



Producer Price Index (PPI)

April, 2022

10-06-2022

Department of Census and Statistics

Ministry of Finance, Economic Stability 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.

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 April 2022 is 189.0.
 - ❏ The annual change in the PPI has been compiled as 52.4 percent.
 - ❏ Comparing the month-on-month changes, PPI in March 2022 has increased to 189.0 from 164.1 reported in March 2022.
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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 April 2022 is 189.0. The annual change in the PPI has been compiled as 52.4 percent. The PPI reported for the three major economic activities, "Manufacturing", "Agriculture" and "Utility sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") are 194.8, 178.2 and 100.2 respectively. All three major sectors "Manufacturing" and "Agriculture" reported positive changes of 58.9 percent and 35.4 percent while Utility ("Electricity, gas, steam and Air conditioning supply & Water supply") reported negative change of 2.8 percent 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 63.8 percent, 53.5 percent and 10.8 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of basic metals"(117.6%),"Manufacture of other non-metallic mineral products" (107.6%), "Manufacture of chemicals and chemical products" (98.8%),"Manufacture of textiles"(93.3%), "Manufacture of rubber and plastics products" (87.9%), "Manufacture of coke and refined petroleum products" (86.6%),"Manufacture of food products" (83.5%),"Manufacture of other transport equipment" (63.4%), "Manufacture of furniture" (57.5%), "Other manufacturing" (55.1%), "Printing and reproduction of recorded media" (37.1%),"Manufacture of beverages" (30.8%),"Manufacture of wearing apparel" (20.6%) and "Manufacture of tobacco products" (12.6%) reported positive growth rates in the month of April 2022 compared to the same month of 2021 (Table 3).

The sub-activities in the Utility sector ("Electricity, gas, steam, and Air conditioning supply & Water supply"), "Water collection, treatment, and supply" reported positive change of 1.9 percent on annual basis while "Electricity, gas, steam, and air conditioning supply" reported negative change of 3.8 percent in the month of April 2022 compared to the same month in 2021 (Table3).

Table 1: PPI of April 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 (Apr 2022**/ Apr 2021)
	2021 Apr	2022 Apr**	
All Activities	124.0	189.0	52.4
Agriculture	131.6	178.2	35.4
Manufacturing	122.6	194.8	58.9
Electricity, gas, steam and Air conditioning supply & Water supply	103.1	100.2	-2.8

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in April 2022 has increased to 189.0 from 164.1 reported in March 2022. This shows an increase of 24.9 index points or 15.2 percentage compared to March 2022. The economic activities of "Manufacturing" and 'Agriculture" reported positive changes of 17.3 percent and 3.3 percent while "Electricity, gas, steam and air conditioning supply & Water supply" reported negative change of 2.3 percent on monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of non-perennial crops" and "Animal production" reported positive changes of 10.5 percent and 2.4 percent respectively while "Growing of perennial crops" reported negative change of 4.0 percent in the month of April 2022 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of basic metals" (44.1%), "Manufacture of coke and refined petroleum products" (30.0%) , "Manufacture of other non-metallic mineral products" (29.9%), "Manufacture of furniture" (22.2%), "Manufacture of food products" (22.1%), "Manufacture of chemicals and chemical products" (18.5%), "Manufacture of other transport equipment" (17.1%), "Manufacture of rubber and plastics products" (16.8%), "Other manufacturing" (16.8%), "Manufacture of textiles" (13.4%), "Manufacture of wearing apparel" (10.0%), "Manufacture of beverages"(3.7%), "Printing and reproduction of recorded media" (3.6%) and "Manufacture of tobacco products" (1.7%) reported positive changes on monthly basis (Table 3).

The sub-activities of the Utility sector ("Electricity, gas, steam and Air conditioning supply & Water supply"), "Water collection, treatment, and supply" reported positive change of 0.1 percent while "Electricity, gas, steam and Air conditioning supply" reported negative change of 2.9 percent on monthly basis in the month of April 2022 (Table 3).

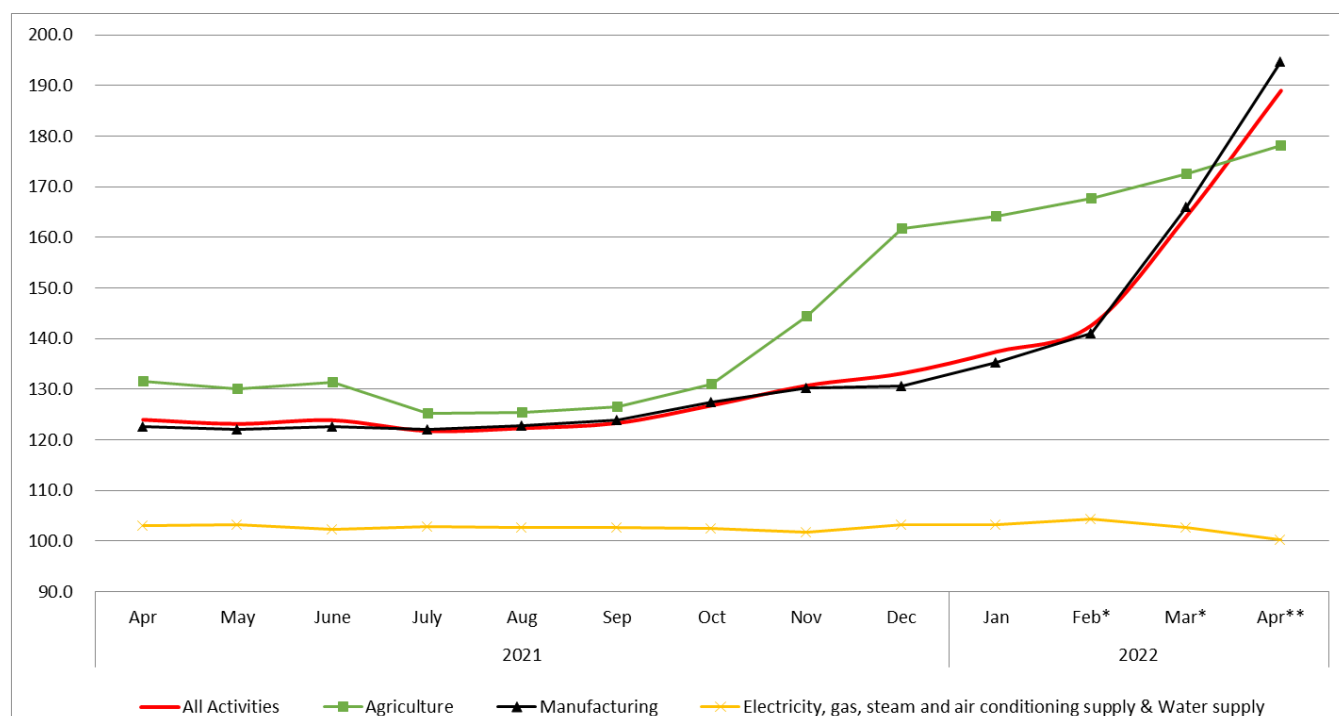
Table 2: PPI of April and March 2022 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2022 Apr**/ 2022 Mar)
	2022 Mar*	2022 Apr**	
All Activities	164.1	189.0	15.2
Agriculture	172.5	178.2	3.3
Manufacturing	166.0	194.8	17.3
Electricity, gas, steam and Air conditioning supply & Water supply	102.6	100.2	-2.3

* - Revised ** - Provisional

Source: Department of Census and Statistics

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



Source: Department of Census and Statistics

* - Revised ** - Provisional

Table 3: PPI of March 2022 and April 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	
		Apr	Mar*	Apr**	2022 Apr**/ 2022 Mar*	2022 Apr**/ Apr 2021
	All Activities	124.0	164.1	189.0	15.2	52.4
A	Agriculture	131.6	172.5	178.2	3.3	35.4
	011 Growing of non perianial crops	128.6	190.6	210.7	10.5	63.8
	012 Growing of perianial crops	142.2	164.1	157.6	-4.0	10.8
	014 Animal production	105.0	157.4	161.2	2.4	53.5
C	Manufacturing	122.6	166.0	194.8	17.3	58.9
10	Manufacture of food products	113.5	170.6	208.3	22.1	83.5
11	Manufacture of beverages	106.1	133.8	138.8	3.7	30.8
12	Manufacture of tobacco products	118.3	131.0	133.2	1.7	12.6
13	Manufacture of textiles	113.7	193.9	219.8	13.4	93.3
14	Manufacture of wearing apparel	131.8	144.5	158.9	10.0	20.6
18	Printing and reproduction of recorded media	112.0	148.3	153.6	3.6	37.1
19	Manufacture of coke and refined petroleum products	86.1	123.6	160.7	30.0	86.6
20	Manufacture of chemicals and chemical products	120.1	201.5	238.8	18.5	98.8
22	Manufacture of rubber and plastics products	129.3	208.0	242.9	16.8	87.9
23	Manufacture of other non-metallic mineral products	116.0	185.6	241.1	29.9	107.8
24	Manufacture of basic metals	180.9	273.3	393.7	44.1	117.6
30	Manufacture of other transport equipment	120.9	168.7	197.5	17.1	63.4
31	Manufacture of furniture	117.6	151.6	185.2	22.2	57.5
32	Other manufacturing	130.4	173.1	202.2	16.8	55.1
D	Electricity, gas, steam and Air conditioning supply	102.7	101.8	98.8	-2.9	-3.8
35	Electricity, gas, steam and Air conditioning supply	102.7	101.8	98.8	-2.9	-3.8
E	Water collection, treatment and supply	104.4	106.3	106.4	0.1	1.9
36	Water collection, treatment and supply	104.4	106.3	106.4	0.1	1.9

* 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.


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 May 2022 will be released on 11th of July 2022.




The Vision of DCS





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