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# Producer Price Index (PPI)

## December, 2021

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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 December 2021 is 133.9.
  - ❏ The annual change in the PPI has been compiled as 16.6 per cent.
  - ❏ Comparing the month on month changes, PPI in December 2021 has increased to 133.9 from 130.6 reported in November 2021.

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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 December 2021 is 133.9. The annual change in the PPI has been compiled as 16.6 per cent. The PPI reported for the three major economic activities, "Agriculture", "Manufacturing" and "Utility sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") are 161.7, 131.6 and 102.1 respectively. The "Agriculture" and "Manufacturing" reported positive changes of 19.9 per cent and 17.7 per cent respectively. While "Electricity, gas, steam and Air conditioning supply & Water supply" reported negative change of 5.2 per cent 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 46.9 percent, 29.3 percent and 1.4 percent respectively on annual basis (Table 3).

The sub activities of Manufacturing sector "Manufacture of coke and refined petroleum products" (72.8%), "Manufacture of chemicals and chemical products" (40.1%), "Manufacture of furniture" (30.1%), "Manufacture of basic metals" (28.7%), "Manufacture of food products"(23.9%), "Manufacture of rubber and plastics products" (23.2%), "Manufacture of other non-metallic mineral products" (23.1%), "Manufacture of beverages" (16.1%), "Manufacture of other transport equipment" (13.5%), "Printing and reproduction of recorded media" (9.0%), "Manufacture of textiles" (11.9%), "Manufacture of tobacco products" (7.4%), "Other manufacturing" (6.0%) and "Manufacture of wearing apparel" (3.5%) reported positive growth rates in the month of December 2021 compared to the same month of 2020 (Table 3).

The activities in Utility sector ("Electricity, gas, steam and Air conditioning supply & Water supply"), "Water collection, treatment and supply" reported positive change of 5.5 per cent and "Electricity, gas, steam and air conditioning supply" reported negative change of 6.7 per cent in the month of December 2021 compared to the same month in 2020 (Table 3).

**Table 1: PPI of December, 2020 & 2021 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)**

Major Economic Activity	PPI		Year on Year % change (Dec 2021**/ Dec 2020)
	2020 Dec	2021 Dec**	
All Activities	114.8	133.9	16.6
Agriculture	134.9	161.7	19.9
Manufacturing	111.8	131.6	17.7
Electricity, gas, steam and Air conditioning supply & Water supply	107.7	102.1	-5.2

\*\* - Provisional

Source: Department of Census and Statistics

## Monthly Changes of Producer Price Index

Comparing the month on month changes, PPI in December 2021 has increased to 133.9 from 130.6 reported in November 2021. This shows an increase of 3.3 index points or 2.5 percentage compared to the November 2021. The three major economic activities, "Agriculture" and "Manufacturing" and "Electricity, gas, steam and air conditioning supply & Water supply" reported positive changes of 12.0 percent, 1.1 percent and 0.3 percent respectively on monthly basis (Table 2).

The sub activities of "Agriculture" sector, "Growing of non-perennial crops" and "Animal production" reported positive changes of 23.2 percent and 12.1 percent respectively. While "Growing of perennial crops" reported negative change of 0.7 percent in the month of December 2021 (Table 3).

In Manufacturing sector, the sub activities, "Other manufacturing" (7.4%), "Manufacture of food products" (3.9%), "Manufacture of other non-metallic mineral products" (2.8%), "Manufacture of beverages" (2.7%), "Manufacture of furniture" (0.6%),

“Manufacture of chemicals and chemical products” (0.1%) changed positively from previous month. “Manufacture of rubber and plastics products” (2.4%), “Manufacture of wearing apparel” (2.3%), “Printing and reproduction of recorded media” (0.3%) and “Manufacture of textiles” (0.1%) changed negatively from previous month. While that of “Manufacture of tobacco products”, “Manufacture of coke and refined petroleum products”, “Manufacture of basic metals” and “Manufacture of other transport equipment” remained unchanged compared to the previous month (Table 3).

On monthly basis, 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 change of 0.3 per cent and 0.2 per cent respectively in the month of December 2021 (Table 3).

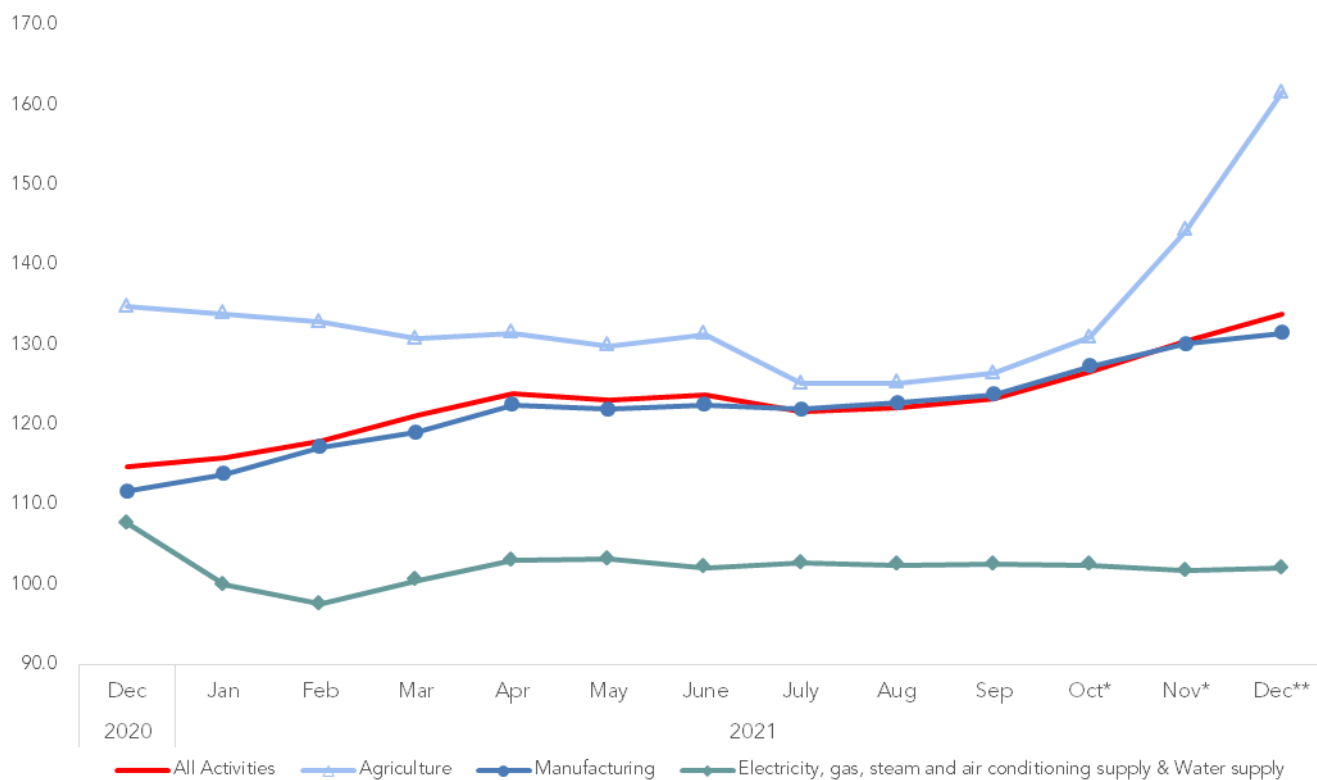
**Table 2: PPI of December & November 2021 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)**

Major Economic Activity	PPI		Month to Month % change (2021 Dec**/ 2021 Nov*)
	2021 Nov*	2021 Dec**	
All Activities	130.6	133.9	2.5
Agriculture	144.4	161.7	12.0
Manufacturing	130.2	131.6	1.1
Electricity, gas, steam and Air conditioning supply & Water supply	101.8	102.1	0.3

\* - Revised    \*\* - Provisional

Source: Department of Census and Statistics

**Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: December 2020 – December 2021 (Base: 2018 Q4=100)**



Source: Department of Census and Statistics, Sri Lanka



\* - Revised    \*\* - Provisional

**Table 3: PPI of November 2021 & December of 2020 & 2021 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2018 Q4 = 100)**

ISIC Rev.4.0	Description of the Economic Activity	2020	2021		% change	
		Dec	Nov*	Dec**	2021 Dec**/ 2021 Nov*	Dec** 2021/ Dec 2020
	<b>All Activities</b>	<b>114.8</b>	<b>130.6</b>	<b>133.9</b>	<b>2.5</b>	<b>16.6</b>
<b>A</b>	<b>Agriculture</b>	<b>134.9</b>	<b>144.4</b>	<b>161.7</b>	<b>12.0</b>	<b>19.9</b>
	011 Growing of non perianial crops	138.7	165.4	203.8	23.2	46.9
	012 Growing of perianial crops	132.1	134.9	133.9	-0.7	1.4
	014 Animal production	109.4	126.2	141.5	12.1	29.3
<b>C</b>	<b>Manufacturing</b>	<b>111.8</b>	<b>130.2</b>	<b>131.6</b>	<b>1.1</b>	<b>17.7</b>
10	Manufacture of food products	108.4	129.3	134.3	3.9	23.9
11	Manufacture of beverages	105.3	119.1	122.3	2.7	16.1
12	Manufacture of tobacco products	118.5	127.3	127.3	0.0	7.4
13	Manufacture of textiles	101.8	114.0	113.9	-0.1	11.9
14	Manufacture of wearing apparel	118.2	125.2	122.3	-2.3	3.5
18	Printing and reproduction of recorded media	106.8	116.7	116.4	-0.3	9.0
19	Manufacture of coke and refined petroleum products	64.3	111.1	111.1	0.0	72.8
20	Manufacture of chemicals and chemical products	111.4	156.0	156.1	0.1	40.1
22	Manufacture of rubber and plastics products	123.5	155.9	152.1	-2.4	23.2
23	Manufacture of other non-metallic mineral products	110.5	132.3	136.0	2.8	23.1
24	Manufacture of basic metals	173.3	223.0	223.0	0.0	28.7
30	Manufacture of other transport equipment	109.4	124.2	124.2	0.0	13.5
31	Manufacture of furniture	109.8	142.0	142.9	0.6	30.1
32	Other manufacturing	129.0	127.4	136.8	7.4	6.0
<b>D</b>	<b>Electricity, gas, steam and Air conditioning supply</b>	<b>108.5</b>	<b>100.9</b>	<b>101.2</b>	<b>0.3</b>	<b>-6.7</b>
35	Electricity, gas, steam and Air conditioning supply	108.5	100.9	101.2	0.3	-6.7
<b>E</b>	<b>Water collection, treatment and supply</b>	<b>100.4</b>	<b>105.7</b>	<b>105.9</b>	<b>0.2</b>	<b>5.5</b>
36	Water collection, treatment and supply	100.4	105.7	105.9	0.2	5.5

\* 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 month of November, 2021. The PPI for month of January, 2022 will be released on 10<sup>th</sup> of March 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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