



Producer Price Index (PPI) September, 2022

10-11-2022

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.

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 September 2022 is 249.6.
 - 📄 The annual change in the PPI has been compiled as 102.4 percent.
 - 📄 Comparing the month-on-month changes, PPI in September 2022 has decreased to 249.6 from 250.5 reported in August 2022.

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 September 2022 is 249.6. The annual change in the PPI has been compiled as 102.4 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 255.5, 245.8 and 139.8 respectively. All three major sectors, "Manufacturing", "Agriculture" and "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") reported positive changes of 106.2 percent, 94.3 percent and 36.3 percent respectively on annual basis (Table 1).

In the Agriculture sector, the sub-activities of "Animal production", "Growing of non-perennial crops" and "Growing of perennial crops" reported positive changes of 116.8 percent, 109.2 percent and 72.4 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of textiles (195.3%)", "Manufacture of coke and refined petroleum products (173.1%)", "Other manufacturing (140.9%)", "Manufacture of other non-metallic mineral products (134.2%)", "Manufacture of food products (126.6%)", "Manufacture of rubber and plastics products (122.2%)", "Manufacture of chemicals and chemical products (111.7%)", "Manufacture of basic metals (94.8%)", "Manufacture of furniture (93.1%)", "Manufacture of other transport equipment (89.5%)", "Printing and reproduction of recorded media (79.0%)", "Manufacture of beverages (73.1%)", "Manufacture of wearing apparel (61.3%)" and "Manufacture of tobacco products (33.1%)" reported positive growth rates in the month of September 2022 compared to the same month of 2021 (Table 3).

For the month of September 2022, the sub-activities in 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 changes of 44.7 percent and 1.7 percent on annual basis (Table3).

Table 1: PPI of September 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 (Sep 2022**/ Sep 2021) |
|--|----------|------------|--|
| | 2021 Sep | 2022 Sep** | |
| All Activities | 123.3 | 249.6 | 102.4 |
| Agriculture | 126.5 | 245.8 | 94.3 |
| Manufacturing | 123.9 | 255.5 | 106.2 |
| Electricity, gas, steam and Air conditioning supply & Water supply | 102.6 | 139.8 | 36.3 |

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in September 2022 has decreased to 249.6 from 250.5 reported in August 2022. This shows a decrease of 0.9 index points or 0.4 percentage compared to August 2022. The economic activities of "Electricity, gas, steam and air conditioning supply & Water supply" reported positive change of 4.3 percent while "Manufacturing" reported negative change of 0.5 percent and "Agriculture", remained unchanged on monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops" reported positive change of 7.4 percent while "Animal production" and "Growing of non-perennial crops" reported negative changes of 6.7 percent and 2.8 percent in the month of September 2022 compared to the August 2022 (Table 3).

PPI September 2022

In the Manufacturing sector, the sub-activities, "Manufacture of tobacco products (4.6%)", "Printing and reproduction of recorded media (2.8%)" and "Manufacture of beverages (2.5%)" and "Manufacture of wearing apparel (0.6%)" reported positive changes on monthly basis. "Manufacture of food products" remained unchanged while "Manufacture of other non-metallic mineral products (6.5%)", "Manufacture of furniture (3.2%)", "Manufacture of textiles (1.8%)", "Manufacture of rubber and plastics products (1.8%)", "Manufacture of basic metals (1.8%)", "Other manufacturing (0.9%)", "Manufacture of coke and refined petroleum products (0.2%)", "Manufacture of other transport equipment (0.2%)" and "Manufacture of chemicals and chemical products (0.1%)" reported negative changes on monthly basis Table 3).

The 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 changes of 5.1 percent and 0.2 percent respectively on monthly basis in the month of September 2022 (Table 3).

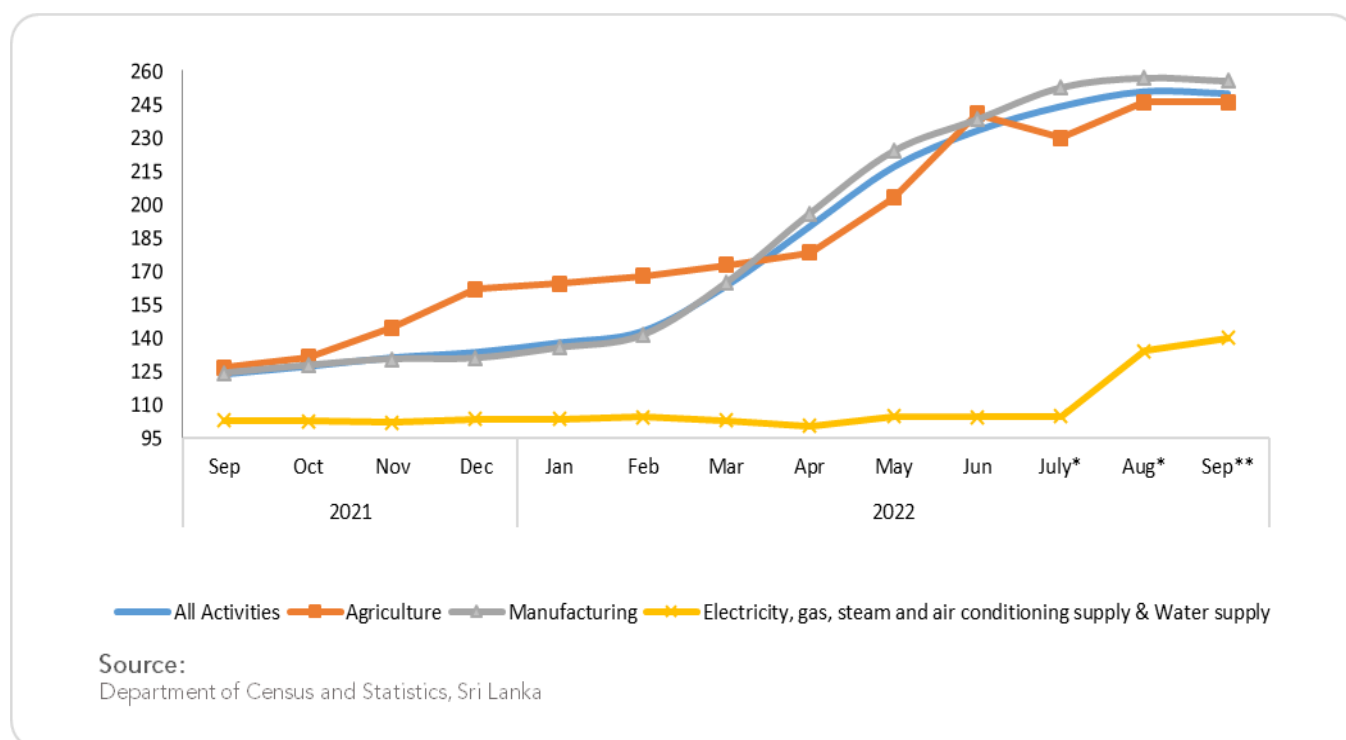
Table 2: PPI of September & August 2022 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

| Major Economic Activity | PPI | | Month to Month % change (2022 Sep**/ 2022 Aug*) |
|--|-----------|------------|---|
| | 2022 Aug* | 2022 Sep** | |
| All Activities | 250.5 | 249.6 | -0.4 |
| Agriculture | 245.8 | 245.8 | 0.0 |
| Manufacturing | 256.9 | 255.5 | -0.5 |
| Electricity, gas, steam and Air conditioning supply & Water supply | 134.0 | 139.8 | 4.3 |

* - Revised ** - Provisional

Source: Department of Census and Statistics

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



* - Revised ** - Provisional

Table 3: PPI of August 2022 and September 2021 & 2022 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2018 Q4 = 100)

| ISIC | Description of the Economic Activity | 2021 | | 2022 | | % change | |
|------|---|----------|--------------|--------------|--------------|--------------------------|-------------------------|
| | | Rev. 4.0 | Sep | Aug* | Sep** | 2022 Sep**/2021 Sep 2021 | 2022 Aug*/2021 Sep 2021 |
| | All Activities | | 123.3 | 250.5 | 249.6 | -0.4 | 102.4 |
| A | Agriculture | | 126.5 | 245.8 | 245.8 | 0.0 | 94.3 |
| | 011 Growing of non-perennial crops | | 121.3 | 261.0 | 253.7 | -2.8 | 109.2 |
| | 012 Growing of perennial crops | | 137.4 | 220.5 | 236.9 | 7.4 | 72.4 |
| | 014 Animal production | | 114.9 | 266.9 | 249.1 | -6.7 | 116.8 |
| C | Manufacturing | | 123.9 | 256.9 | 255.5 | -0.5 | 106.2 |
| 10 | Manufacture of food products | | 116.4 | 263.7 | 263.8 | 0.0 | 126.6 |
| 11 | Manufacture of beverages | | 107.8 | 182.0 | 186.6 | 2.5 | 73.1 |
| 12 | Manufacture of tobacco products | | 119.0 | 151.4 | 158.4 | 4.6 | 33.1 |
| 13 | Manufacture of textiles | | 118.5 | 356.2 | 349.9 | -1.8 | 195.3 |
| 14 | Manufacture of wearing apparel | | 129.4 | 207.4 | 208.7 | 0.6 | 61.3 |
| 18 | Printing and reproduction of recorded media | | 115.2 | 200.6 | 206.2 | 2.8 | 79.0 |
| 19 | Manufacture of coke and refined petroleum products | | 99.4 | 272.0 | 271.5 | -0.2 | 173.1 |
| 20 | Manufacture of chemicals and chemical products | | 146.8 | 311.2 | 310.8 | -0.1 | 111.7 |
| 22 | Manufacture of rubber and plastics products | | 137.1 | 310.1 | 304.6 | -1.8 | 122.2 |
| 23 | Manufacture of other non-metallic mineral products | | 119.2 | 298.7 | 279.2 | -6.5 | 134.2 |
| 24 | Manufacture of basic metals | | 223.0 | 442.5 | 434.4 | -1.8 | 94.8 |
| 30 | Manufacture of other transport equipment | | 121.4 | 230.6 | 230.1 | -0.2 | 89.5 |
| 31 | Manufacture of furniture | | 137.3 | 273.8 | 265.1 | -3.2 | 93.1 |
| 32 | Other manufacturing | | 126.9 | 308.5 | 305.7 | -0.9 | 140.9 |
| D | Electricity, gas, steam and Air conditioning supply | | 101.9 | 140.3 | 147.4 | 5.1 | 44.7 |
| 35 | Electricity, gas, steam and Air conditioning supply | | 101.9 | 140.3 | 147.4 | 5.1 | 44.7 |
| E | Water collection, treatment and supply | | 105.4 | 107.0 | 107.2 | 0.2 | 1.7 |
| 36 | Water collection, treatment and supply | | 105.4 | 107.0 | 107.2 | 0.2 | 1.7 |

* 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 October 2022 will be released on 12th of December 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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