



Producer Price Index (PPI)

October, 2022

12-12-2022

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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- 1 The PPI for all economic activities: "Agriculture", "Manufacturing" and "Electricity, gas, steam and Air conditioning supply & Water supply", for the month of October 2022 is 254.1.
 - 1 The annual change in the PPI has been compiled as 100.4 percent.
 - 1 Comparing the month-on-month changes, PPI in October 2022 has increased to 254.1 from 251.9 reported in September 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 October 2022 is 254.1. The annual change in the PPI has been compiled as 100.4 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 257.9, 248.7 and 190.4 respectively. All three major sectors, "Manufacturing", "Agriculture" and "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") reported positive changes of 102.4 percent, 89.8 percent and 85.8 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 108.1 percent, 88.7 percent and 82.0 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of coke and refined petroleum products (209.8%)", "Manufacture of textiles (198.5%)", "Other manufacturing (193.3%)", "Manufacture of other non-metallic mineral products (156.3%)", "Printing and reproduction of recorded media (150.9%)", "Manufacture of food products (109.8%)", "Manufacture of chemicals and chemical products (106.6%)", "Manufacture of rubber and plastics products (106.3%)", "Manufacture of basic metals (94.8%)", "Manufacture of furniture (91.1%)", "Manufacture of other transport equipment (81.2%)", "Manufacture of beverages (64.1%)", "Manufacture of wearing apparel (50.5%)" and "Manufacture of tobacco products (33.1%)" reported positive growth rates in the month of October 2022 compared to the same month of 2021 (Table 3).

For the month of October 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 97.2 percent and 38.8 percent respectively on annual basis (Table3).

Table 1: PPI of October 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 (Oct** 2022/ Oct 2021)
	2021 Oct	2022 Oct**	
All Activities	126.8	254.1	100.4
Agriculture	131.0	248.7	89.8
Manufacturing	127.4	257.9	102.4
Electricity, gas, steam and Air conditioning supply & Water supply	102.5	190.4	85.8

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in October 2022 has increased to 254.1 from 251.9 reported in September 2022. This shows an increase of 2.2 index points or 0.9 percentage compared to September 2022. The economic activities of "Electricity, gas, steam and air conditioning supply & Water supply", "Agriculture" and "Manufacturing" reported positive changes of 9.0 percent, 1.2 percent and 0.5 respectively on monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops", "Growing of non-perennial crops" and "Animal production" reported positive changes of 1.5 percent, 1.3 percent and 0.3 percent respectively in the month of October 2022 compared to the September 2022 (Table 3).

In the Manufacturing sector, the sub-activities, "Printing and reproduction of recorded media (42.2%)", "Manufacture of other non-metallic mineral products (13.6%)", "Manufacture of tobacco products (4.8%)", "Manufacture of rubber and plastics products (2.4%)", "Manufacture of coke and refined petroleum products (2.1%)", "Manufacture of beverages (1.0%)", "Manufacture of furniture (0.8%)", "Manufacture of food products (0.3%) and "Other manufacturing (0.1%)" reported positive changes on monthly basis while "Manufacture of wearing apparel (9.0%)", "Manufacture of textiles (3.0%)", "Manufacture of other transport equipment (2.5%)" and "Manufacture of chemicals and chemical products (0.7%)" reported negative changes on monthly basis. And, "Manufacture of basic metals" remained unchanged compared to the preceding month (Table 3).

The sub-activities of the Utility sector ("Electricity, gas, steam and Air conditioning supply & Water supply"), "Water collection, treatment, and supply" and "Electricity, gas, steam and Air conditioning supply" reported positive changes of 36.4 percent and 5.5 percent respectively on monthly basis in the month of October 2022 (Table 3).

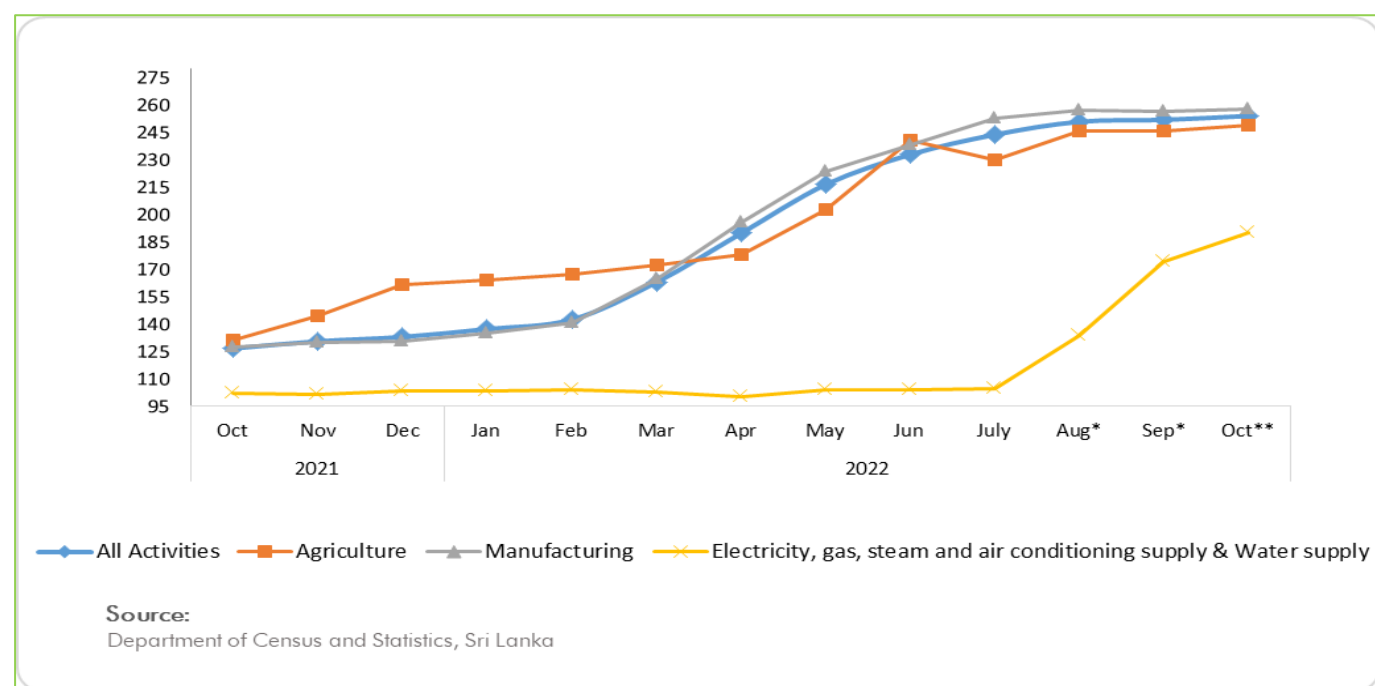
Table 2: PPI of October & September 2022 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2022 Oct**/ 2022 Sep*)
	2022 Sep*	2022 Oct**	
All Activities	251.9	254.1	0.9
Agriculture	245.8	248.7	1.2
Manufacturing	256.5	257.9	0.5
Electricity, gas, steam and Air conditioning supply & Water supply	174.6	190.4	9.0

* - Revised ** - Provisional

Source: Department of Census and Statistics

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



* - Revised ** - Provisional

Table 3: PPI of August 2022 and October 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	
		Oct	Sep*	Oct**	2022 Oct**/ 2021 Sep*	2022 Oct**/ 2021 Oct
	All Activities	126.8	251.9	254.1	0.9	100.4
A	Agriculture	131.0	245.8	248.7	1.2	89.8
	011 Growing of non-perennial crops	136.2	253.7	257.0	1.3	88.7
	012 Growing of perennial crops	132.1	236.9	240.4	1.5	82.0
	014 Animal production	120.1	249.1	249.9	0.3	108.1
C	Manufacturing	127.4	256.5	257.9	0.5	102.4
10	Manufacture of food products	126.1	263.6	264.5	0.3	109.8
11	Manufacture of beverages	114.9	186.6	188.5	1.0	64.1
12	Manufacture of tobacco products	118.9	151.1	158.3	4.8	33.1
13	Manufacture of textiles	113.7	349.9	339.4	-3.0	198.5
14	Manufacture of wearing apparel	126.2	208.7	189.9	-9.0	50.5
18	Printing and reproduction of recorded media	116.8	206.1	293.0	42.2	150.9
19	Manufacture of coke and refined petroleum products	109.2	331.3	338.3	2.1	209.8
20	Manufacture of chemicals and chemical products	154.4	321.1	319.0	-0.7	106.6
22	Manufacture of rubber and plastics products	151.3	304.9	312.1	2.4	106.3
23	Manufacture of other non-metallic mineral products	123.7	279.2	317.1	13.6	156.3
24	Manufacture of basic metals	223.0	434.4	434.4	0.0	94.8
30	Manufacture of other transport equipment	123.8	230.1	224.3	-2.5	81.2
31	Manufacture of furniture	139.8	265.1	267.2	0.8	91.1
32	Other manufacturing	108.8	318.8	319.1	0.1	193.3
D	Electricity, gas, steam and Air conditioning supply	101.8	190.3	200.7	5.5	97.2
35	Electricity, gas, steam and Air conditioning supply	101.8	190.3	200.7	5.5	97.2
E	Water collection, treatment and supply	105.3	107.2	146.2	36.4	38.8
36	Water collection, treatment and supply	105.3	107.2	146.2	36.4	38.8

* 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 November 2022 will be released on 10th of January 2023.


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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