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## Producer Price Index (PPI)

February, 2024

28-03-2024

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Department of Census and Statistics

Ministry of Finance, Economic Stabilization and National Policies

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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 up to December 2022. From the month of January 2023, the PPI is release with a time lag of 30 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, 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 February 2024 is 247.3.
  - On an annual basis, PPI has been compiled as a negative change of 2.1 percent.
  - Comparing the month-on-month changes, PPI in February 2024 has increased to 247.3 from 245.9 reported in January 2024.
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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 February 2024 is 247.3. PPI has been compiled as negative change of 2.1 percent on an annual basis. The PPI reported for the three major economic activities, "Agriculture", "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") and "Manufacturing" are 274.7, 244.2 and 243.7 respectively. All three major sectors, "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") and "Agriculture" reported positive changes of 24.8 percent and 17.7 percent while "Manufacturing" reported a negative change of 5.5 percent on an 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 29.7 percent, 15.6 percent and 9.9 percent respectively on an annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of tobacco products (43.3%)" and "Manufacture of beverages (14.5%)" reported positive changes while "Manufacture of basic metals (23.7%)", "Manufacture of chemicals and chemical products (13.8%)", "Manufacture of textiles (13.1%)", "Manufacture of food products (12.7%)", "Manufacture of furniture (9.9%)", "Printing and reproduction of recorded media (9.8%)", "Other manufacturing (8.8%)", "Manufacture of coke and refined petroleum products (7.6%)", "Manufacture of rubber and plastics products (5.1%)", "Manufacture of other non-metallic mineral products (4.8%)", "Manufacture of wearing apparel (3.8%)" and "Manufacture of other transport equipment (0.7%)" reported negative changes in the month of February 2024 compared to the same month of 2023 (Table 3).

For the month of February 2024, 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 27.6 percent and 7.9 percent respectively on an annual basis (Table3).

Table 1: PPI of February 2024 & 2023 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Year on Year % change (February**2024/ February 2023)
	2023 February	2024 February**	
All Activities	252.5	247.3	-2.1
Agriculture	233.3	274.7	17.7
Manufacturing	258.0	243.7	-5.5
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	195.6	244.2	24.8

\*\* - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index (PPI)

Comparing the month-on-month changes, PPI in February 2024 has increased to 247.3 from 245.9 reported in January 2024. This shows an increase of 1.4 index points or 0.6 percentage compared to January 2024. The economic activities of "Agriculture", "Utility Sector" ("Electricity, gas, steam and air conditioning supply & Water supply") and "Manufacturing" reported positive changes of 1.8 percent,1.1 percent and 0.4 percent respectively compared to the preceding month (Table2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops" and "Animal production" reported positive changes of 18.4 percent, 3.8 percent while "Growing of non-perennial crops" reported a negative change of 12.9 percent on a monthly basis in the month of February 2024 compared to January 2024(Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of beverages (1.9%)", and "Manufacture of food products (1.8%)" reported positive changes on a monthly basis. "Manufacture of tobacco products", "Manufacture of coke and refined petroleum products", "Manufacture of other non-metallic mineral products" and "Manufacture of basic metals " remained unchanged compared to the preceding month while "Manufacture of other transport equipment (2.3%)", "Other manufacturing (1.7%)", "Manufacture of rubber and plastics products (1.3%)", "Manufacture of chemicals and chemical products (0.6%)", "Printing and reproduction of recorded media (0.5%)", "Manufacture of furniture (0.4%)", "Manufacture of textiles (0.3%)" and "Manufacture of wearing apparel (0.2%)" reported negative changes on a 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 changes of 1.2 percent and 0.7 percent on a monthly basis in the month of February 2024 (Table 3).

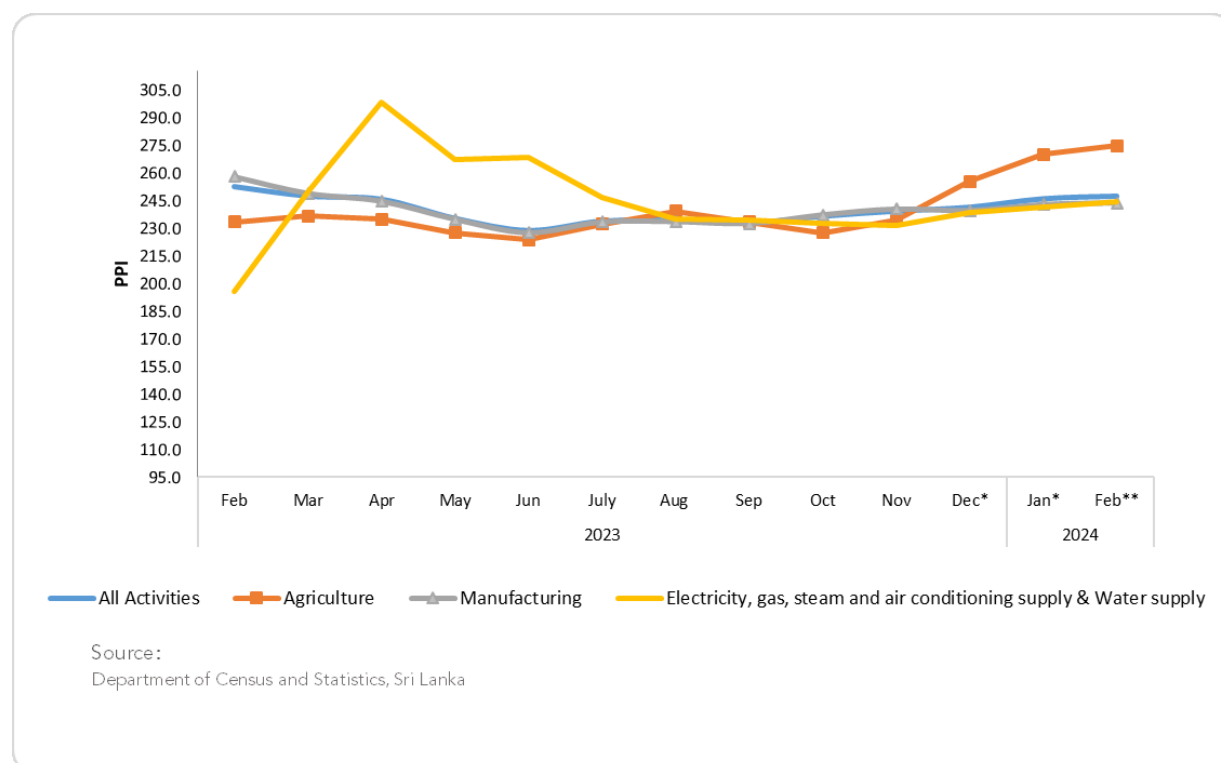
**Table 2: PPI of February & January 2024 and Month to Month changes of PPI by Major Economic Activity**  
(Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2024 February**/ 2024 January*)
	2024 January*	2024 February**	
All Activities	245.9	247.3	0.6
Agriculture	269.9	274.7	1.8
Manufacturing	242.8	243.7	0.4
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	241.5	244.2	1.1

\* - Revised    \*\* - Provisional

Source: Department of Census and Statistics

**Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: February 2023 - February 2024**  
(Base: 2018 Q4=100)



\* - Revised \*\* - Provisional

Table 3: PPI of February 2023 & 2024 and January 2024 and percentage changes by two-digit level  
Economic Activity of ISIC (Base: 2018 Q4 = 100)

ISIC Rev.4.0	Description of the Economic Activity	2023	2024		% change		
		February	January*	February**	2024 February**/ 2024 January*	2024 February**/ 2023 February	
	<b>All Activities</b>	<b>252.5</b>	<b>245.9</b>	<b>247.3</b>	<b>0.6</b>	<b>-2.1</b>	
<b>A</b>	<b>Agriculture</b>	<b>233.3</b>	<b>269.9</b>	<b>274.7</b>	<b>1.8</b>	<b>17.7</b>	
	011 Growing of non-perennial crops	205.5	305.9	266.5	-12.9	29.7	
	012 Growing of perennial crops	248.5	230.6	273.0	18.4	9.9	
	014 Animal production	252.7	281.5	292.1	3.8	15.6	
<b>C</b>	<b>Manufacturing</b>	<b>258.0</b>	<b>242.8</b>	<b>243.7</b>	<b>0.4</b>	<b>-5.5</b>	
10	Manufacture of food products	267.6	229.3	233.5	1.8	-12.7	
11	Manufacture of beverages	186.9	210.0	214.0	1.9	14.5	
12	Manufacture of tobacco products	181.9	260.7	260.7	0.0	43.3	
13	Manufacture of textiles	365.8	318.8	318.0	-0.3	-13.1	
14	Manufacture of wearing apparel	203.1	195.7	195.3	-0.2	-3.8	
18	Printing and reproduction of recorded media	244.8	221.9	220.7	-0.5	-9.8	
19	Manufacture of coke and refined petroleum products	293.0	270.6	270.6	0.0	-7.6	
20	Manufacture of chemicals and chemical products	305.0	264.5	262.9	-0.6	-13.8	
22	Manufacture of rubber and plastics products	300.5	288.9	285.1	-1.3	-5.1	
23	Manufacture of other non-metallic mineral products	236.5	225.1	225.2	0.0	-4.8	
24	Manufacture of basic metals	434.4	331.4	331.4	0.0	-23.7	
30	Manufacture of other transport equipment	225.6	229.3	224.1	-2.3	-0.7	
31	Manufacture of furniture	279.2	252.5	251.5	-0.4	-9.9	
32	Other manufacturing	321.3	298.0	293.0	-1.7	-8.8	
<b>D</b>	<b>Electricity, gas, steam and Air conditioning supply</b>	<b>206.6</b>	<b>260.7</b>	<b>263.7</b>	<b>1.2</b>	<b>27.6</b>	
35	Electricity, gas, steam and Air conditioning supply	206.6	260.7	263.7	1.2	27.6	
<b>E</b>	<b>Water collection, treatment and supply</b>	<b>148.9</b>	<b>159.6</b>	<b>160.7</b>	<b>0.7</b>	<b>7.9</b>	
36	Water collection, treatment and supply	148.9	159.6	160.7	0.7	7.9	

\* 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.


The Producer Price Index (PPI) (Base: 2018Q4=100) was released monthly with a lag of 40 days, with effect from November 2021 to December 2022. Also, the Producer Price Index (PPI) (Base: 2018Q4=100) will be released monthly, commencing with the PPI of January 2023, on the last working day of the following month. Accordingly, the PPI for the month of March 2024 will be released on 30<sup>th</sup> of April 2024.

#### 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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