



Producer Price Index (PPI)

January, 2022

10-03-2022

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 "Utility" (Electricity & Water supply) sectors of the economy under the rebased PPI also.

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- ❶ The PPI for all economic activities: "Agriculture", "Manufacturing" and "Utility" (Electricity & Water supply), for the month of January 2022 is 136.1.
 - ❷ The annual change in the PPI has been compiled as 17.3 per cent.
 - ❸ Comparing the month on month changes, PPI in January 2022 has increased to 136.1 from 133.7 reported in December 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 "Utility" (Electricity & Water supply), for the month of January 2022 is 136.1. The annual change in the PPI has been compiled as 17.3 percent. The PPI reported for the three major economic activities, "Agriculture", "Manufacturing" and "Utility sector" (Electricity & Water supply) are 164.1, 133.9 and 101.1 respectively. All three major sectors "Agriculture", "Manufacturing" and "Utility" (Electricity & Water supply) reported positive changes of 22.5 percent, 17.6 percent, and 1.0 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 40.1 percent, 39.5 percent and 4.9 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of coke and refined petroleum products" (60.5%), "Manufacture of chemicals and chemical products" (40.3%), "Manufacture of other non-metallic mineral products" (27.7%), "Manufacture of food products" (26.7%), "Manufacture of basic metals" (26.6%), "Manufacture of other transport equipment" (20.1%), "Manufacture of rubber and plastics products" (18.6%), "Manufacture of textiles" (18.5%), "Manufacture of beverages" (15.3%), "Manufacture of furniture" (13.7%), "Printing and reproduction of recorded media" (11.7%), "Other manufacturing" (10.5%), "Manufacture of tobacco products" (5.4%) and "Manufacture of wearing apparel" (1.1%) reported positive growth rates in the month of January 2022 compared to the same month of 2021 (Table 3).

Both sub-activities in the Utility sector (Electricity & Water supply) reported positive changes on annual basis. The "Water collection, treatment, and supply", 2.2 percent and "Electricity", 0.7 percent in the month of January 2022 compared to the same month in 2021 (Table 3)

Table 1: PPI of January 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 (Jan 2022**/ Jan 2021)
	2021 Jan	2022 Jan**	
All Activities	116.0	136.1	17.3
Agriculture	134.0	164.1	22.5
Manufacturing	113.9	133.9	17.6
Utility (Electricity & Water supply)	100.1	101.1	1.0

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in January 2022 has increased to 136.1 from 133.7 reported in December 2021. This shows an increase of 2.4 index points or 1.8 percentage compared to December 2021. The economic activities of "Manufacturing" and "Agriculture" reported positive changes of 1.9 percent and 1.5 percent respectively and "Utility" (Electricity & Water supply) reported negative change of 1.4 percent on monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops" reported a positive change of 8.0 percent while "Growing of non-perennial crops" and "Animal production" reported negative changes of 2.4 percent and 0.4 percent respectively in the month of January 2022 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of other transport equipment" (9.6%), "Manufacture of textiles" (8.0%), "Manufacture of other non-metallic mineral products" (4.2%), "Manufacture of chemicals and chemical products" (3.1%), "Printing and reproduction of recorded media" (2.7%), "Manufacture of furniture" (2.1%), "Manufacture of food products" (2.0%), "Other manufacturing" (1.2%), "Manufacture of wearing apparel" (1.1%) & "Manufacture of basic metals" (0.2%)

reported positive changes on monthly basis. Also sub activities: “Manufacture of tobacco products” (1.9%) and “Manufacture of rubber and plastics products” (0.8%) reported negative changes in the month of January 2022 compared to the previous month. While that of “Manufacture of beverages” & “Manufacture of coke and refined petroleum products” remained unchanged compared to the preceding month. (Table 3).

Both sub-activities of the Utility sector (Electricity & Water supply), “Water collection, treatment, and supply” reported positive change of 0.1 percent and “Electricity” reported negative change of 1.7% on monthly basis. (Table 3).

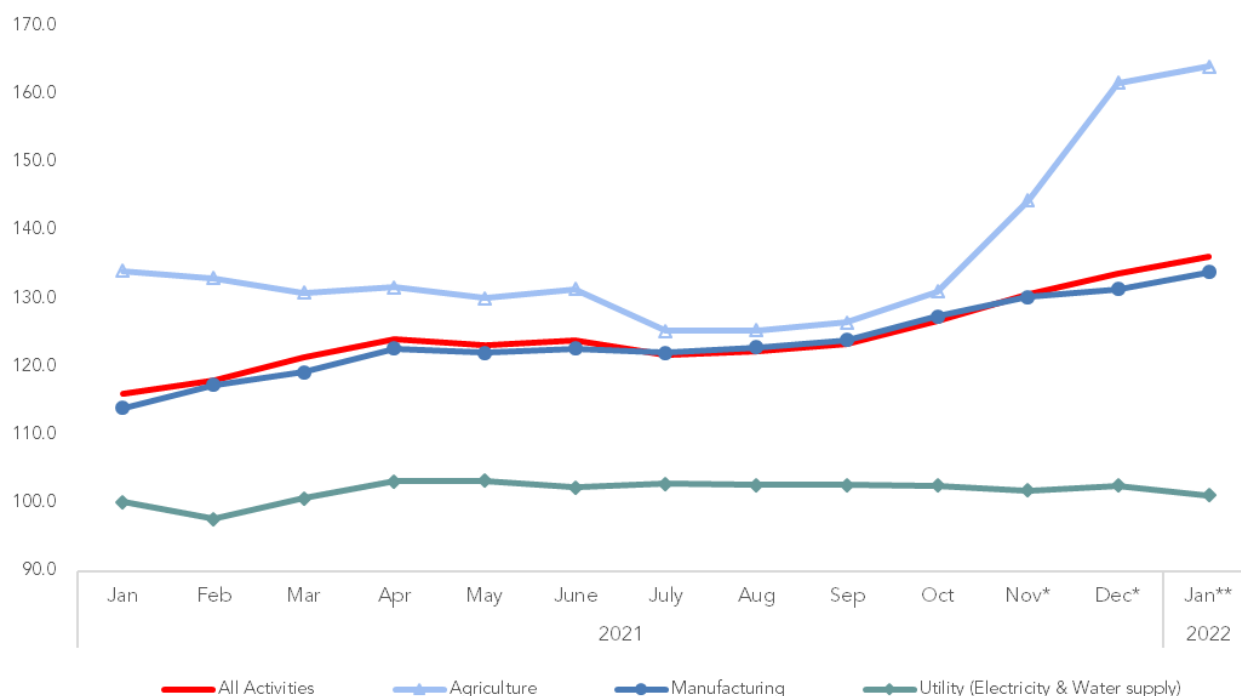
Table 2: PPI of January 2022 & December 2021 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2021 Jan**/ 2021 Dec*)
	2021 Dec*	2021 Jan**	
All Activities	133.7	136.1	1.8
Agriculture	161.7	164.1	1.5
Manufacturing	131.4	133.9	1.9
Utility (Electricity & Water supply)	102.5	101.1	-1.4

* - Revised ** - Provisional

Source: Department of Census and Statistics

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



Source: Department of Census and Statistics, Sri Lanka

* - Revised ** - Provisional

Table 3: PPI of December 2021 & January 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	
		Jan	Dec*	Jan**	2022 Jan**/ 2021 Dec*	Jan** 2022/ Jan 2021
	All Activities	116.0	133.7	136.1	1.8	17.3
A	Agriculture	134.0	161.7	164.1	1.5	22.5
	011 Growing of non- perennial crops	142.0	203.8	199.0	-2.4	40.1
	012 Growing of perennial crops	137.9	133.9	144.6	8.0	4.9
	014 Animal production	101.1	141.5	141.0	-0.4	39.5
C	Manufacturing	113.9	131.4	133.9	1.9	17.6
10	Manufacture of food products	108.2	134.4	137.1	2.0	26.7
11	Manufacture of beverages	106.1	122.3	122.3	0.0	15.3
12	Manufacture of tobacco products	118.5	127.3	124.9	-1.9	5.4
13	Manufacture of textiles	103.8	113.9	123.0	8.0	18.5
14	Manufacture of wearing apparel	119.8	119.8	121.1	1.1	1.1
18	Printing and reproduction of recorded media	107.9	117.3	120.5	2.7	11.7
19	Manufacture of coke and refined petroleum products	70.9	113.8	113.8	0.0	60.5
20	Manufacture of chemicals and chemical products	115.0	156.6	161.4	3.1	40.3
22	Manufacture of rubber and plastics products	127.2	152.1	150.9	-0.8	18.6
23	Manufacture of other non-metallic mineral products	111.6	136.8	142.5	4.2	27.7
24	Manufacture of basic metals	177.1	223.7	224.2	0.2	26.6
30	Manufacture of other transport equipment	113.5	124.4	136.3	9.6	20.1
31	Manufacture of furniture	128.2	142.8	145.8	2.1	13.7
32	Other manufacturing	125.2	136.6	138.3	1.2	10.5
D	Electricity	99.3	101.7	100.0	-1.7	0.7
35	Electricity	99.3	101.7	100.0	-1.7	0.7
E	Water collection, treatment and supply	103.8	105.9	106.0	0.1	2.2
36	Water collection, treatment and supply	103.8	105.9	106.0	0.1	2.0

* 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 & 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 February 2022 will be released on 11th of April 2022.

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