



Producer Price Index (PPI)

January, 2024

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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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- ❏ The PPI for all economic activities: "Agriculture", "Manufacturing" and "Electricity, gas, steam and Air conditioning supply & Water supply" for the month of January 2024 is 245.7.
 - ❏ On an annual basis, PPI has been compiled as a negative change of 3.0 percent.
 - ❏ Comparing the month-on-month changes, PPI in January 2024 has increased to 245.7 from 240.9 reported in December 2023.

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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 January 2024 is 245.7. PPI has been compiled as negative change of 3.0 percent on an 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 269.9, 243.1 and 232.3 respectively. All three major sectors, "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") and "Agriculture" reported positive changes of 34.4 percent and 9.9 percent while "Manufacturing" reported negative change of 5.8 percent on an annual basis (Table 1).

In the Agriculture sector, the sub-activities of "Growing of non-perennial crops", "Growing of perennial crops" and "Animal production" reported positive changes of 20.8 percent, 3.3 percent and 2.8 percent respectively on an annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of tobacco products (42.5%)", "Manufacture of beverages (12.7%)", "Manufacture of other transport equipment (3.4%)" and "Printing and reproduction of recorded media (3.2%)" reported positive changes while "Manufacture of coke and refined petroleum products (32.0%)", "Manufacture of basic metals (23.7%)", "Manufacture of textiles (13.0%)", "Manufacture of food products (12.6%)", "Manufacture of furniture (9.6%)", "Manufacture of other non-metallic mineral products (6.2%)", "Manufacture of chemicals and chemical products (6.1%)", "Other manufacturing (5.8%)", "Manufacture of rubber and plastics products (5.2%)" and "Manufacture of wearing apparel (4.4%)" reported negative changes in the month of January 2024 compared to the same month of 2023 (Table 3).

For the month of January 2024, 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 38.8 percent and 11.1 percent respectively on an annual basis (Table3).

Table 1: PPI of January 2024 & 2023 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Year on Year % change (January**2024/ January 2023)
	2023 January	2024 January**	
All Activities	253.2	245.7	-3.0
Agriculture	245.6	269.9	9.9
Manufacturing	258.2	243.1	-5.8
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	172.8	232.3	34.4

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index (PPI)

Comparing the month-on-month changes, PPI in January 2024 has increased to 245.7 from 240.9 reported in December 2023. This shows an increase of 4.8 index points or 2.0 percentage compared to December 2023. The economic activities of "Agriculture", "Manufacturing" and "Utility Sector" ("Electricity, gas, steam and air conditioning supply & Water supply") reported positive changes of 5.8 percent,1.5 percent and 0.6 percent respectively compared to the preceding month (Table2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops" and "Growing of non-perennial crops" reported positive changes of 11.1 percent, 5.6 percent while "Animal production" reported negative change of 1.3 percent on a monthly basis in the month of January 2024 compared to December 2023(Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of tobacco products (18.0%)", "Manufacture of beverages (4.9%)", "Manufacture of other non-metallic mineral products (3.1%)" and "Manufacture of coke and refined petroleum products (0.4%)" reported positive changes on a monthly basis. "Manufacture of furniture" remained unchanged compared to the preceding

month while "Manufacture of basic metals (2.2%)", "Manufacture of wearing apparel (1.7%)", "Manufacture of other transport equipment (1.3%)", "Printing and reproduction of recorded media (1.1%)", "Other manufacturing (1.1%)", "Manufacture of textiles (0.7%)", "Manufacture of rubber and plastics products (0.4%)", "Manufacture of chemicals and chemical products (0.3%)" and "Manufacture of food products (0.2%)" 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"), "Electricity, gas, steam and Air conditioning supply" reported positive change of 0.7 percent while "Water collection, treatment and supply" reported negative change of 0.2 percent on a monthly basis in the month of January 2024 (Table 3).

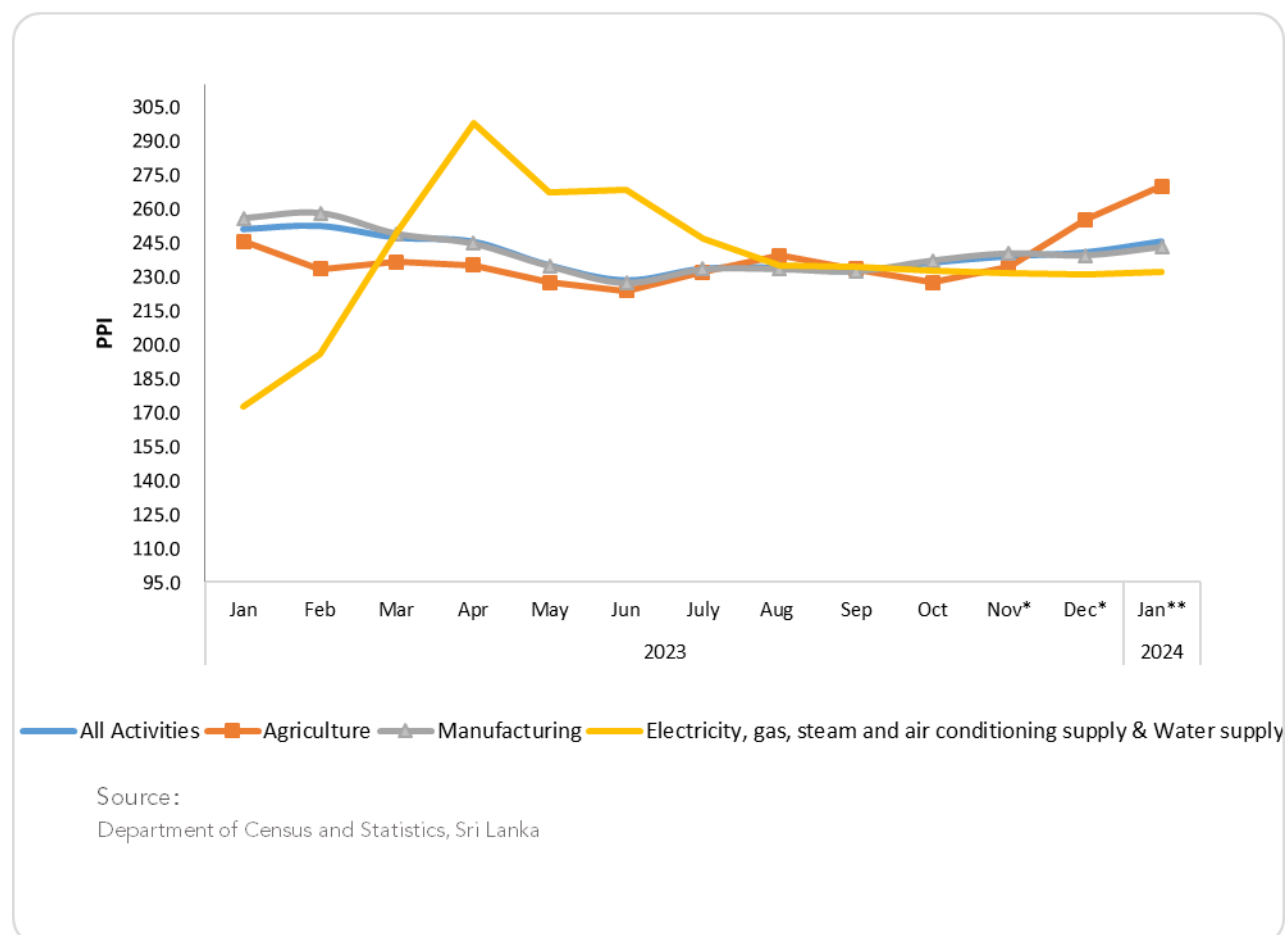
Table 2: PPI of January 2024 & December 2023 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2024 January**/ 2023 December*)
	2023 December*	2024 January**	
All Activities	240.9	245.7	2.0
Agriculture	255.2	269.9	5.8
Manufacturing	239.4	243.1	1.5
Utility (Electricity, gas, steam and Air conditioning supply & Water supply)	231.0	232.3	0.6

* - Revised ** - Provisional

Source: Department of Census and Statistics

Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: January 2023 - January 2024 (Base: 2018 Q4=100)



* - Revised ** - Provisional

Table 3: PPI of January 2023 & 2024 and December 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	2023		2024	% change		
		January	December*	January**	2024 January**/ 2023 December*	2024 January**/ 2023 January	2024 January
	All Activities	253.2	240.9	245.7	2.0	-3.0	
A	Agriculture	245.6	255.2	269.9	5.8	9.9	
	011 Growing of non-perennial crops	253.3	289.6	305.9	5.6	20.8	
	012 Growing of perennial crops	223.3	207.6	230.6	11.1	3.3	
	014 Animal production	273.8	285.2	281.5	-1.3	2.8	
C	Manufacturing	258.2	239.4	243.1	1.5	-5.8	
10	Manufacture of food products	264.5	231.7	231.3	-0.2	-12.6	
11	Manufacture of beverages	186.9	200.7	210.6	4.9	12.7	
12	Manufacture of tobacco products	183.0	221.0	260.7	18.0	42.5	
13	Manufacture of textiles	366.3	320.9	318.8	-0.7	-13.0	
14	Manufacture of wearing apparel	203.3	197.8	194.4	-1.7	-4.4	
18	Printing and reproduction of recorded media	215.0	224.4	221.9	-1.1	3.2	
19	Manufacture of coke and refined petroleum products	347.4	235.5	236.4	0.4	-32.0	
20	Manufacture of chemicals and chemical products	306.3	288.5	287.7	-0.3	-6.1	
22	Manufacture of rubber and plastics products	303.3	288.8	287.6	-0.4	-5.2	
23	Manufacture of other non-metallic mineral products	238.0	216.4	223.2	3.1	-6.2	
24	Manufacture of basic metals	434.4	338.9	331.4	-2.2	-23.7	
30	Manufacture of other transport equipment	225.5	236.2	233.1	-1.3	3.4	
31	Manufacture of furniture	279.2	252.5	252.5	0.0	-9.6	
32	Other manufacturing	319.0	304.0	300.6	-1.1	-5.8	
D	Electricity, gas, steam and Air conditioning supply	179.6	247.6	249.3	0.7	38.8	
35	Electricity, gas, steam and Air conditioning supply	179.6	247.6	249.3	0.7	38.8	
E	Water collection, treatment and supply	143.6	159.9	159.6	-0.2	11.1	
36	Water collection, treatment and supply	143.6	159.9	159.6	-0.2	11.1	

* 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 February 2024 will be released on 28th of March 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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