



Producer's Price Index (PPI)

April, 2021

15-06-2021

Department of Census and Statistics
Ministry of Finance

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.

-
- ! **The PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of April 2021 is 157.6.**
 - ! **The annual change in the PPI has been compiled as 9.8 per cent**
 - ! **Comparing the month on month changes, PPI in April 2021 has increased to 157.6 from 154.9 reported in March 2021.**

Content

Annual Changes of Producer's Price Index (Page 1)
Monthly Changes of Producer's Price Index (Page 1)
Revision Policy (Page 5)

Source Publication

<http://www.statistics.gov.lk/InflationAndPrices/StaticInformation/PPI>

Annual Changes of Producer's Price Index (PPI)

The PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of April 2021 is 157.6. The annual change in the PPI has been compiled as 9.8 per cent. The PPI reported for the three major economic activities, agriculture, manufacturing and electricity & water supply are 180.6, 153.1 and 88.6 respectively. The agriculture and manufacturing activities reported positive changes of 12.7 per cent and 12.6 per cent respectively. While, electricity & water supply activity reported negative change of 1.6 per cent on annual basis (Table 1).

Both sub activities of agriculture sector, "Farming of animals" and "Growing crops" reported positive changes of 17.1 per cent and 12.5 per cent respectively on annual basis. Sub activities related to "Farming of animals": "Production of eggs" and "Production of dairy" recorded positive percentage changes of 21.6 per cent and 11.0 per cent respectively. The sub activities related to "Growing of crops": "Growing of vegetables", "Growing of cereals and other crops" and "Growing of fruits, nuts and beverage and spice crops" recorded positive annual changes of 32.9 per cent, 17.8 percent and 10.1 per cent respectively in the month of April 2021 compared to the same month in 2020.

The sub activities of manufacturing sector, "Manufacturing of coke, refined petroleum products and nuclear fuel" (31.4%), "Manufacturing of wearing apparel, dressing and dyeing of fur" (20.3%), "Manufacturing of rubber and plastics" (16.8%), "Manufacturing of basic metals" (15.4%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (14.4%), "Manufacturing of food products and beverages" (10.6%), "Manufacturing of electrical machinery and apparatus not elsewhere classified" (8.3%), "Manufacturing of Textiles" (4.9%), "Manufacturing of other non-metallic mineral products" (2.8%), "Manufacturing of chemicals and chemical products" (1.0%) and "Manufacturing of tobacco products" (0.7%) reported positive percentage changes while that of "Manufacturing of other transport equipment" (5.9%) recorded negative percentage change on annual basis. "Publishing, printing and reproduction of recorded media" remained unchanged during the month of April 2021 when compared to the April 2020 (Table 4).

The activities in utility sector, "Collection purification and distribution of water" reported positive change of 4.2 per cent and "Generation and distribution of electricity" reported negative change of 2.3 per cent in the month of April 2021 compared to the same month in 2020 (Table 4).

Table 1: PPI of April, 2020 & 2021 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activity	PPI		Year on Year % change (Apr** 2021/ Apr 2020)
	2020 Apr	2021 Apr**	
All Activities	143.5	157.6	9.8
Agriculture	160.3	180.6	12.7
Manufacturing	136.0	153.1	12.6
Electricity & water supply	90.0	88.6	-1.6

** - Provisional

Sources: Department of Census and Statistics

Monthly Changes of Producer's Price Index

Comparing the month on month changes, PPI in April 2021 has increased to 157.6 from 154.9 reported in March 2021. This shows an increase of 2.7 index points or 1.7 percentages compared to the March 2021. The three major economic activities, electricity and water supply, manufacturing and agriculture reported positive changes of 2.8 per cent, 2.2 per cent and 0.6 per cent respectively as compared to the previous month (Table 2).

The sub activities of agriculture sector, "Growing of crops" (0.6%) reported positive percentage change and "Farming of animals" (1.3%) reported negative percentage change on monthly basis. Sub activities related to, "Growing of crops": "Growing of cereals and other crops" (3.0%), "Growing of vegetables" (2.7%) and "Growing of fruits, nuts and beverage and spice crops" (0.2%)

reported positive percentage changes on monthly basis. “Farming of animals”: “Production of dairy” (1.3%) reported positive percentage while “Egg production” (3.0%) reported negative percentage change on monthly basis.

In Manufacturing sector, the sub activities, “Manufacturing of coke, refined petroleum products and nuclear fuel” (15.4%), “Manufacturing of wearing apparel, dressing, and dyeing of fur” (8.6%), “Manufacturing of rubber and plastics” (4.9%), “Manufacturing of other non-metallic mineral products” (2.3%), “Manufacturing of chemicals and chemical products”(1.2%), “Manufacturing of furniture and Manufacturing of goods not elsewhere classified” (0.1%) and “Publishing, printing and reproduction of recorded media”(0.1%) reported positive percentage changes on monthly basis while that of “Manufacturing of food products and beverages” (4.5%) and “Manufacturing of tobacco products” (0.3%) reported negative percentage changes on monthly basis. Meanwhile, “Manufacturing of Textiles”, “Manufacturing of basic metals”, “Manufacturing of electrical machinery and apparatus not elsewhere classified” and “Manufacturing of other transport equipment” remained unchanged during the month of April 2021 (Table 4).

Both sub activities of the utility sector, “Generation and distribution of electricity” and “Collection, purification and distribution of water” reported positive changes of 2.8 per cent and 2.7 per cent respectively in the month of April 2021 on monthly basis (Table 4).

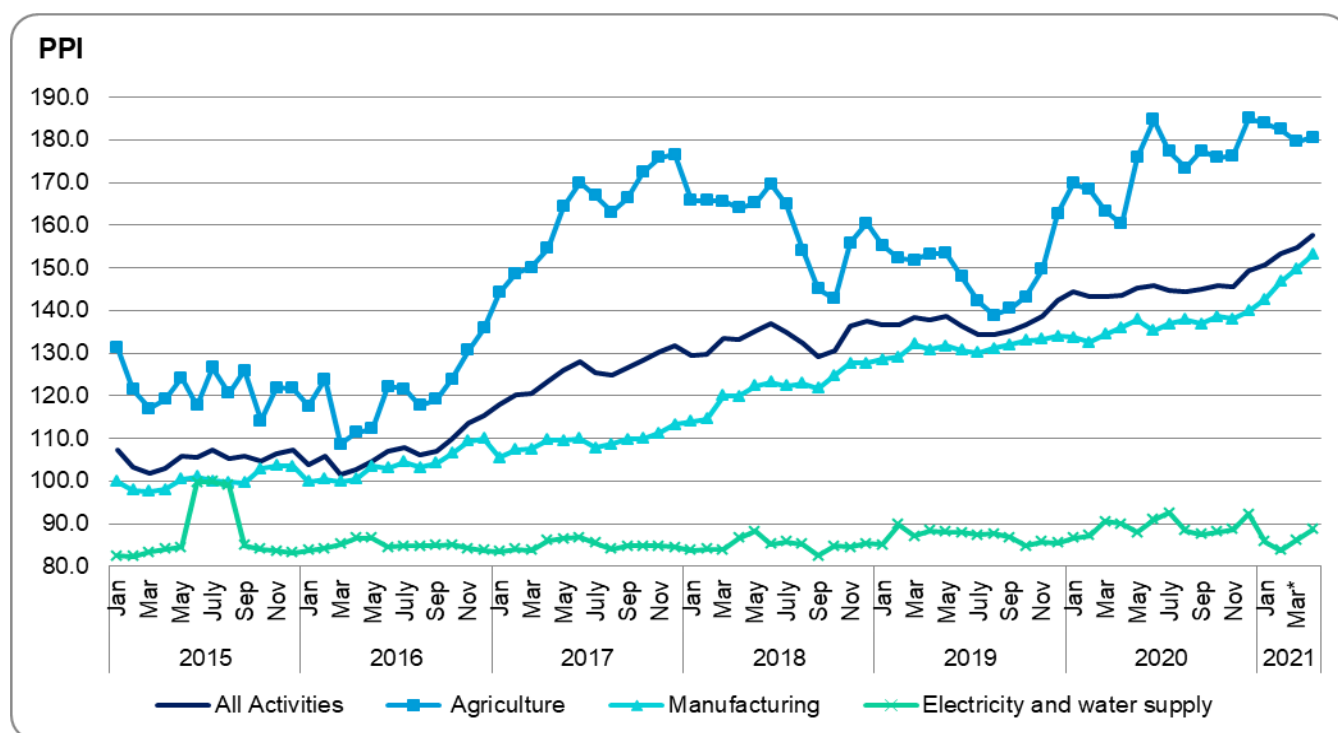
Table 2: PPI of March & April 2021 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2021 Apr**/ 2021 Mar*)
	2021 Mar*	2021 Apr**	
All Activities	154.9	157.6	1.7
Agriculture	179.6	180.6	0.6
Manufacturing	149.8	153.1	2.2
Electricity & Water Supply	86.2	88.6	2.8

* - Revised ** - Provisional

Sources: Department of Census and Statistics

Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 – April 2021 (Base: 2013 Q4=100)



* - Revised ** - Provisional

Sources: Department of Census and Statistics

Table 4: PPI of March 2021 & April of 2020 & 2021 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4 = 100)

ISIC Rev.3.1	Description of the Economic Activity	2020	2021		% change	
		Apr	Mar*	Apr**	Apr** 2021/Mar* 2020	Apr** 2021/Apr 2020
	All Activities	143.5	154.9	157.6	1.7	9.8
	Agriculture	160.3	179.6	180.6	0.6	12.7
01	Agriculture and farming	160.3	179.6	180.6	0.6	12.7
	Manufacturing	136.0	149.8	153.1	2.2	12.6
15	Manufacture of food products and beverages	143.5	166.2	158.7	-4.5	10.6
16	Manufacture of tobacco products	236.3	238.8	238.0	-0.3	0.7
17	Manufacture of textiles	130.2	136.6	136.6	0.0	4.9
18	Manufacture of wearing apparel, dressing, and dyeing of fur	143.2	158.7	172.3	8.6	20.3
22	Publishing, printing and reproduction of recorded media	132.0	131.9	132.0	0.1	0.0
23	Manufacture of coke, refine petroleum products and nuclear fuel	75.9	86.4	99.7	15.4	31.4
24	Manufacture of chemicals and chemical products	126.6	126.4	127.9	1.2	1.0
25	Manufacture of rubber and plastics	114.7	127.7	134.0	4.9	16.8
26	Manufacture of other non metallic mineral products	122.1	122.7	125.5	2.3	2.8
27	Manufacture of basic metals	115.7	133.5	133.5	0.0	15.4
31	Manufacture of electrical machinery and apparatus n.e.c.	131.2	142.1	142.1	0.0	8.3
35	Manufacture of other transport equipments	120.3	113.2	113.2	0.0	-5.9
36	Manufacture of furniture, Manufacturing n.e.c.	139.0	158.9	159.0	0.1	14.4
	Electricity and water supply	90.0	86.2	88.6	2.8	-1.6
40	Electricity	87.3	83.0	85.3	2.8	-2.3
41	Collection, purification and distribution of water	115.5	117.1	120.3	2.7	4.2

* - Revised ** - Provisional

Sources: Department of Census and Statistics

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 entire 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.


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


The Vision of DCS

"To be the leader in the region in producing timely statistical information to achieve the country's development goals."

 **Department of Census & Statistics,**
Sankyana Mandiraya
No. 306/71, Polduwa
Road, Battaramulla

 info@statistics.gov.lk

 +94 11 2147001

 +94 11 2147011


 statistics.gov.lk

The Mission of DCS

"Making contribution in the socioeconomic development of the country by providing accurate timely statistics, more Effectively by means of new technology, and utilising the services of dedicated staff under a strategic leadership to become a prosperous nation in the globalised environment."

This publication is produced by the Prices & Wages Division

 **5th floor, Department of Census and Statistics**

 prices@statistics.gov.lk

 **+94 11- 2147414**  **+94 11- 2877945**