

# Web Release



## Producer's Price Index: October 2020 (Base: Fourth Quarter 2013=100)



Department of Census and Statistics  
Ministry of Finance

Tel: 011-2147414

Fax: 011-2877945

E-mail: [prices@statistics.gov.lk](mailto: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 macro-economic 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 PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of October is 145.8. The annual change in the PPI has been compiled as 6.8 per cent. The PPI reported for the three major economic activities, agriculture, manufacturing and electricity & water supply are 175.8, 138.8 and 86.8 respectively. Agriculture, manufacturing and electricity & water supply activities reported positive changes of 22.8 per cent, 4.4 per cent and 2.4 per cent on annual basis respectively (Table 1).

The major sub activities of agriculture sector, "Growing crops" reported positive change of 24.1 per cent and "Farming of animals" reported negative change of 4.8 per cent on annual basis. Activities related to "Growing of crops": "Growing of cereals and other crops", "Growing of fruits, nuts and beverage and spice crops" recorded positive annual changes of 28.6 per cent and 28.4 per cent respectively. "Growing of vegetables" recorded negative annual change of 9.1 per cent. Also, sub activities related to "Farming of animals": "Production of dairy" recorded positive change of 6.1 per cent and "Production of eggs" recorded negative percentage change of 10.4 per cent in October 2020 compared to the same month in 2019.

The sub activities of manufacturing sector, "Manufacturing of rubber and plastics"(13.0%), "Manufacturing of electrical machinery and apparatus not elsewhere classified"(9.8%), "Manufacturing of wearing apparel, dressing, and dyeing of fur"(9.8%), "Manufacturing of food products and beverages" (9.2%), "Manufacturing of basic metals" (7.4%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (2.6%), "Manufacturing of other non-metallic mineral products"(1.3%) and "Manufacturing of tobacco products"(1.2%) reported positive percentage changes on annual basis. However, "Manufacturing of coke, refined petroleum products and nuclear fuel" (29.0%), "Manufacturing of other transport equipment" (13.4%), "Manufacturing of chemicals and chemical products" (4.8%), "Manufacturing of Textiles" (4.6%) and "Publishing, printing and reproduction of recorded media" (2.4%) recorded negative percentage changes in October 2020 compared to October 2019 (Table 4).

Both activities in utility sector, "Collection, purification and distribution of water" and "Generation and distribution of electricity" reported positive changes of 6.7 per cent and 1.8 per cent respectively in the month of October 2020 compared to the same month in 2019 (Table 4).

**Table 1: PPI of October, 2019 & 2020 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)**

Major Economic Activity	PPI		Year on Year % change (Oct 2020**/ Oct 2019)
	2019 Oct	2020 Oct**	
All Activities	136.5	145.8	6.8
Agriculture	143.2	175.8	22.8
Manufacturing	133.0	138.8	4.4
Electricity & water supply	84.8	86.8	2.4

\*\* - Provisional

### Monthly Changes of Producer's Price Index

Comparing the month on month changes, PPI in October 2020 has increased to 145.8 from 144.7 reported in September 2020. This shows an increase of 1.1 index points or 0.8 percentage as compared to September 2020. Out of the three major economic activities, manufacturing reported a positive change of 1.7 per cent on monthly basis, however agriculture and electricity and water supply activities reported negative changes of 0.9 per cent and 0.8 per cent compared to the previous month (Table 2).

Both sub activities of agriculture sector, "Farming of animals" (8.8%) and "Growing of crops (0.6%) reported negative percentage changes on monthly basis. Further, "Farming of animals": "Production of dairy" (1.2%) reported positive percentage change and "Egg production" (13.8%) reported negative percentage change on monthly basis. The sub activities related to. "Growing of crops": "Growing of cereal crops" (7.2%) reported positive percentage change on monthly basis. However, "Growing of vegetables" (5.2%) and "Growing of fruits, nuts and beverage crops" (1.0%) reported negative percentage changes on monthly basis.

In Manufacturing sector, the sub activities, "Manufacturing of food and beverages" (4.8%), "Manufacturing of rubber and plastics"(4.6%) , "Manufacturing of chemicals and chemical products" (1.9%), "Manufacturing of basic metals"(1.0%), "Manufacturing of tobacco products"(0.5%) and "Publishing, printing and reproduction of recorded media"(0.5%) reported positive percentage changes on monthly basis. "Manufacturing of coke, refined petroleum products and nuclear fuel" (2.7%), "Manufacturing of other transport equipment" (0.4%), Manufacturing of wearing apparel, dressing, and dyeing of fur" (0.3%),"Manufacturing of Textiles" (0.2%) , Manufacturing of furniture" (0.2%), "Manufacturing of other non-metallic mineral products" (0.1%) and "Manufacturing of electrical machinery and apparatus not elsewhere classified"(0.1%) reported negative percentage changes on monthly basis (Table 4).

Sub activities of the utility sector, "Collection, purification and distribution of water" reported positive change of 0.2 per cent and "Generation and distribution of electricity" reported negative change of 0.8 per cent in the month of October 2020 on monthly basis (Table 4).

**Table 2: PPI of September & October, 2020 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)**

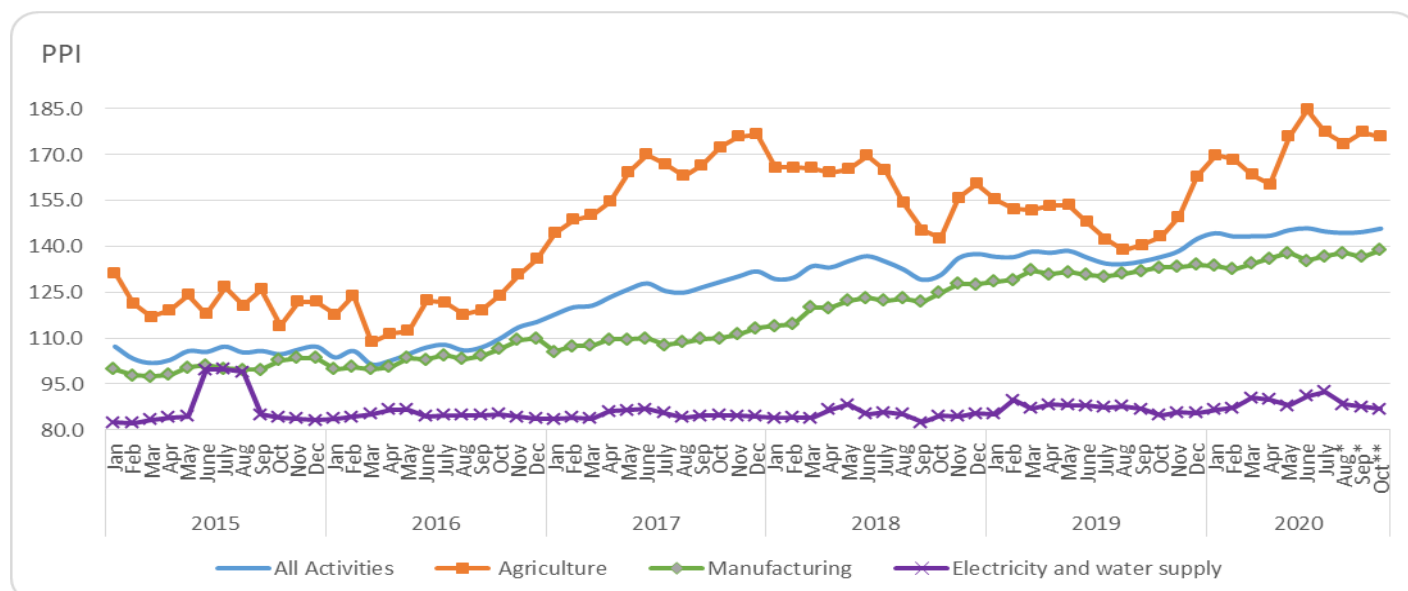
Major Economic Activity	PPI		Month to Month % change (2020 Oct**/ 2020 Sep*)
	2020 Sep*	2020 Oct**	
All Activities	144.7	145.8	0.8
Agriculture	177.4	175.8	-0.9
Manufacturing	136.5	138.8	1.7
Electricity & Water Supply	87.5	86.8	-0.8

\* - Revised    \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – October 2020 (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	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	136.3	-1.6	-0.4	3.8	147.9	-3.6	-12.8	-8.9	130.6	-0.8	6.0	11.3	87.9	-0.2	3.2	1.2
	July	134.4	-1.4	-0.4	3.2	142.2	-3.9	-13.8	-10.0	130.1	-0.4	6.4	10.7	87.3	-0.7	1.7	1.3
	Aug	134.2	-0.1	1.4	2.8	138.8	-2.4	-9.9	-10.3	131.1	0.8	6.7	10.1	87.7	0.5	2.9	1.4
	Sep	135.1	0.7	4.6	3.0	140.4	1.2	-3.2	-9.6	131.9	0.6	8.3	9.9	86.8	-1.0	5.2	2.1
	Oct	136.5	1.0	4.5	3.2	143.2	2.0	0.4	-8.2	133.0	0.8	6.6	9.4	84.8	-2.3	0.1	2.1
	Nov	138.5	1.5	1.7	3.0	149.6	4.5	-4.0	-7.6	133.2	0.2	4.3	8.5	85.8	1.2	1.7	2.2
	Dec	142.5	2.9	3.6	2.9	162.8	8.8	1.5	-6.7	133.9	0.5	4.9	7.9	85.5	-0.3	0.1	2.2
2020	Jan	144.3	1.3	5.6	2.9	169.8	4.3	9.4	-5.4	133.7	-0.1	4.0	7.2	86.7	1.4	1.9	2.2
	Feb	143.2	-0.8	4.9	2.9	168.3	-0.9	10.6	-3.9	132.6	-0.8	2.7	6.3	87.2	0.6	-0.2	1.8
	Mar	143.3	0.1	3.6	2.9	163.3	-3.0	7.6	-2.6	134.4	1.4	1.7	5.6	90.5	3.8	4.0	1.9
	Apr	143.5	0.1	4.1	3.0	160.3	-1.8	4.6	-1.6	136.0	1.2	4.0	5.2	90.0	-0.6	1.9	1.9
	May	1															

**Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 – October 2020 (Base: 2013 Q4=100)**



\* - Revised \*\* - Provisional

**Table 4: PPI of August 2020 & October of 2019 & 2020 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4 = 100)**

ISIC Rev.3.1	Description of the Economic Activity	2019	2020		% change	
		Oct	Sep*	Oct**	Oct** 2020/Sep* 2020	Oct** 2020/Oct 2019
	<b>All Activities</b>	<b>136.5</b>	<b>144.7</b>	<b>145.8</b>	<b>0.8</b>	<b>6.8</b>
	<b>Agriculture</b>	<b>143.2</b>	<b>177.4</b>	<b>175.8</b>	<b>-0.9</b>	<b>22.8</b>
01	Agriculture and farming	143.2	177.4	175.8	-0.9	22.8
	<b>Manufacturing</b>	<b>133.0</b>	<b>136.5</b>	<b>138.8</b>	<b>1.7</b>	<b>4.4</b>
15	Manufacture of food products and beverages	133.0	138.6	145.2	4.8	9.2
16	Manufacture of tobacco products	236.3	238.0	239.1	0.5	1.2
17	Manufacture of textiles	131.6	125.8	125.6	-0.2	-4.6
18	Manufacture of wearing apparel, dressing, and dyeing of fur	139.4	153.6	153.1	-0.3	9.8
22	Publishing, printing and reproduction of recorded media	130.0	126.3	126.9	0.5	-2.4
23	Manufacture of coke, refine petroleum products and nuclear fuel	92.6	67.5	65.7	-2.7	-29.0
24	Manufacture of chemicals and chemical products	130.3	121.7	124.0	1.9	-4.8
25	Manufacture of rubber and plastics	111.1	120.0	125.5	4.6	13.0
26	Manufacture of other non metallic mineral products	119.6	121.3	121.2	-0.1	1.3
27	Manufacture of basic metals	116.4	123.8	125.0	1.0	7.4
31	Manufacture of electrical machinery and apparatus n.e.c.	123.0	135.2	135.0	-0.1	9.8
35	Manufacture of other transport equipments	126.4	109.9	109.5	-0.4	-13.4
36	Manufacture of furniture, Manufacturing n.e.c.	132.1	135.9	135.6	-0.2	2.6
	<b>Electricity and water supply</b>	<b>84.8</b>	<b>87.5</b>	<b>86.8</b>	<b>-0.8</b>	<b>2.4</b>
40	Electricity	82.0	84.2	83.5	-0.8	1.8
41	Collection, purification and distribution of water	111.3	118.6	118.8	0.2	6.7

\* - 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.

Further details of Producer's Price Index compiled for the month of October 2020, are also published in the department web site: <http://www.statistics.gov.lk/InflationAndPrices/StatisticalInformation/PPI>

Producer's Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017. The PPI for month of November, 2020 will be released on 15<sup>th</sup> of January 2021.

Director General

Department of Census and Statistics

Contact Numbers: 011-2147001 / 011- 2147020

