



Producer Price Index (PPI)

November, 2023

29-12-2023

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 November 2023 is 232.5.
 - ❷ On annual basis, PPI has been compiled as negative change of 7.4 percent.
 - ❸ Comparing the month-on-month changes, PPI in November 2023 has increased to 232.5 from 230.8 reported in October 2023.

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/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 November 2023 is 232.5. PPI has been compiled as negative change of 7.4 percent on annual basis. The PPI reported for the three major economic activities, "Agriculture", "Manufacturing" and "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") are 236.9, 232.0 and 231.4 respectively. All three major sectors, "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") reported positive change of 32.9 percent while "Manufacturing" and "Agriculture" reported negative changes of 9.1 percent and 4.4 percent on an annual basis (Table 1).

In the Agriculture sector, the sub-activities of "Animal production" reported positive change of 0.1 percent while "Growing of perennial crops" and "Growing of non-perennial crops" reported negative changes of 9.7 percent and 1.8 percent on an annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of beverages (13.4%)", "Manufacture of tobacco products (6.3%)", and "Manufacture of wearing apparel (6.2%)" reported positive changes while "Manufacture of coke and refined petroleum products (41.8%)", "Other manufacturing (22.3%)", "Manufacture of basic metals (19.2%)", "Manufacture of chemicals and chemical products (16.4%)", "Manufacture of other non-metallic mineral products (14.4%)", "Manufacture of food products (12.7%)", "Manufacture of textiles (12.5%)", "Manufacture of furniture (10.8%)", "Printing and reproduction of recorded media (9.6%)", "Manufacture of rubber and plastics products (3.1%)" and "Manufacture of other transport equipment (0.3%)" reported negative changes in the month of November 2023 compared to the same month of 2022 (Table 3).

For the month of November 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 37.4 percent and 9.0 percent respectively on an annual basis (Table3).

Table 1: PPI of November 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 (November**2023/ November 2022)
	2022 November	2023 November**	
All Activities	251.1	232.5	-7.4
Agriculture	247.8	236.9	-4.4
Manufacturing	255.3	232.0	-9.1
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	174.1	231.4	32.9

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index (PPI)

Comparing the month-on-month changes, PPI in November 2023 has increased to 232.5 from 230.8 reported in October 2023. This shows an increase of 1.7 index points or 0.7 percentage compared to October 2023. The economic activities of 'Agriculture' and "Manufacturing" reported positive changes of 4.2 percent and 0.7 percent while "Utility Sector" ("Electricity, gas, steam and air conditioning supply & Water supply") reported negative changes of 0.5 percent compared to the preceding month on a monthly basis (Table2).

The sub-activities of the "Agriculture" sector, "Growing of non-perennial crops" reported positive change of 15.7 percent while "Animal production" and "Growing of perennial crops" reported negative changes of 2.3 percent and 2.2 percent on a monthly basis in the month of November 2023 compared to October 2023 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of tobacco products (3.4%)", "Manufacture of wearing apparel (2.7%)", "Manufacture of other transport equipment (0.8%)", "Other manufacturing (0.6%)", "Manufacture of textiles (0.4%)", "Manufacture of rubber and plastics products (0.4%) and "Printing and reproduction of recorded media (0.1%)" reported positive changes on a monthly basis. "Manufacture of beverages", "Manufacture of coke and refined petroleum products", "Manufacture of chemicals and chemical products", "Manufacture of basic metals" and "Manufacture of furniture" remained unchanged compared to the preceding month while "Manufacture of food products (0.2%)" and "Manufacture of other non-metallic mineral products (0.1%)" reported negative changes on a 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 changes of 1.5 percent while "Electricity, gas, steam and Air conditioning supply" reported negative change of 0.8 percent on a monthly basis in the month of November 2023 (Table 3).

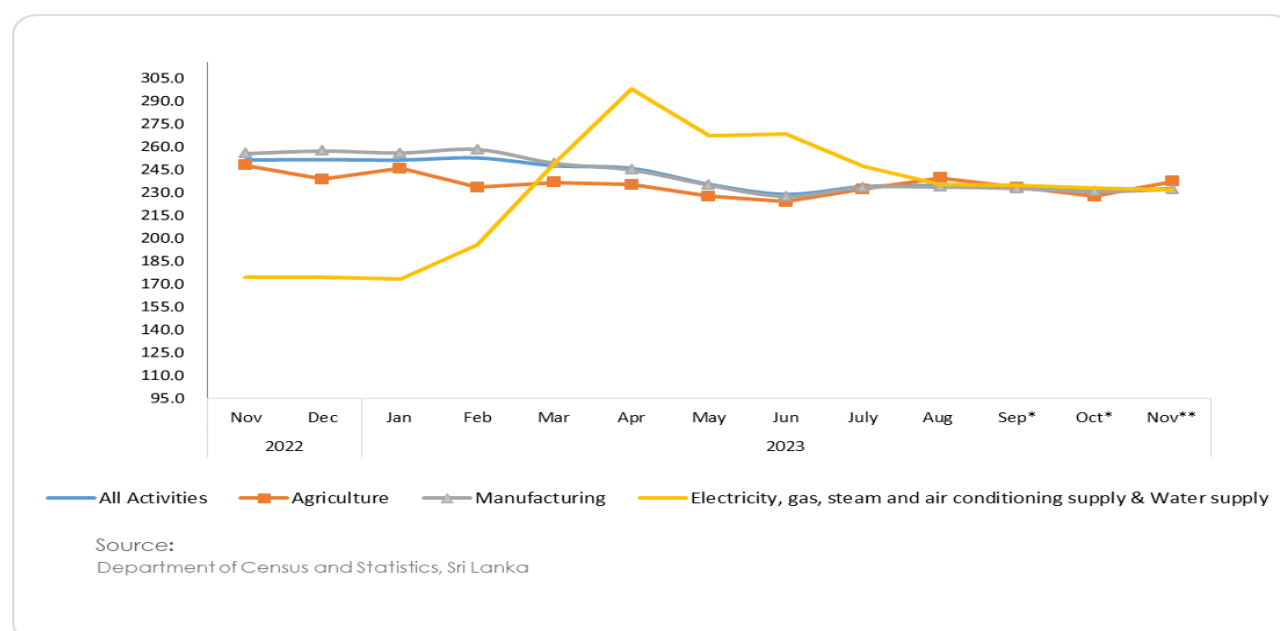
Table 2: PPI of November & October 2023 and Month to Month changes of PPI by Major Economic Activity
(Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2023 November**/ 2023 October*)
	2023 October*	2023 November**	
All Activities	230.8	232.5	0.7
Agriculture	227.3	236.9	4.2
Manufacturing	230.4	232.0	0.7
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	232.6	231.4	-0.5

* - Revised ** - Provisional

Source: Department of Census and Statistics

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



* - Revised ** - Provisional

Table 3: PPI of November 2022 & 2023 and October 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		
		November	October*	November**	2023 November**/ 2023 October*	2023 November**/ 2022 November	
	All Activities	251.1	230.8	232.5	0.7	-7.4	
A	Agriculture	247.8	227.3	236.9	4.2	-4.4	
	011 Growing of non-perennial crops	257.6	218.7	253.0	15.7	-1.8	
	012 Growing of perennial crops	234.5	216.5	211.7	-2.2	-9.7	
	014 Animal production	255.8	262.0	256.1	-2.3	0.1	
C	Manufacturing	255.3	230.4	232.0	0.7	-9.1	
10	Manufacture of food products	263.6	230.6	230.1	-0.2	-12.7	
11	Manufacture of beverages	171.3	194.2	194.2	0.0	13.4	
12	Manufacture of tobacco products	162.4	167.0	172.7	3.4	6.3	
13	Manufacture of textiles	367.5	320.1	321.4	0.4	-12.5	
14	Manufacture of wearing apparel	186.9	193.2	198.5	2.7	6.2	
18	Printing and reproduction of recorded media	247.3	223.3	223.5	0.1	-9.6	
19	Manufacture of coke and refined petroleum products	403.2	234.5	234.5	0.0	-41.8	
20	Manufacture of chemicals and chemical products	308.9	258.2	258.2	0.0	-16.4	
22	Manufacture of rubber and plastics products	300.1	289.7	290.8	0.4	-3.1	
23	Manufacture of other non-metallic mineral products	261.5	224.1	223.8	-0.1	-14.4	
24	Manufacture of basic metals	434.4	350.9	350.9	0.0	-19.2	
30	Manufacture of other transport equipment	218.1	215.8	217.5	0.8	-0.3	
31	Manufacture of furniture	281.7	251.2	251.2	0.0	-10.8	
32	Other manufacturing	308.0	237.9	239.4	0.6	-22.3	
D	Electricity, gas, steam and Air conditioning suppl	180.7	250.2	248.2	-0.8	37.4	
35	Electricity, gas, steam and Air conditioning supply	180.7	250.2	248.2	-0.8	37.4	
E	Water collection, treatment and supply	146.3	157.1	159.4	1.5	9.0	
36	Water collection, treatment and supply	146.3	157.1	159.4	1.5	9.0	

* Revised ** Provisional

ISIC refers to International Standard Industrial Classification of all activities (Revision 4)

Source: Department of Census and Statistics

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 December 2023 will be released on 31st of January 2024.

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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