



Producer Price Index (PPI)

March, 2022

10-05-2022

Department of Census and Statistics

Ministry of Economic Policies and Plan Implementation

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) changed the references of the PPI to 2018 - Q4 in 2021 and disseminate the figures effective from month of November 2021 with 40 days of lag time.

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, gas, steam and Air conditioning supply & Water supply" sectors of the economy under the rebased PPI also.

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- ❏ The PPI for all economic activities: "Agriculture", "Manufacturing" and "Electricity, gas, steam and Air conditioning supply & Water supply", for the month of March 2022 is 163.3.
 - ❏ The annual change in the PPI has been compiled as 34.6 percent.
 - ❏ Comparing the month-on-month changes, PPI in March 2022 has increased to 163.3 from 141.7 reported in February 2022.

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Source Publication

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

Annual Changes of Producer Price Index (PPI)

The PPI for all economic activities: 'Agriculture', 'Manufacturing' and 'Electricity, gas, steam and Air conditioning supply & Water supply', for the month of March 2022 is 163.3. The annual change in the PPI has been compiled as 34.6 percent. The PPI reported for the three major economic activities, 'Agriculture', 'Manufacturing' and 'Utility sector' ('Electricity, gas, steam and Air conditioning supply & Water supply') are 172.5, 164.9 and 104.7 respectively. All three major sectors 'Manufacturing', 'Agriculture' and Utility ('Electricity, gas, steam and Air conditioning supply & Water supply') reported positive changes of 38.3 percent, 31.9 percent and 4.1 percent respectively on annual basis.(Table 1)

In the Agriculture sector, the sub-activities of "Growing of non-perennial crops", "Animal production" and "Growing of perennial crops" reported positive changes of 53.2 percent, 48.1 percent, and 15.9 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of chemicals and chemical products" (70.5%), "Manufacture of textiles" (68.2%), "Manufacture of other non-metallic mineral products" (61.2%), "Manufacture of rubber and plastics products" (59.8%), "Manufacture of food products" (51.5%), "Manufacture of basic metals" (46.2%), "Manufacture of coke and refined petroleum products" (44.7%), "Manufacture of furniture" (41.3%), "Manufacture of other transport equipment" (39.9%), "Other manufacturing" (31.2%), "Printing and reproduction of recorded media" (29.8%), "Manufacture of wearing apparel" (27.8%), "Manufacture of beverages" (27.1%) and "Manufacture of tobacco products" (11.2%) reported positive growth rates in the month of March 2022 compared to the same month of 2021 (Table 3).

Both sub-activities in the Utility sector ('Electricity, gas, steam, and Air conditioning supply & Water supply') reported positive changes on annual basis, the "Water collection, treatment, and supply" 4.6 percent and "Electricity, gas, steam, and air conditioning supply" 4.0 percent in the month of March 2022 compared to the same month in 2021 (Table3).

Table 1: PPI of March 2021 & 2022 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Year on Year % change (Mar 2022**/ Mar 2021)
	2021 Mar	2022 Mar**	
All Activities	121.3	163.3	34.6
Agriculture	130.8	172.5	31.9
Manufacturing	119.2	164.9	38.3
Electricity, gas, steam and Air conditioning supply & Water supply	100.6	104.7	4.1

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in March 2022 has increased to 163.3 from 141.7 reported in February 2022. This shows an increase of 21.6 index points or 15.2 percentage compared to February 2022. The economic activities of 'Manufacturing', 'Agriculture' and 'Electricity, gas, steam and air conditioning supply & Water supply' reported positive changes of 17.8 percent, 2.9 percent and 0.7 percent respectively on monthly basis (Table 2).

The sub-activities of the 'Agriculture' sector, "Animal production" and "Growing of perennial crops" reported a positive changes of 22.8 percent and 0.4 percent respectively while "Growing of non-perennial crops" reported negative change of 2.4 percent in the month of March 2022 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of rubber and plastics products" (34.6%), "Manufacture of other non-metallic mineral products" (25.8%), "Manufacture of textiles" (24.0%), "Other manufacturing" (20.5%), "Manufacture of wearing apparel" (19.9%), "Manufacture of food products" (19.7%), "Printing and reproduction of recorded media" (18.5%),

"Manufacture of other transport equipment" (18.1%), "Manufacture of chemicals and chemical products" (15.3%), "Manufacture of basic metals" (13.8%), "Manufacture of furniture" (9.2%), "Manufacture of beverages" (8.8%), "Manufacture of tobacco products" (2.3%) and "Manufacture of coke and refined petroleum products" (0.9%) reported positive changes on monthly basis (Table 3).

Both sub-activities of the Utility sector ("Electricity, gas, steam and Air conditioning supply & Water supply"), "Electricity, gas, steam and Air conditioning supply" and "Water collection, treatment, and supply" reported positive changes of 0.8 percent and 0.1 percent respectively on monthly basis in the month of March 2022 (Table 3).

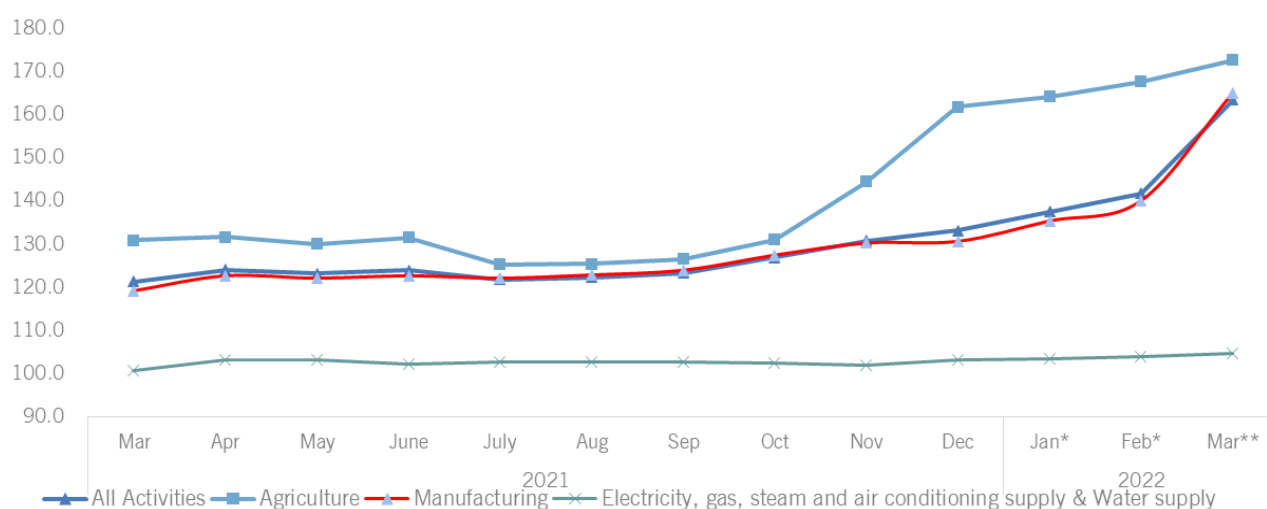
Table 2: PPI of March and February 2022 and Month to Month changes of PPI by Major Economic Activity
(Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2022 Mar**/ 2022 Feb*)
	2022 Feb*	2022 Mar**	
All Activities	141.7	163.3	15.2
Agriculture	167.6	172.5	2.9
Manufacturing	140.0	164.9	17.8
Electricity, gas, steam and Air conditioning supply & Water supply	104.0	104.7	0.7

* - Revised ** - Provisional

Source: Department of Census and Statistics

Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: March 2021 – March 2022 (Base: 2018 Q4=100)



Source:
Department of Census and Statistics, Sri Lanka

* - Revised ** - Provisional

Table 3: PPI of February 2022 and March of 2021 & 2022 and percentage changes by two-digit level
Economic Activity of ISIC (Base: 2018 Q4 = 100)

ISIC Rev.4.0	Description of the Economic Activity	2021	2022		% change	
		Mar	Feb*	Mar**	2022 Mar**/ 2022 Feb*	2022 Mar**/ Mar 2021
	All Activities	121.3	141.7	163.3	15.2	34.6
A	Agriculture	130.8	167.6	172.5	2.9	31.9
	011 Growing of non perianial crops	124.4	195.2	190.6	-2.4	53.2
	012 Growing of perianial crops	141.6	163.5	164.1	0.4	15.9
	014 Animal production	106.3	128.2	157.4	22.8	48.1
C	Manufacturing	119.2	140.0	164.9	17.8	38.3
10	Manufacture of food products	112.4	142.3	170.3	19.7	51.5
11	Manufacture of beverages	106.1	124.0	134.9	8.8	27.1
12	Manufacture of tobacco products	118.3	128.5	131.5	2.3	11.2
13	Manufacture of textiles	107.0	145.2	180.0	24.0	68.2
14	Manufacture of wearing apparel	116.7	124.4	149.1	19.9	27.8
18	Printing and reproduction of recorded media	112.0	122.7	145.4	18.5	29.8
19	Manufacture of coke and refined petroleum products	85.4	122.5	123.6	0.9	44.7
20	Manufacture of chemicals and chemical products	118.1	174.7	201.4	15.3	70.5
22	Manufacture of rubber and plastics products	127.0	150.8	203.0	34.6	59.8
23	Manufacture of other non-metallic mineral products	112.0	143.5	180.5	25.8	61.2
24	Manufacture of basic metals	180.9	232.5	264.5	13.8	46.2
30	Manufacture of other transport equipment	117.9	139.6	164.9	18.1	39.9
31	Manufacture of furniture	118.7	153.6	167.7	9.2	41.3
32	Other manufacturing	129.4	140.9	169.8	20.5	31.2
D	Electricity, gas, steam and Air conditioning supply	100.3	103.5	104.3	0.8	4.0
35	Electricity, gas, steam and Air conditioning supply	100.3	103.5	104.3	0.8	4.0
E	Water collection, treatment and supply	101.6	106.2	106.3	0.1	4.6
36	Water collection, treatment and supply	101.6	106.2	106.3	0.1	4.6

* Revised ** Provisional

Source: Department of Census and Statistics










ISIC refers to International Standard Industrial Classification of all activities (Revision 4)

Revision Policy

PPI is compiled by collecting prices received by the domestic producers 277 manufacturing and utility related establishments. Prices of 42 agricultural products are collected from 331 Divisional Secretariat Divisions covering the entire country. Electricity, gas, steam and Air conditioning supply & 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 Price Index (PPI) is released monthly with 40 days time lag with effect from the month of November 2021. The PPI for the month of April 2022 will be released on 10th of June 2022.

The Vision of DCS		The Mission of DCS	
"To be the leader in the region in producing timely statistical information to achieve the country's development goals."		"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."	
 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	This publication is produced by the Prices & Wages Division  5 th floor, Department of Census and Statistics  prices@statistics.gov.lk  +94 11- 2147414  +94 11- 2877945	