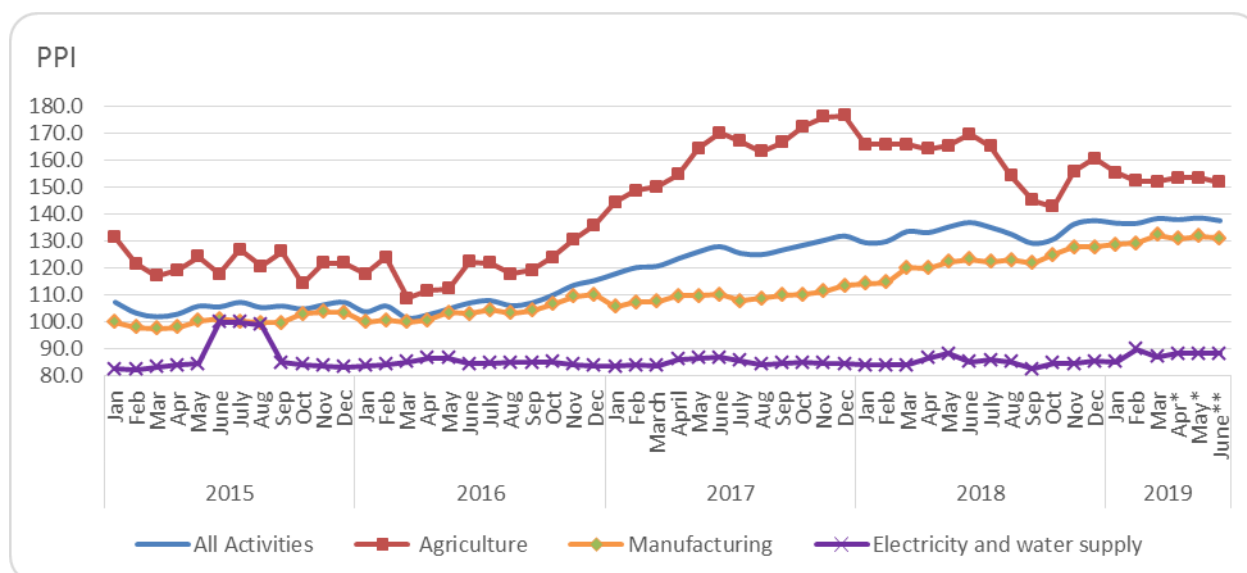
* - Revised ** - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity:
January 2014 – June 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	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	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*	137.9	-0.3	3.6	4.9	153.3	1.0	-6.6	-7.3	130.8	-1.0	9.2	12.2	88.3	1.5	2.0	0.9
	May*	138.5	0.4	2.4	4.5	153.4	0.1	-7.1	-7.9	131.6	0.6	7.6	11.8	88.1	-0.2	-0.1	0.7
	June**	137.6	-0.6	0.6	3.9	151.6	-1.2	-10.6	-8.8	130.9	-0.5	6.3	11.3	89.3	1.4	4.8	1.3

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of May 2019 & June 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	
		June	May*	June**	June** 2019/May* 2019	June** 2019/June 2018
	All Activities	136.8	138.5	137.6	-0.6	0.6
	Agriculture	169.6	153.4	151.6	-1.2	-10.6
01	Agriculture and farming	169.6	153.4	151.6	-1.2	-10.6
	Manufacturing	123.2	131.6	130.9	-0.5	6.3
15	Manufacture of food products and beverages	129.7	131.1	128.9	-1.7	-0.6
16	Manufacture of tobacco products	182.7	236.3	236.3	0.0	29.3
17	Manufacture of textiles	111.7	127.9	130.4	2.0	16.7
18	Manufacture of wearing apparel, dressing, and dyeing of fur	130.5	137.6	138.2	0.4	5.9
22	Publishing, printing and reproduction of recorded media	105.7	131.4	132.4	0.8	25.3
23	Manufacture of coke, refine petroleum products and nuclear fuel	107.0	102.2	97.0	-5.1	-9.3
24	Manufacture of chemicals and chemical products	104.9	122.7	122.7	0.0	17.0
25	Manufacture of rubber and plastics	98.0	106.9	107.7	0.7	9.9
26	Manufacture of other non metallic mineral products	110.5	117.2	117.6	0.3	6.4
27	Manufacture of basic metals	105.8	116.4	116.4	0.0	10.0
31	Manufacture of electrical machinery and apparatus n.e.c.	114.1	123.0	123.0	0.0	7.8
35	Manufacture of other transport equipments	110.9	122.9	123.0	0.1	10.9
36	Manufacture of furniture, Manufacturing n.e.c.	121.5	128.3	128.5	0.2	5.8
	Electricity and water supply	85.2	88.1	89.3	1.4	4.8
40	Electricity	83.6	85.3	86.5	1.4	3.5
41	Collection, purification and distribution of water	100.6	114.0	115.6	1.4	14.9

* - 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 June of 2019, 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 July, 2019 will be released on 16th of September 2019.

Director General

Department of Census and Statistics

Contact Numbers: 011-2147001 / 011- 2147020