

Web Release



Producer's Price Index: November 2020 (Base: Fourth Quarter 2013=100)



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Introduction

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.

Annual Changes of Producer's Price Index (PPI)

The PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of November 2020 is 146.1. The annual change in the PPI has been compiled as 5.5 per cent. The PPI reported for the three major economic activities, agriculture, manufacturing and electricity & water supply are 176.2, 138.9 and 88.1 respectively. Agriculture, manufacturing and electricity & water supply activities reported positive changes of 17.8 per cent, 4.3 per cent and 2.7 per cent on annual basis respectively (Table 1).

The major sub activities of agriculture sector, "Growing crops" reported positive change of 19.0 per cent and "Farming of animals" reported negative change of 8.1 per cent on annual basis. Activities related to "Growing of crops": "Growing of fruits, nuts and beverage and spice crops", "Growing of cereals and other crops", recorded positive annual changes of 26.4 per cent and 12.3 per cent respectively. "Growing of vegetables" recorded negative annual change of 21.7 per cent. Also, sub activities related to "Farming of animals": "Production of dairy" recorded positive change of 6.4 per cent and "Production of eggs" recorded negative percentage change of 15.2 per cent in November 2020 compared to the same month in 2019.

The sub activities of manufacturing sector, "Manufacturing of wearing apparel, dressing, and dyeing of fur"(12.0%), "Manufacturing of rubber and plastics"(10.1%), "Manufacturing of electrical machinery and apparatus not elsewhere classified"(9.6%), "Manufacturing of food products and beverages" (8.3%), "Manufacturing of basic metals" (6.5%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (3.0%), "Manufacturing of tobacco products"(1.2%) and "Manufacturing of other non-metallic mineral products"(0.7%) reported positive percentage changes on annual basis. However, "Manufacturing of coke, refined petroleum products and nuclear fuel" (31.5%), "Manufacturing of other transport equipment" (13.4%), "Manufacturing of chemicals and chemical products" (5.3%), "Manufacturing of Textiles" (4.5%) and "Publishing, printing and reproduction of recorded media"(1.9%) recorded negative percentage changes in November 2020 compared to November 2019 (Table 4).

Both activities in utility sector, "Collection, purification and distribution of water" and "Generation and distribution of electricity" reported positive changes of 6.8 per cent and 2.2 per cent respectively in the month of November 2020 compared to the same month in 2019 (Table 4).

Table 1: PPI of November, 2019 & 2020 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activity	PPI		Year on Year % change (Nov 2020**/ Nov 2019)
	2019 Nov	2020 Nov**	
All Activities	138.5	146.1	5.5
Agriculture	149.6	176.2	17.8
Manufacturing	133.2	138.9	4.3
Electricity & water supply	85.8	88.1	2.7

** - Provisional

Monthly Changes of Producer's Price Index

Comparing the month on month changes, PPI in November 2020 has increased to 146.1 from 146.0 reported in October 2020. This shows an increase of 0.1 index points or 0.1 percentage as compared to October 2020. Out of the three major economic activities, agriculture and electricity and water supply activities reported positive changes of 0.2 per cent and 0.1 per cent. However Producer Price Index of manufacturing activity remained unchanged as compared to the previous month (Table 2).

The sub activities of agriculture sector, "Growing of crops (0.3%) reported positive percentage change and "Farming of animals" (2.3%) reported negative percentage change on monthly basis. The sub activities related to, "Growing of crops": "Growing of fruits, nuts and beverage crops" (1.3%) reported positive percentage change and "Growing of cereal crops" (6.9%) and "Growing of vegetables" (1.2%) reported negative percentage changes on monthly basis. However, The sub activities related to, "Farming of animals": "Egg production" (3.7%) and "Production of dairy" (0.1%) reported negative percentage changes on monthly basis.

In Manufacturing sector, the sub activities, Manufacturing of wearing apparel, dressing, and dyeing of fur" (1.4%), and Manufacturing of furniture" (0.2%) reported positive percentage changes on monthly basis. "Manufacturing of coke, refined petroleum products and nuclear fuel" (2.0%), "Manufacturing of Textiles" (1.0%) , "Manufacturing of food and beverages" (0.8%), "Manufacturing of basic metals"(0.2%), "Manufacturing of other non-metallic mineral products" (0.1%) and "Manufacturing of electrical machinery and apparatus not elsewhere classified"(0.1%) reported negative percentage changes on monthly basis. However PPI indices of "Manufacturing of tobacco products", "Manufacturing of rubber and plastics", "Manufacturing of chemicals and chemical products" , "Publishing, printing and reproduction of recorded media" and "Manufacturing of other transport equipment" remained unchanged when compared to the preceding month.(Table 4).

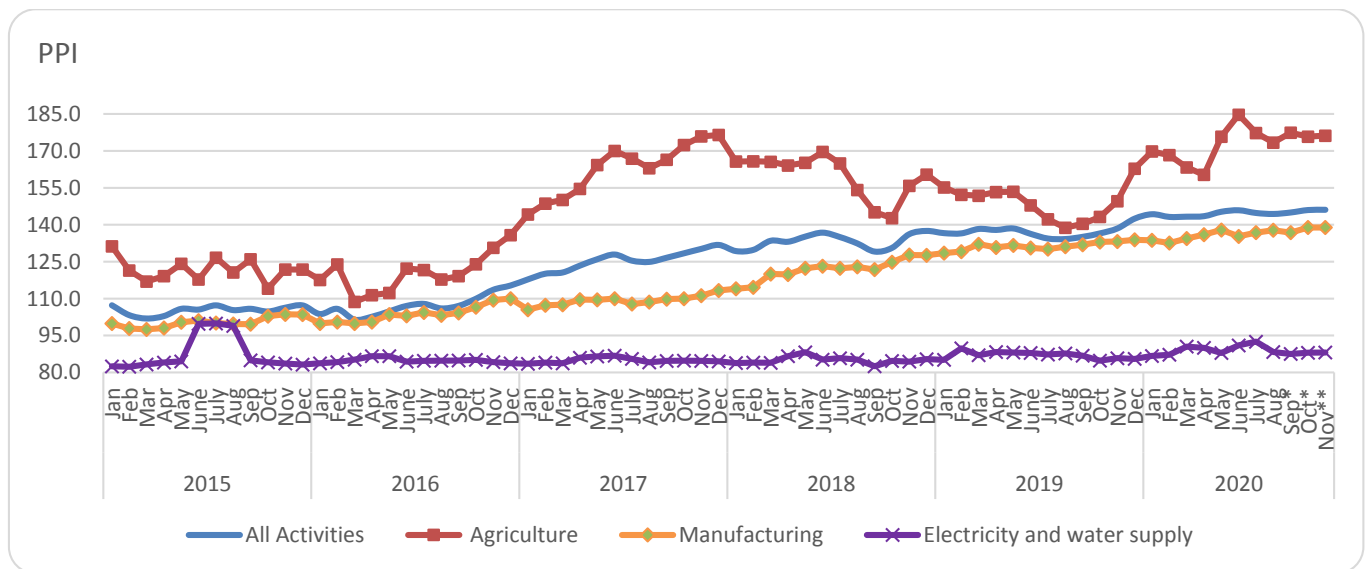
Sub activities of the utility sector, "Collection, purification and distribution of water" and "Generation and distribution of electricity" reported positive changes of 0.3 per cent and 0.2 per cent in the month of November 2020 on monthly basis (Table 4).

Table 2: PPI of October & November, 2020 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)

Major Economic Activity	PPI		Month to Month % change (2020 Nov**/ 2020 Oct*)
	2020 Oct*	2020 Nov**	
All Activities	146.0	146.1	0.1
Agriculture	175.8	176.2	0.2
Manufacturing	138.9	138.9	0.0
Electricity & Water Supply	88.0	88.1	0.1

* - Revised ** - Provisional

Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 – November 2020 (Base: 2013 Q4=100)



* - Revised ** - Provisional

Table 4: PPI of October 2020 & November of 2019 & 2020 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4 = 100)

ISIC Rev.3.1	Description of the Economic Activity	2019	2020		% change	
		Nov	Oct*	Nov**	Nov** 2020/Oct* 2020	Nov** 2020/Nov 2019
	All Activities	138.5	146.0	146.1	0.1	5.5
	Agriculture	149.6	175.8	176.2	0.2	17.8
01	Agriculture and farming	149.6	175.8	176.2	0.2	17.8
	Manufacturing	133.2	138.9	138.9	0.0	4.3
15	Manufacture of food products and beverages	134.0	146.3	145.1	-0.8	8.3
16	Manufacture of tobacco products	236.3	239.1	239.1	0.0	1.2
17	Manufacture of textiles	131.8	127.2	125.9	-1.0	-4.5
18	Manufacture of wearing apparel, dressing, and dyeing of fur	138.6	153.0	155.2	1.4	12.0
22	Publishing, printing and reproduction of recorded media	129.4	126.9	126.9	0.0	-1.9
23	Manufacture of coke, refine petroleum products and nuclear fuel	94.0	65.7	64.4	-2.0	-31.5
24	Manufacture of chemicals and chemical products	131.0	124.0	124.0	0.0	-5.3
25	Manufacture of rubber and plastics	111.2	122.4	122.4	0.0	10.1
26	Manufacture of other non metallic mineral products	120.2	121.2	121.1	-0.1	0.7
27	Manufacture of basic metals	117.2	125.0	124.8	-0.2	6.5
31	Manufacture of electrical machinery and apparatus n.e.c.	123.0	135.0	134.8	-0.1	9.6
35	Manufacture of other transport equipments	126.4	109.5	109.5	0.0	-13.4
36	Manufacture of furniture, Manufacturing n.e.c.	131.9	135.6	135.9	0.2	3.0
	Electricity and water supply	85.8	88.0	88.1	0.1	2.7
40	Electricity	83.1	84.7	84.9	0.2	2.2
41	Collection, purification and distribution of water	111.5	118.8	119.1	0.3	6.8

* - Revised ** - Provisional

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 whole 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.

Further details of Producer's Price Index compiled for the month of November 2020, are also published in the department web site: <http://www.statistics.gov.lk/InflationAndPrices/StatisticalInformation/PPI>

Producer's Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017. The PPI for month of December, 2020 will be released on 15th of February 2021.

Director General

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