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## Producer Price Index (PPI)

April, 2023

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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 up to December 2022. From the month of January 2023, the PPI is release with a time lag of 30 days.

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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- ❶ The PPI for all economic activities: "Agriculture", "Manufacturing" and "Electricity, gas, steam and Air conditioning supply & Water supply", for the month of April 2023 is 242.8
  - ❷ The annual change in the PPI has been compiled as 27.9 percent.
  - ❸ Comparing the month-on-month changes, PPI in April 2023 has decreased to 242.8 from 245.5 reported in March 2023.

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### 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 April 2023 is 242.8. The annual change in the PPI has been compiled as 27.9 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 245.9, 234.9 and 200.4 respectively. All three major sectors, "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply"), "Agriculture" and "Manufacturing" reported positive changes of 100.0 percent, 31.8 percent and 25.6 percent respectively on annual basis (Table 1).

In the Agriculture sector, the sub-activities of "Animal production" and "Growing of perennial crops" reported positive changes of 70.2 percent and 56.5 percent while "Growing of non-perennial crops" reported negative change of 5.6 percent on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of coke and refined petroleum products (75.4%)", "Manufacture of furniture (52.4%)", "Printing and reproduction of recorded media (50.6%)", "Other manufacturing (48.7%)", "Manufacture of textiles (47.9%)", "Manufacture of tobacco products (27.3%)", "Manufacture of food products (26.0%)", "Manufacture of beverages (25.5%)", "Manufacture of rubber and plastics products (20.8%)", "Manufacture of chemicals and chemical products (20.6%)", "Manufacture of wearing apparel (13.0%)", "Manufacture of basic metals (10.3%)", "Manufacture of other transport equipment (5.8%)" and "Manufacture of other non-metallic mineral products (1.3%)" reported positive growth rates in the month of April 2023 compared to the same month of 2022 (Table 3).

For the month of April 2023, 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 changes of 115.9 percent and 36.6 percent respectively on an annual basis (Table3).

**Table 1: PPI of April 2022 & 2023 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)**

Major Economic Activity	PPI		Year on Year % change (2023 Apr**/ 2022 Apr)
	2022 Apr	2023 Apr**	
All Activities	189.8	242.8	27.9
Agriculture	178.2	234.9	31.8
Manufacturing	195.8	245.9	25.6
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	100.2	200.4	100.0

\*\* - Provisional

Source: Department of Census and Statistics

## Monthly Changes of Producer Price Index (PPI)

Comparing the month-on-month changes, PPI in April 2023 has decreased to 242.8 from 245.5 reported in March 2023. This shows a decrease of 2.7 index points or 1.1 percentages compared to March 2023. The economic activities of "Utility Sector" ("Electricity, gas, steam and air conditioning supply & Water supply"), "Manufacturing" and "Agriculture" reported negative changes of 1.6 percent, 1.2 percent and 0.6 percent respectively on a monthly basis (Table2).

The sub-activities of the "Agriculture" sector, "Animal production" reported positive change of 4.3 percent while "Growing of perennial crops" and "Growing of non-perennial crops" reported negative changes of 3.5 percent and 0.5 percent on a monthly basis in the month of April 2023 compared to March 2023 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of beverages", "Manufacture of coke and refined petroleum products" and "Manufacture of basic metals" remained unchanged compared to the preceding month while "Other manufacturing (1.1%)", "Printing and reproduction of recorded media (3.1%)", "Manufacture of other non-metallic mineral

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products (2.9%)", "Manufacture of textiles (2.5%)", "Manufacture of wearing apparel (2.1%)", "Manufacture of other transport equipment (1.6%)", "Manufacture of rubber and plastics products (0.8%)", "Manufacture of food products (0.5%)", "Manufacture of chemicals and chemical products (0.5%)", "Manufacture of furniture (0.5%)" and "Manufacture of tobacco products (0.3%)" reported negative changes on a monthly basis (Table 3).

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 negative changes of 1.8 percent and 0.4 percent respectively on a monthly basis in the month of April 2023 (Table 3).

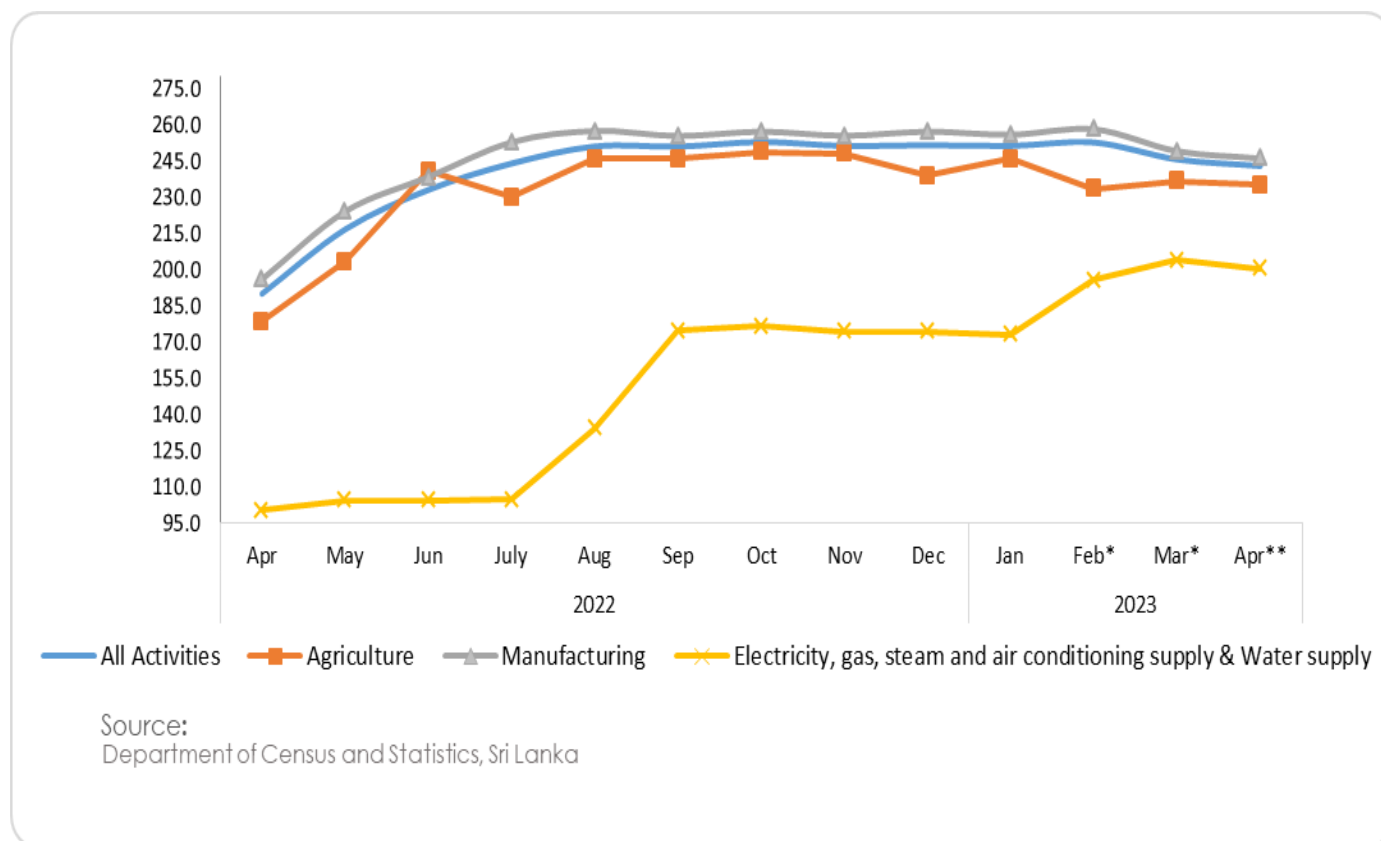
**Table 2: PPI of April & March 2023 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)**

Major Economic Activity	PPI		Month to Month % change (2023 Apr**/ 2023 Mar*)
	2023 Mar*	2023 Apr**	
All Activities	245.5	242.8	-1.1
Agriculture	236.4	234.9	-0.6
Manufacturing	248.9	245.9	-1.2
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	203.7	200.4	-1.6

\* - Revised \*\* - Provisional

Source: Department of Census and Statistics

**Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: April 2022-April 2023 (Base: 2018 Q4=100)**



\* - Revised \*\* - Provisional

Table 3: PPI of April 2022 &amp; 2023 and March 2023 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2018 Q4 = 100)

ISIC Rev.4.0	Description of the Economic Activity	2022	2023		% change	
		Apr	Mar*	Apr**	2023 Apr**/ 2022	2023 Mar* 2022
	<b>All Activities</b>	<b>189.8</b>	<b>245.5</b>	<b>242.8</b>	<b>-1.1</b>	<b>27.9</b>
<b>A</b>	<b>Agriculture</b>	<b>178.2</b>	<b>236.4</b>	<b>234.9</b>	<b>-0.6</b>	<b>31.8</b>
	011 Growing of non-perennial crops	210.7	199.9	199.0	-0.5	-5.6
	012 Growing of perennial crops	157.6	255.5	246.6	-3.5	56.5
	014 Animal production	161.2	263.2	274.4	4.3	70.2
<b>C</b>	<b>Manufacturing</b>	<b>195.8</b>	<b>248.9</b>	<b>245.9</b>	<b>-1.2</b>	<b>25.6</b>
10	Manufacture of food products	208.8	264.4	263.1	-0.5	26.0
11	Manufacture of beverages	148.3	186.1	186.1	0.0	25.5
12	Manufacture of tobacco products	133.2	170.0	169.5	-0.3	27.3
13	Manufacture of textiles	219.8	333.3	325.0	-2.5	47.9
14	Manufacture of wearing apparel	164.1	189.3	185.4	-2.1	13.0
18	Printing and reproduction of recorded media	156.0	242.3	234.9	-3.1	50.6
19	Manufacture of coke and refined petroleum products	160.7	281.9	281.9	0.0	75.4
20	Manufacture of chemicals and chemical products	248.5	301.2	299.7	-0.5	20.6
22	Manufacture of rubber and plastics products	237.5	289.4	287.0	-0.8	20.8
23	Manufacture of other non-metallic mineral products	227.7	237.6	230.6	-2.9	1.3
24	Manufacture of basic metals	393.7	434.4	434.4	0.0	10.3
30	Manufacture of other transport equipment	197.5	212.4	209.0	-1.6	5.8
31	Manufacture of furniture	185.2	283.6	282.2	-0.5	52.4
32	Other manufacturing	202.0	303.7	300.3	-1.1	48.7
<b>D</b>	<b>Electricity, gas, steam and Air conditioning supply</b>	<b>98.8</b>	<b>217.2</b>	<b>213.3</b>	<b>-1.8</b>	<b>115.9</b>
35	Electricity, gas, steam and Air conditioning supply	98.8	217.2	213.3	-1.8	115.9
<b>E</b>	<b>Water collection, treatment and supply</b>	<b>106.4</b>	<b>145.9</b>	<b>145.3</b>	<b>-0.4</b>	<b>36.6</b>
36	Water collection, treatment and supply	106.4	145.9	145.3	-0.4	36.6

\* 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.

The Producer Price Index (PPI) (Base: 2018Q4=100) was released monthly with a lag of 40 days, with effect from November 2021 to December 2022. Also, the Producer Price Index (PPI) (Base: 2018Q4=100) will be released monthly, commencing with the PPI of January 2023, on the last working day of the following month. Accordingly, the PPI for the month of May 2023 will be released on 30<sup>th</sup> of June 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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