



Producer Price Index (PPI)

July, 2022

12-09-2022

Department of Census and Statistics
Ministry of Finance, Economic Stabilization and National Policies

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 July 2022 is 237.9.
 - ▣ The annual change in the PPI has been compiled as 95.5 percent.
 - ▣ Comparing the month-on-month changes, PPI in July 2022 has increased to 237.9 from 227.2 reported in June 2022.

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Source Publication

<http://www.statistics.gov.lk/InflationAndPrices/StaticInformation/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 July 2022 is 237.9. The annual change in the PPI has been compiled as 95.5 percent. The PPI reported for the three major economic activities, "Manufacturing", "Agriculture" and "Utility sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") are 245.5, 229.7 and 104.6 respectively. All three major sectors, "Manufacturing", "Agriculture" and "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") reported positive changes of 101.1 percent, 83.5 percent and 1.8 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 120.3 percent, 93.4 percent and 65.3 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of coke and refined petroleum products" (163.9%) , "Manufacture of other non-metallic mineral products" (154.8%), "Manufacture of textiles"(144.0%), "Manufacture of furniture" (136.1%), "Manufacture of rubber and plastics products" (129.6%), "Manufacture of basic metals"(126.5%), "Manufacture of food products" (124.8%), "Manufacture of chemicals and chemical products"(117.3%), "Other manufacturing" (105.4%), "Manufacture of other transport equipment" (89.0%), "Manufacture of wearing apparel" (64.3%), "Manufacture of beverages" (57.3%), "Printing and reproduction of recorded media" (53.2%) and "Manufacture of tobacco products" (20.7%) reported positive growth rates in the month of July 2022 compared to the same month of 2021 (Table 3).

The sub-activities in the Utility sector ("Electricity, gas, steam, and Air conditioning supply & Water supply"), "Water collection, treatment, and supply" and "Electricity, gas, steam, and air conditioning supply" reported positive changes of 3.7 percent and 1.6 percent on annual basis in the month of July 2022 compared to the same month in 2021 (Table3).

Table 1: PPI of July 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 (July 2022**/ July 2021)
	2021 July	2022 July**	
All Activities	121.7	237.9	95.5
Agriculture	125.2	229.7	83.5
Manufacturing	122.1	245.5	101.1
Electricity, gas, steam and Air conditioning supply & Water supply	102.8	104.6	1.8

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in July 2022 has increased to 237.9 from 227.2 reported in June 2022. This shows an increase of 10.7 index points or 4.7 percentage compared to June 2022. The economic activities of "Manufacturing" and "Electricity, gas, steam and air conditioning supply & Water supply" reported positive changes of 6.1 percent and 0.3 percent while "Agriculture" reported negative change of 4.5 percent on monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Animal production" and "Growing of perennial crops" reported positive changes of 1.4 percent and 0.5 percent while "Growing of non-perennial crops" reported negative change of 10.5 percent in the month of July 2022 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of furniture" (11.9%), "Manufacture of other non-metallic mineral products" (11.8%), "Manufacture of wearing apparel" (9.6%), "Manufacture of food products" (9.3%), "Manufacture of tobacco products" (5.4%), "Manufacture of other transport equipment" (4.7%), "Manufacture of rubber and plastics products" (4.6%), "Manufacture of beverages" (3.9%), "Manufacture of chemicals and chemical products" (0.7%) and "Printing and reproduction of recorded media" (0.6%) reported positive changes on monthly basis. "Manufacture of textiles" and "Manufacture of coke and refined petroleum products" remained unchanged while "Other manufacturing" (1.1%) and "Manufacture of basic metals" (0.7%) reported negative changes on monthly basis (Table 3).

The 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 change of 0.4 percent and 0.2 percent respectively on monthly basis in the month of July 2022 (Table 3).

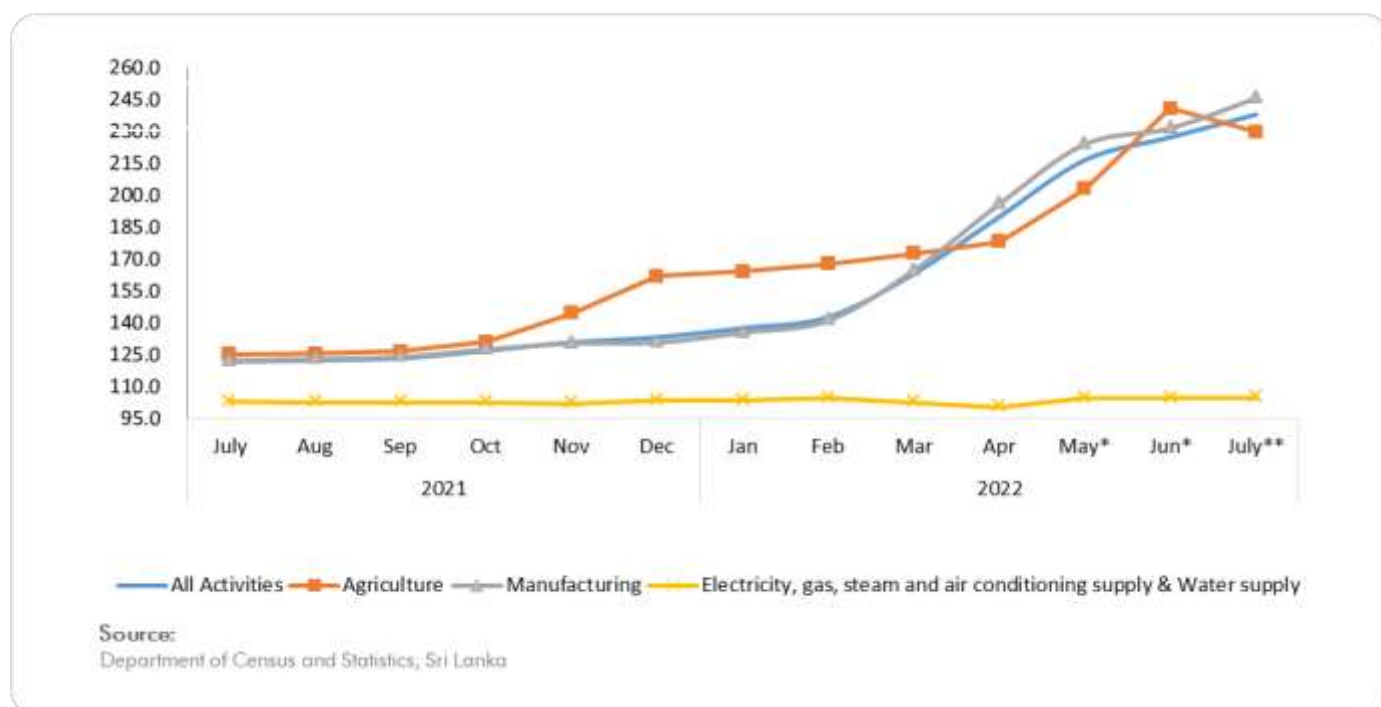
Table 2: PPI of July and June 2022 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2022 July**/ 2022 Jun*)
	2022 Jun*	2022 July**	
All Activities	227.2	237.9	4.7
Agriculture	240.6	229.7	-4.5
Manufacturing	231.4	245.5	6.1
Electricity, gas, steam and Air conditioning supply & Water supply	104.3	104.6	0.3

* - Revised ** - Provisional

Source: Department of Census and Statistics

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



* - Revised ** - Provisional

Table 3: PPI of June 2022 and July 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	
		July	Jun*	July**	2022 July**/ 2021 June*	2022 July**/ 2021 July 2021
	All Activities	121.7	227.2	237.9	4.7	95.5
A	Agriculture	125.2	240.6	229.7	-4.5	83.5
	011 Growing of non perianial crops	123.4	303.7	271.8	-10.5	120.3
	012 Growing of perianial crops	119.2	196.1	197.0	0.5	65.3
	014 Animal production	113.1	215.7	218.7	1.4	93.4
C	Manufacturing	122.1	231.4	245.5	6.1	101.1
10	Manufacture of food products	115.2	236.9	259.0	9.3	124.8
11	Manufacture of beverages	107.4	162.5	168.9	3.9	57.3
12	Manufacture of tobacco products	118.9	136.2	143.5	5.4	20.7
13	Manufacture of textiles	116.4	284.0	284.0	0.0	144.0
14	Manufacture of wearing apparel	127.6	191.3	209.6	9.6	64.3
18	Printing and reproduction of recorded media	114.0	173.5	174.6	0.6	53.2
19	Manufacture of coke and refined petroleum products	93.6	247.0	247.0	0.0	163.9
20	Manufacture of chemicals and chemical products	145.2	313.2	315.5	0.7	117.3
22	Manufacture of rubber and plastics products	135.0	296.2	309.9	4.6	129.6
23	Manufacture of other non-metallic mineral products	116.7	266.0	297.3	11.8	154.8
24	Manufacture of basic metals	202.0	460.7	457.5	-0.7	126.5
30	Manufacture of other transport equipment	119.6	216.0	226.1	4.7	89.0
31	Manufacture of furniture	119.5	252.0	282.1	11.9	136.1
32	Other manufacturing	133.5	277.3	274.2	-1.1	105.4
D	Electricity, gas, steam and Air conditioning supply	102.5	103.7	104.1	0.4	1.6
35	Electricity, gas, steam and Air conditioning supply	102.5	103.7	104.1	0.4	1.6
E	Water collection, treatment and supply	103.1	106.7	106.9	0.2	3.7
36	Water collection, treatment and supply	103.1	106.7	106.9	0.2	3.7

* 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 August 2022 will be released on 10th of October 2022.

The Vision of DCS

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

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."

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