



Producer Price Index (PPI)

August, 2024

30-09-2024

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 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.

- The PPI for all economic activities: "Agriculture", "Manufacturing" and "Electricity, gas, steam and Air conditioning supply & Water supply" for the month of August 2024 is 238.5.
 - On an annual basis, PPI has been compiled as a positive change of 1.8 percent.
 - Comparing the month-on-month changes, PPI in August 2024 has decreased to 238.5 from 238.7 reported in July 2024.
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Content

Annual Changes of Producer Price Index (Page 1)
Monthly Changes of Producer Price Index (Page 1)
Revision Policy (Page 3)

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 August 2024 is 238.5. PPI has been compiled as a positive change of 1.8 percent on an annual basis. The PPI reported for the three major economic activities, "Agriculture", "Manufacturing" and "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") are 258.9, 237.7 and 197.0 respectively. All three major sectors, "Agriculture" and "Manufacturing" reported positive changes of 8.2 percent and 1.8 percent while "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") reported a negative change of 16.2 percent on an annual basis (Table 1).

In the Agriculture sector, the sub-activities of "Growing of perennial crops" and "Growing of non-perennial crops" reported positive changes of 12.2 percent and 11.3 percent while "Animal production" reported a negative change of 3.1 percent on an annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of tobacco products (51.2%)", "Manufacture of coke and refined petroleum products (10.5%)", "Manufacture of beverages (10.4%)", "Manufacture of rubber and plastics products (1.3%)", "Manufacture of food products (0.8%)", "Manufacture of other non-metallic mineral products (0.7%)" and "Manufacture of other transport equipment (0.4%)" reported positive changes on a monthly basis. "Printing and reproduction of recorded media" remained unchanged while "Manufacture of furniture (15.7%)", "Manufacture of chemicals and chemical products (11.0%)", "Manufacture of wearing apparel (8.9%)", "Manufacture of basic metals (5.6%)", "Other manufacturing (4.3%)" and "Manufacture of textiles (2.4%)" reported negative changes in the month of August 2024 compared to the same month of 2023 (Table 3).

For the month of August 2024, sub-activities of the Utility sector ("Electricity, gas, steam, and Air conditioning supply & Water supply"), "Water collection, treatment and supply" reported a positive change of 11.4 percent while "Electricity, gas, steam, and air conditioning supply" reported a negative change of 19.9 percent on an annual basis (Table 3).

Table 1: PPI of August 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 (August **2024/ August 2023)
	2023 August	2024 August**	
All Activities	234.2	238.5	1.8
Agriculture	239.3	258.9	8.2
Manufacturing	233.4	237.7	1.8
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	235.1	197.0	-16.2

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index (PPI)

Comparing the month-on-month changes, PPI in August 2024 has decreased to 238.5 from 238.7 reported in July 2024. This shows a decrease of 0.2 index points or 0.1 percentages compared to July 2024. The economic activities of "Agriculture" reported a positive change of 0.8 percent while "Utility Sector" ("Electricity, gas, steam and air conditioning supply & Water supply") and "Manufacturing" reported negative changes of 0.9 percent and 0.2 percent compared to the preceding month (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops" reported a positive change of 17.2 percent while "Growing of non-perennial crops" and "Animal production" reported negative changes of 10.8 percent and 6.1 percent on a monthly basis in the month of August 2024 compared to July 2024 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of coke and refined petroleum products (2.4%)" and "Manufacture of chemicals and chemical products (0.4%)" reported positive changes on a monthly basis. "Manufacture of food products", "Manufacture of beverages", "Manufacture of tobacco products", "Manufacture of other non-metallic mineral products", "Manufacture of basic metals" and "Manufacture of furniture" remained unchanged while "Manufacture of rubber and plastics products (1.9%)", "Manufacture of wearing apparel (0.9%)", "Manufacture of other transport equipment (0.7%)" and "Manufacture of textiles (0.4%)", "Other manufacturing (0.3%)" and "Printing and reproduction of recorded media (0.1%)", reported negative changes on a monthly basis compared to the preceding month (Table 3).

The sub activities of Utility sector ("Electricity, gas, steam and Air conditioning supply & Water supply"), "Water collection, treatment and supply" reported a positive change of 0.2 percent and "Electricity, gas, steam and Air conditioning supply" reported a negative change of 1.1 percent on a monthly basis in the month of August 2024 (Table 3).

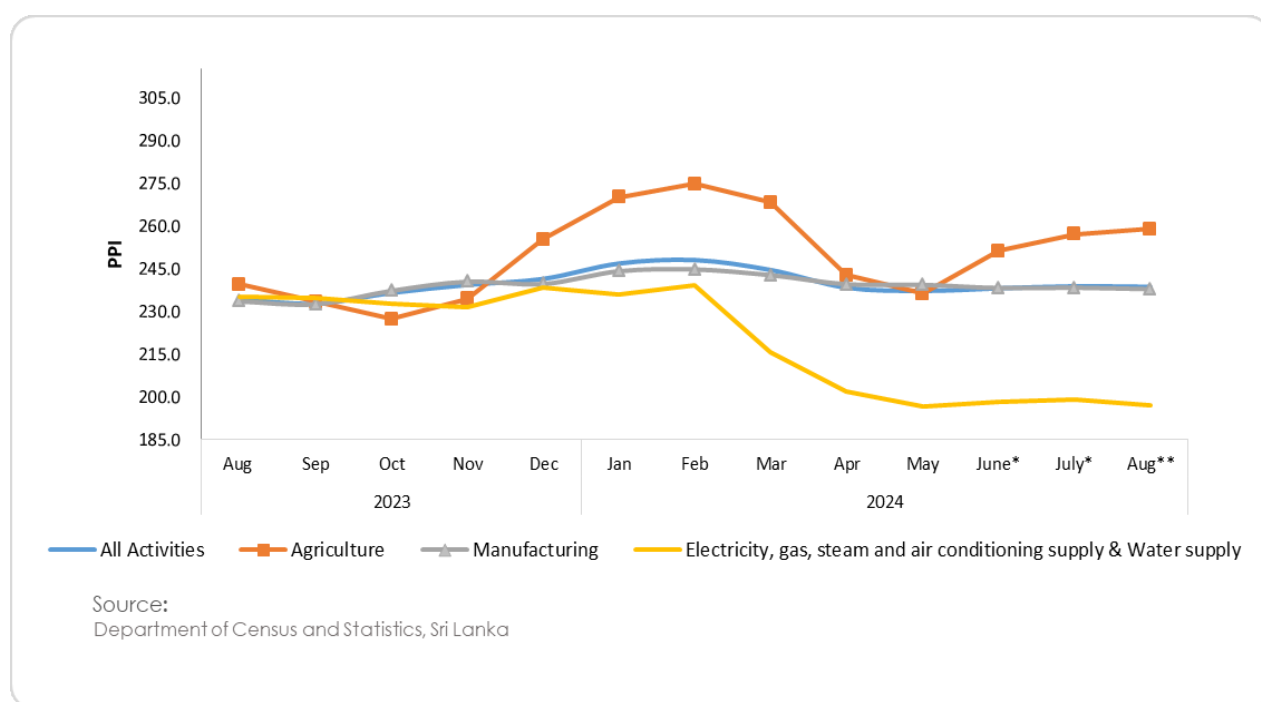
Table 2: PPI of August & July 2024 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2024 August**/ 2024 July*)
	2024	July*	
All Activities	238.7	238.5	-0.1
Agriculture	256.9	258.9	0.8
Manufacturing	238.2	237.7	-0.2
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	198.8	197.0	-0.9

*- Revised ** - Provisional

Source: Department of Census and Statistics

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



*- Revised ** - Provisional

Table 3: PPI of August 2023 & 2024 and July 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	
		August	July*	August**	2024 August**/ 2024 July*	2024 August**/ 2023 August
	All Activities	234.2	238.7	238.5	-0.1	1.8
A	Agriculture	239.3	256.9	258.9	0.8	8.2
	011 Growing of non-perennial crops	215.3	268.8	239.7	-10.8	11.3
	012 Growing of perennial crops	247.7	237.1	277.8	17.2	12.2
	014 Animal production	264.5	273.2	256.4	-6.1	-3.1
C	Manufacturing	233.4	238.2	237.7	-0.2	1.8
10	Manufacture of food products	230.9	232.8	232.7	0.0	0.8
11	Manufacture of beverages	194.4	214.7	214.7	0.0	10.4
12	Manufacture of tobacco products	171.9	259.8	259.9	0.0	51.2
13	Manufacture of textiles	318.9	312.3	311.1	-0.4	-2.4
14	Manufacture of wearing apparel	197.9	181.8	180.2	-0.9	-8.9
18	Printing and reproduction of recorded media	227.2	227.6	227.3	-0.1	0.0
19	Manufacture of coke and refined petroleum products	238.9	257.7	263.9	2.4	10.5
20	Manufacture of chemicals and chemical products	282.3	250.2	251.2	0.4	-11.0
22	Manufacture of rubber and plastics products	286.8	296.2	290.6	-1.9	1.3
23	Manufacture of other non-metallic mineral products	215.5	217.1	217.0	0.0	0.7
24	Manufacture of basic metals	350.9	331.4	331.4	0.0	-5.6
30	Manufacture of other transport equipment	213.5	215.9	214.3	-0.7	0.4
31	Manufacture of furniture	251.2	211.8	211.8	0.0	-15.7
32	Other manufacturing	295.5	283.5	282.7	-0.3	-4.3
D	Electricity, gas, steam and Air conditioning supply	255.8	207.3	205.0	-1.1	-19.9
35	Electricity, gas, steam and Air conditioning supply	255.8	207.3	205.0	-1.1	-19.9
E	Water collection, treatment and supply	146.2	162.6	162.9	0.2	11.4
36	Water collection, treatment and supply	146.2	162.6	162.9	0.2	11.4

* 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 September 2024 will be released on 30th of October 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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