

# Web Release



## Producer's Price Index: December 2019 (Base: Fourth Quarter 2013=100)



Department of Census and Statistics  
Ministry of Finance, Economic and Policy Development

Tel: 011-2147414

Fax: 011-2877945

E-mail: [prices@statistics.gov.lk](mailto:prices@statistics.gov.lk)

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### Introduction

The Producer's 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) has been releasing PPI quarterly from September, 2015 with time lag of 35 days. Giving due consideration for making the estimates available more frequently, it has now been arranged to release PPI monthly with a time lag of 45 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 & Water supply sectors of the economy.

### Annual Changes of Producer's Price Index

The PPI of all economic activities namely, agriculture, manufacturing and water supply & electricity for the month of December is 142.1. The annual growth rate recorded for the overall PPI is 3.3 per cent. The PPI reported for the major economic activities, agriculture, manufacturing and electricity & water supply sectors are 162.5, 133.5 and 85.8 respectively. "Agriculture", "Manufacturing" and "Electricity & Water Supply" sectors reported positive annual growth rates of 1.3 per cent, 4.6 per cent and, 0.5 per cent respectively. (Table 1).

Both of the major sub activities of agriculture sector, "Farming of animals" and "Growing crops" reported a positive growth rates of 6.2 per cent and 1.1 per cent on annual basis. The sub activities related to "Farming of animals", "Production of eggs" (7.7%) and "Production of dairy" (3.2%) reported a positive annual growth rates. Even if the sub activity "Growing of vegetables" and "Growing of cereals and other crops" which are related to "Growing of crops" activity, recorded a high positive annual growth rates of 30.9 per cent and 18.7 per cent, other sub activity "Growing of fruits, nuts and beverage and spice crops" (4.9%) marked negative growth rates in November 2019 compared to the same month in 2018.

The sub activities of the manufacturing sector, "Manufacturing of tobacco products" (29.2%), "Manufacturing of basic metals" (8.3%), "Manufacturing of other non-metallic mineral products" (8.2%), "Manufacturing of electrical machinery and apparatus not elsewhere classified" (8.1%), "Manufacturing of chemicals and chemical products" (5.3%), "Publishing, printing and reproduction of recorded media" (5.3%), "Manufacturing of rubber and plastics" (4.5%), "Manufacturing of food products and beverages" (4.0%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (3.2%), "Manufacturing of Textiles" (1.9%) reported positive annual growth rates. However "Manufacturing of coke, refined petroleum products and nuclear fuel" (4.1%) and "Manufacturing of transport equipment" (3.4%) reported negative growth rates in December 2019 on annual basis (Table 4).

Even though, the activity, "Generation and distribution of electricity" activity reported positive growth rate of 0.6 per cent and "Collection, purification and distribution of water" reported a high negative growth rate of 0.4 per cent in the month of December 2019 compared to the same month in 2018 (Table 4).

**Table 1: PPI of December of 2018 & 2019 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)**

Major Economic Activity	PPI		Year on Year % change (Dec 2019**/ Dec 2018)
	2018 Dec	2019 Dec**	
All Activities	137.5	142.1	3.3
Agriculture	160.4	162.5	1.3
Manufacturing	127.6	133.5	4.6
Electricity & water supply	85.4	85.8	0.5

\*\* - Provisional

### Monthly Changes of Producer's Price Index

The overall PPI increased by 3.7 index points from 138.4 index points in November 2019 to 142.1 index points in December 2019. The overall monthly growth rate reported for the month of December 2019 is 2.7 per cent. Major economic activities, "Agriculture", "Manufacturing" reported positive monthly growth rates of 8.6 per cent, 0.3 per cent and "Electricity and water supply" reported unchanged monthly growth rate. (Table 2).

Both major sub activities of agriculture sector, "Growing crops" (8.9%) and "Farming of animals" (0.9%) reported positive growth rates on monthly basis. The sub activities related to "Growing of crops", "Growing of vegetable" (26.7%), and "Growing of cereal crops" (8.4%) and "Growing of fruits, nuts and beverage crops" (6.1%) reported positive growth rates. Moreover, the sub activity related to "Farming of animals", "Egg production" and "Production of dairy" reported a positive growth rate of 1.0 per cent and 0.6 per cent in the month of December, 2019 compared to November, 2019.

In the Manufacturing sector, the sub activities, "Manufacturing of other non-metallic mineral products" (3.2%), "Manufacturing of coke, refined petroleum products and nuclear fuel" (0.7%), "Publishing, printing and reproduction of recorded media" (0.7%), "Manufacturing of food and beverages" (0.7%), "Manufacturing of rubber and plastics" (0.6%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (0.5%), "Manufacturing of Textiles" (0.5%). "Manufacturing of furniture, Manufacturing not elsewhere classified" (0.2%) reported positive growth rates on monthly basis. "Manufacturing of chemicals and chemical products" (6.3%), "Manufacturing of basic metals" (0.6%) and "Manufacturing of transport equipment" (0.2%) reported negative growth rates on monthly basis. "Manufacturing of tobacco products" and "Manufacturing of electrical machinery and apparatus not elsewhere classified" remained unchanged in the month of December, 2019 compared to that of in the previous month (Table 4).

The sub activities of the utility sector, "Collection, purification and distribution of water" (0.2%) and "Generation and distribution of electricity" remained unchanged growth rate in the month of December 2019 on monthly basis (Table 4).

**Table 2: PPI of November & December of 2019 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)**

Major Economic Activity	PPI		Month to Month % change (2019 Dec**/ 2019 Nov*)
	2019 Nov*	2019 Dec**	
All Activities	138.4	142.1	2.7
Agriculture	149.6	162.5	8.6
Manufacturing	133.1	133.5	0.3
Electricity & Water Supply	85.8	85.8	0

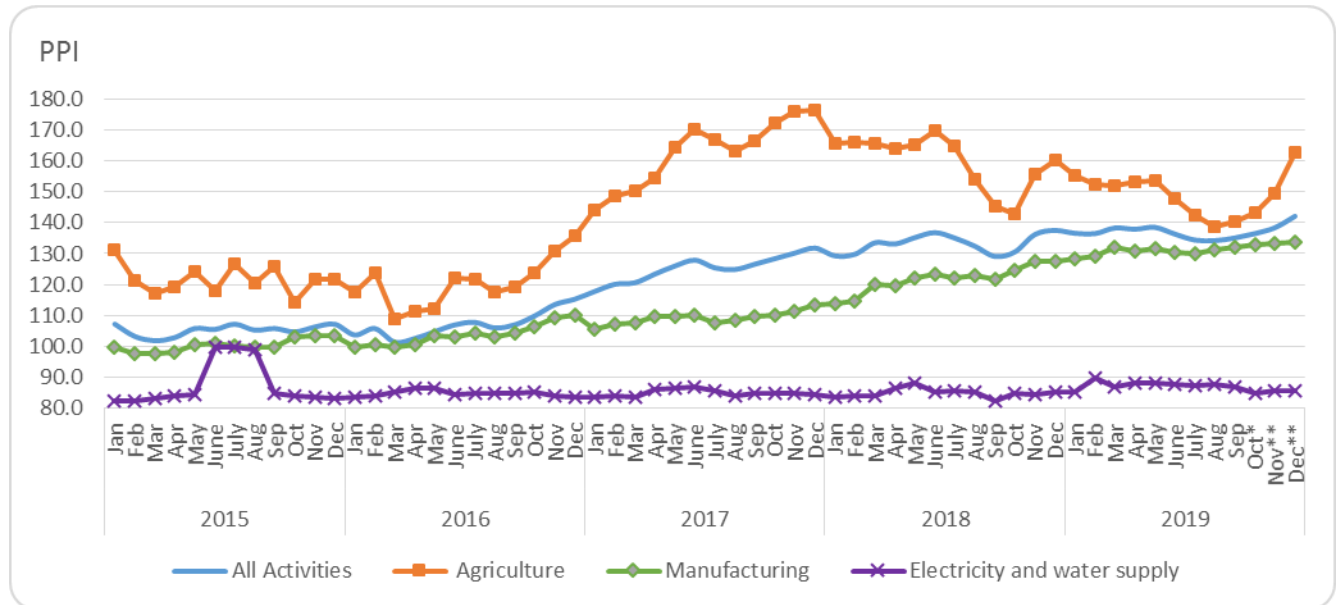
\* - Revised \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – December 2019 (Base: 2013 Q4 =100)**

Year	Month	All activities				Agriculture				Manufacturing				Electricity & Water Supply			
		Index number	% changes			Index number	% changes			Index number	% changes			Index number	% changes		
			Month to month	Year on year	12 Months Moving Average		Month to month	Year on year	12 Months Moving Average		Month to month	Year on year	12 Months Moving Average		Month to month	Year on year	12 Months Moving Average
2014	January	<b>100.8</b>				<b>100.7</b>				<b>101.0</b>				<b>99.2</b>			
	February	101.1	0.3			103.3	2.5			100.5	-0.5			98.6	-0.6		
	March	100.5	-0.6			101.3	-1.9			100.3	-0.2			99.2	0.6		
	April	102.3	1.8			106.4	5.0			100.9	0.6			100.2	0.9		
	May	100.2	-2.1			96.2	-9.6			101.9	1.0			99.8	-0.4		
	June	100.1	-0.1			98.4	2.3			100.9	-1.1			100.0	0.2		
	July	100.9	0.8			100.6	2.2			101.2	0.3			100.0	0.0		
	August	104.5	3.6			113.9	13.3			101.3	0.1			98.9	-1.0		
	September	101.2	-3.2			104.6	-8.2			100.3	-1.0			95.9	-3.0		
	October	103.5	2.3			109.8	5.0			102.1	1.8			91.7	-4.4		
	November	102.0	-1.4			107.7	-1.9			101.1	-1.0			87.8	-4.2		
	December	102.1	0.1			112.8	4.8			99.6	-1.4			82.5	-6.0		
2015	January	107.3	5.0	6.4		131.2	16.3	30.3		99.9	0.2	-1.1		82.5	-0.1	-16.9	
	February	103.2	-3.7	2.1		121.4	-7.5	17.5		97.9	-2.0	-2.6		82.3	-0.2	-16.5	
	March	101.9	-1.3	1.4		117.0	-3.7	15.5		97.5	-0.4	-2.8		83.3	1.2	-16.1	
	April	102.9	1.0	0.5		119.1	1.9	12.0		98.0	0.5	-2.8		84.0	0.9	-16.1	
	May	105.8	2.9	5.6		124.1	4.2	29.1		100.4	2.4	-1.5		84.5	0.6	-15.3	
	June	105.5	-0.3	5.4		117.8	-5.1	19.7		101.1	0.7	0.2		99.7	18.0	-0.3	
	July	107.2	1.6	6.2		126.6	7.5	25.9		100.1	-1.0	-1.1		99.9	0.2	-0.1	
	August	105.3	-1.8	0.7		120.6	-4.7	5.9		99.7	-0.4	-1.6		98.9	-1.0	0.0	
	September	105.8	0.5	4.6		126.0	4.4	20.5		99.6	0.0	-0.7		84.9	-14.2	-11.5	
	October	104.7	-1.0	1.2		114.1	-9.4	3.9		102.9	3.3	0.8		84.1	-1.0	-8.3	
	November	106.3	1.5	4.2		121.8	6.8	13.1		103.6	0.7	2.5		83.6	-0.6	-4.8	
	December	107.2	0.9	5.0	3.6	121.8	0.0	8.0	16.4	103.5	-0.1	3.9	-0.6	83.2	-0.5	0.7	-8.9
2016	January	103.7	-3.3	-3.3	2.7	117.6	-3.5	-10.4	12.6	99.9	-3.5	0.0	-0.5	83.7	0.7	1.5	-7.5
	February	105.8	2.0	2.5	2.8	123.9	5.4	2.1	11.2	100.5	0.6	2.7	0.0	84.2	0.6	2.3	-6.0
	March	101.4	-4.2	-0.5	2.6	108.7	-12.3	-7.1	9.3	99.9	-0.6	2.5	0.4	85.2	1.2	2.3	-4.4
	April	102.6	1.2	-0.3	2.6	111.4	2.5	-6.5	7.6	100.5	0.6	2.5	0.8	86.6	1.6	3.1	-2.8
	May	104.8	2.1	-1.0	2.0	112.3	0.8	-9.5	4.6	103.5	3.0	3.1	1.2	86.6	0.0	2.5	-1.2
	June	107.0	2.1	1.4	1.7	122.2	8.8	3.8	3.4	103.0	-0.5	1.9	1.4	84.4	-2.5	-15.4	-2.6
	July	107.8	0.7	0.5	1.2	121.6	-0.5	-4.0	1.1	104.4	1.4	4.3	1.8	84.7	0.4	-15.2	-4.0
	August	106.0	-1.7	0.7	1.2	117.7	-3.2	-2.4	0.4	103.2	-1.1	3.5	2.3	84.8	0.1	-14.3	-5.3
	September	107.0	0.9	1.1	0.9	119.1	1.2	-5.4	-1.5	104.2	1.0	4.6	2.7	84.8	0.0	-0.1	-4.4
	October	109.9	2.7	4.9	1.3	124.0	4.1	8.7	-1.1	106.5	2.2	3.5	2.9	85.1	0.4	1.2	-3.6
	Nov	113.4	3.2	6.7	1.5	130.6	5.3	7.2	-1.5	109.2	2.5	5.4	3.2	84.2	-1.1	0.7	-3.1
	Dec	115.3	1.7	7.5	1.7	135.8	4.0	11.5	-1.1	110.0	0.7	6.2	3.4	83.7	-0.6	0.7	-3.1
2017	January	117.8	2.2	13.6	3.1	144.2	6.2	22.6	1.6	105.5	-4.1	5.6	3.8	83.5	-0.2	-0.2	-3.3
	Feb	120.1	2.0	13.5	4.0	148.6	3.1	19.9	3.2	107.3	1.7	6.8	4.2	84.0	0.6	-0.2	-3.5
	March	120.6	0.4	18.9	5.6	150.1	1.0	38.1	6.6	107.5	0.2	7.6	4.6	83.7	-0.4	-1.8	-3.8
	April	123.4	2.3	20.3	7.3	154.6	3.0	38.8	10.2	109.6	2.0	9.1	5.1	86.0	2.7	-0.7	-4.1
	May	126.0	2.1	20.2	9.0	164.3	6.3	46.3	14.8	109.5	-0.1	5.8	5.4	86.5	0.6	-0.1	-4.3
	June	127.9	1.5	19.5	10.6	170.0	3.5	39.1	17.8	110.0	0.5	6.8	5.8	86.8	0.3	2.8	-2.6
	July	125.4	-2.0	16.3	11.9	166.9	-1.8	37.3	21.4	107.8	-2.0	3.3	5.7	85.5	-1.5	0.9	-1.1
	August	124.9	-0.4	17.8	13.3	163.0	-2.3	38.5	24.8	108.6	0.7	5.2	5.8	84.1	-1.6	-0.8	0.2
	September	126.6	1.4	18.3	14.8	166.4	2.1	39.7	28.8	109.8	1.1	5.4	5.9	84.7	0.7	-0.1	0.2
	October	128.4	1.4	16.8	15.8	172.4	3.6	39.0	31.3	110.0	0.2	3.3	5.8	84.8	0.1	-0.4	0.1
	November	130.2	1.4	14.8	16.4	175.9	2.0	34.7	33.6	111.2	1.1	1.8	5.5	84.7	-0.1	0.6	0.1
	December	131.8	1.2	14.3	17.0	176.5	0.3	30.0	35.2	113.3	1.9	3.0	5.2	84.5	-0.2	1.0	0.1
2018	January	129.3	-1.9	9.8	16.6	165.7	-6.1	14.9	34.2	114.0	0.6	8.1	5.5	83.8	-0.8	0.4	0.1
	February	129.8	0.4	8.1	16.1	165.8	0.1	11.6	33.1	114.6	0.5	6.8	5.5	84.0	0.2	0.0	0.1
	March	133.5	2.9	10.7	15.4	165.6	-0.1	10.3	30.5	120.0	4.7	11.6	5.8	83.9	-0.1	0.2	0.3
	April	133.1	-0.3	7.9	14.3	164.1	-0.9	6.1	27.6	119.8	-0.2	9.3	5.9	86.6	3.2	0.7	0.4
	May	135.2	1.6	7.3	13.2	165.2	0.7	0.5	23.6	122.3	2.1	11.7	6.4	88.2	1.8	2.0	0.6
	June	136.8	1.2	7.0	12.2	169.6	2.7	-0.2	20.0	123.2	0.7	12.0	6.8	85.2	-3.4	-1.8	0.2
	July	135.0	-1.3	7.7	11.5	164.9	-2.8	-1.2	16.8	122.3	-0.7	13.5	7.7	85.8	0.7	0.4	0.2
	Aug	132.4	-1.9	6.0	10.5	154.1	-6.5	-5.5	13.3	122.9	0.5	13.2	8.3	85.2	-0.7	1.3	0.3
	Sep	129.1	-2.5	2.0	9.2	145.1	-5.8	-12.8	9.2	121.8	-0.9	10.9	8.8	82.5	-3.2	-2.6	0.1
	Oct	130.6	1.2	1.7	8.0	142.7	-1.7	-17.2	4.7	124.8	2.5	13.5	9.6	84.7	2.7	-0.1	0.2
	Nov	136.2	4.3	4.6	7.1	155.8	9.2	-11.4	1.2	127.7	2.3	14.8	10.7	84.4	-0.4	-0.4	0.1
	Dec	137.5	1.0	4.3	6.3	160.4	3.0	-9.1	-1.7	127.6	-0.1	12.6	11.5	85.4	1.2	1.1	0.1
2019	Jan	136.6	-0.7	5.6	6.0	155.2	-3.2	-6.3	-3.3	128.5	0.7	12.7	11.9	85.1	-0.4	1.6	0.2
	Feb	136.5	-0.1	5.2	5.8	152.2	-1.9	-8.2	-4.9	129.1	0.5	12.7	12.4	87.4	2.7	4.0	0.5
	Mar	138.3	1.3	3.6	5.2	151.8	-0.3	-8.3	-6.3	132.1	2.3	10.1	12.2	87.0	-0.5	3.7	0.8
	Apr	137.9	-0.3	3.6	4.9	153.3	1.0	-6.6	-7.3	130.8	-1.0	9.2	12.2	88.3	1.5	2.0	0.9
	May	138.5	0.4	2.4	4.5	153.4	0.1	-7.1	-7.9	131.6	0.6	7.6	11.8	88.1	-0.2	-0.1	0.7
	June	136.3	-1.6	-0.4	3.8	147.9	-3.6	-12.8	-8.9	130.6	-0.8	6.0	11.3	87.9	-0.2	3.2	1.2
	July	134.4	-1.4	-0.4	3.2	142.2	-3.9	-13.8	-10.0	130.1	-0.4	6.4	10.7	87.3	-0.7	1.7	1.3
	Aug	134.2	-0.1	1.4	2.8	138.8	-2.4	-9.9	-10.3	131.1	0.8	6.7	10.1	87.7	0.5	2.9	1.4
	Sep	135.1	0.7	4.6	3.0	140.4	1.2	-3.2	-9.6	131.9	0.6	8.3	9.9	86.8	-1.0	5.2	2.1
	Oct*	136.5	1.0	4.5	3.2	143.2	2.0	0.4	-8.2	133.0	0.8	6.6	9.4	84.8	-2.3	0.1	2.1
	Nov*	138.4	1.4	1.6	3.0	149.6	4.5	-4.0	-7.6	133.1	0.1	4.2	8.5	85.8	1.2	1.7	2.2
	Dec**	142.1	2.7	3.3	2.9	162.5	8.6	1.3	-6.7	133.5	0.3	4.6	7.8	85.8	0.0	0.5	2.2

\* - Revised \*\* - Provisional

**Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 –December 2019 (Base: 2013 Q4=100)**



\* - Revised    \*\* - Provisional

**Table 4: PPI of November 2019 & December of 2018 & 2019 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4 = 100)**

ISIC Rev.3.1	Description of the Economic Activity	2018	2019		% change	
		Dec	Nov*	Dec**	Dec** 2019/Nov* 2019	Dec** 2019/Dec 2018
	<b>All Activities</b>	<b>137.5</b>	<b>138.4</b>	<b>142.1</b>	<b>2.7</b>	<b>3.3</b>
	<b>Agriculture</b>	<b>160.4</b>	<b>149.6</b>	<b>162.5</b>	<b>8.6</b>	<b>1.3</b>
01	Agriculture and farming	160.4	149.6	162.5	8.6	1.3
	<b>Manufacturing</b>	<b>127.6</b>	<b>133.1</b>	<b>133.5</b>	<b>0.3</b>	<b>4.6</b>
15	Manufacture of food products and beverages	129.8	134.1	135.0	0.7	4.0
16	Manufacture of tobacco products	182.9	236.3	236.3	0.0	29.2
17	Manufacture of textiles	128.6	130.4	131.0	0.5	1.9
18	Manufacture of wearing apparel, dressing, and dyeing of fur	138.1	138.6	139.3	0.5	0.9
22	Publishing, printing and reproduction of recorded media	123.7	129.4	130.3	0.7	5.3
23	Manufacture of coke, refine petroleum products and nuclear fuel	98.7	94.0	94.7	0.7	-4.1
24	Manufacture of chemicals and chemical products	116.5	131.0	122.7	-6.3	5.3
25	Manufacture of rubber and plastics	107.0	111.1	111.8	0.6	4.5
26	Manufacture of other non metallic mineral products	114.0	119.5	123.3	3.2	8.2
27	Manufacture of basic metals	106.8	116.4	115.7	-0.6	8.3
31	Manufacture of electrical machinery and apparatus n.e.c.	113.8	123.0	123.0	0.0	8.1
35	Manufacture of other transport equipments	130.7	126.4	126.2	-0.2	-3.4
36	Manufacture of furniture, Manufacturing n.e.c.	128.3	132.1	132.4	0.2	3.2
	<b>Electricity and water supply</b>	<b>85.4</b>	<b>85.8</b>	<b>85.8</b>	<b>0.0</b>	<b>0.5</b>
40	Electricity	82.6	83.1	83.1	0.0	0.6
41	Collection, purification and distribution of water	112.2	111.5	111.7	0.2	-0.4

\* - Revised    \*\* - Provisional

ISIC refers to International Standard Industrial Classification of all activities (Revision 3.1)

## Revision Policy

PPI is compiled by collecting prices received by the domestic producers for about 514 products from 376 manufacturing and utility related establishments. Prices of 36 agricultural products are collected from 331 Divisional Secretariat Divisions covering the whole country. Electricity & 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. These indices are finalized with time lag of two months.

Further details of Producer's Price Index compiled for the month of December 2019, are also published in the department web site (<http://www.statistics.gov.lk/page.asp?page=Inflation%20and%20Prices>).

Producer's Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017. The PPI for month of January, 2020 will be released on 16<sup>th</sup> of March 2020.

Director General

Department of Census and Statistics

Contact Numbers: 011-2147001 / 011- 2147020