



Producer's Price Index (PPI)

July, 2021

15-09-2021

Department of Census and Statistics

Ministry of Economic Policies and Plan Implementation

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.

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- ❗ **The PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of July 2021 is 157.2.**
 - ❗ **The annual change in the PPI has been compiled as 8.6 per cent.**
 - ❗ **Comparing the month on month changes, PPI in July 2021 has decreased to 157.2 from 160.7 reported in June 2021.**

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Source Publication

<http://www.statistics.gov.lk/InflationAndPrices/StaticallInformation/PPI>

Annual Changes of Producer's Price Index (PPI)

The PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of July 2021 is 157.2. The annual change in the PPI has been compiled as 8.6 per cent. The PPI reported for the three major economic activities, agriculture, manufacturing and electricity & water supply are 171.9, 151.4 and 86.6 respectively. The manufacturing sector reported positive change of 10.8 per cent. While that of electricity & water supply and agriculture activities reported negative changes of 6.4 per cent and 3.0 per cent on annual basis (Table 1).

Both sub activities of agriculture sector, "Growing crops" and "Farming of animals" reported negative changes of 3.2 per cent and 0.3 per cent respectively on annual basis. The sub activities related to "Growing of crops": "Growing of vegetables" and "Growing of cereals and other crops" recorded positive annual changes of 20.3 per cent and 3.4 per cent on annual basis. While that of "Growing of fruits, nuts and beverage and spice crops" recorded negative annual change of 6.1 per cent. Sub activities related to "Farming of animals": "Production of dairy" recorded positive change of 12.7 per cent and "Production of eggs" reported negative change of 7.1 per cent on annual basis in the month of July 2021 compared to the same month in 2020.

The sub activities of manufacturing sector, "Manufacturing of coke, refined petroleum products and nuclear fuel" (74.7%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (19.6%), "Manufacturing of chemicals and chemical products" (15.4%), "Manufacturing of other transport equipment" (13.0%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (12.3%), "Manufacturing of Textiles" (11.6%), "Manufacturing of rubber and plastics" (10.9%), "Manufacturing of basic metals" (9.4%), "Publishing, printing and reproduction of recorded media" (9.0%), "Manufacturing of electrical machinery and apparatus not elsewhere classified" (8.0%), "Manufacturing of other non-metallic mineral products" (5.2%) and "Manufacturing of food products and beverages" (4.9%) reported positive percentage changes while that of "Manufacturing of tobacco products" (1.3%) reported negative percentage change on annual basis when compared to the July 2020 (Table 4).

The activities in utility sector, "Collection purification and distribution of water" and "Generation and distribution of electricity" reported same negative change of 7.6 per cent in the month of July 2021 compared to the same month in 2020 (Table 4).

Table 1: PPI of July, 2020 & 2021 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activity	PPI		Year on Year % change (July** 2021/ July 2020)
	2020 July	2021 July**	
All Activities	144.8	157.2	8.6
Agriculture	177.3	171.9	-3.0
Manufacturing	136.7	151.4	10.8
Electricity & water supply	92.5	86.6	-6.4

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer's Price Index

Comparing the month on month changes, PPI in July 2021 has decreased to 157.2 from 160.7 reported in June 2021. This shows a decrease of 3.5 index points or 2.2 percentages compared to the June 2021. The three major economic activities, agriculture, electricity and water supply and manufacturing and reported negative changes of 4.7 per cent, 1.6 per cent and 1.1 per cent respectively as compared to the previous month (Table 2).

The sub activities of agriculture sector, "Farming of animals" (5.3%) reported positive percentage change and "Growing of crops" (5.1%) reported negative percentage change on monthly basis. Sub activities related to, "Farming of animals": "Egg production" (8.6%) and "Production of dairy" (0.4%) reported positive percentage

changes respectively on monthly basis. “Growing of crops”: “Growing of cereals and other crops” (15.7%), “Growing of vegetables” (10.7%) and “Growing of fruits, nuts and beverage and spice crops” (3.0%) reported negative percentage changes respectively on monthly basis.

In the manufacturing sector, the sub activities, “Manufacturing of chemicals and chemical products” (2.0%), “Manufacturing of rubber and plastics” (2.0%), “Manufacturing of other non-metallic mineral products” (1.8%) and “Manufacturing of furniture and Manufacturing of goods not elsewhere classified” (0.3%) reported positive percentage changes. While that of “Manufacturing of Textiles” (2.6%), “Manufacturing of food products and beverages” (2.1%), “Manufacturing of tobacco products” (1.9%) and “Manufacturing of wearing apparel, dressing, and “Manufacturing of basic metals” (1.7%), “Manufacturing of coke, refined petroleum products and nuclear fuel” (1.6%) and “Manufacturing of basic metals” (0.1%) reported negative percentage changes on monthly basis. Meanwhile “Publishing, printing and reproduction of recorded media”, “Manufacturing of electrical machinery and apparatus not elsewhere classified” and “Manufacturing of other transport equipment” sub activities remained unchanged during the month of July 2021 on monthly basis (Table 4).

Both sub activities of the utility sector, “Collection, purification and distribution of water” and “Generation and distribution of electricity” reported same negative change of 1.7 per cent in the month of July 2021 (Table 4).

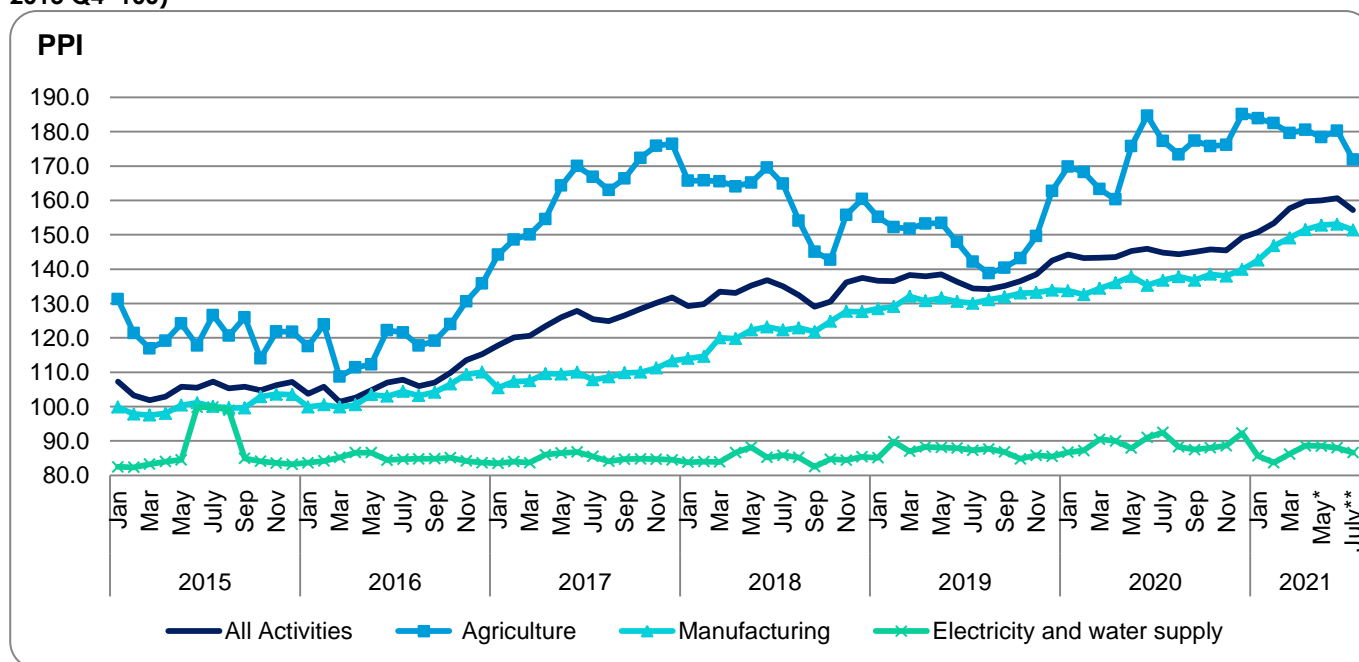
Table 2: PPI of June & July 2021 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2021 July**/ 2021 June*)
	2021 June*	2021 July**	
All Activities	160.7	157.2	-2.2
Agriculture	180.3	171.9	-4.7
Manufacturing	153.1	151.4	-1.1
Electricity & Water Supply	88.0	86.6	-1.6

* - Revised ** - Provisional

Source: Department of Census and Statistics

Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 – July 2021 (Base: 2013 Q4=100)



* - Revised ** - Provisional

Source: Department of Census and Statistics

Table 4: PPI of June 2021 & July of 2020 & 2021 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4 = 100)

ISIC Rev.3.1	Description of the Economic Activity	2020	2021		% change	
		July	June*	July**	July** 2021/June* 2021	July** 2021/July 2020
	All Activities	144.8	160.7	157.2	-2.2	8.6
	Agriculture	177.3	180.3	171.9	-4.7	-3.0
01	Agriculture and farming	177.3	180.3	171.9	-4.7	-3.0
	Manufacturing	136.7	153.1	151.4	-1.1	10.8
15	Manufacture of food products and beverages	142.2	152.3	149.1	-2.1	4.9
16	Manufacture of tobacco products	236.7	238.2	233.7	-1.9	-1.3
17	Manufacture of textiles	126.5	145.0	141.2	-2.6	11.6
18	Manufacture of wearing apparel, dressing, and dyeing of fur	154.0	175.9	172.9	-1.7	12.3
22	Publishing, printing and reproduction of recorded media	126.3	137.7	137.7	0.0	9.0
23	Manufacture of coke, refine petroleum products and nuclear fuel	54.2	96.2	94.7	-1.6	74.7
24	Manufacture of chemicals and chemical products	121.5	137.5	140.2	2.0	15.4
25	Manufacture of rubber and plastics	122.0	132.6	135.3	2.0	10.9
26	Manufacture of other non metallic mineral products	122.0	126.1	128.4	1.8	5.2
27	Manufacture of basic metals	123.8	135.6	135.4	-0.1	9.4
31	Manufacture of electrical machinery and apparatus n.e.c.	135.6	146.4	146.4	0.0	8.0
35	Manufacture of other transport equipments	110.3	124.6	124.6	0.0	13.0
36	Manufacture of furniture, Manufacturing n.e.c.	135.5	161.6	162.1	0.3	19.6
	Electricity and water supply	92.5	88.0	86.6	-1.6	-6.4
40	Electricity	90.0	84.6	83.2	-1.7	-7.6
41	Collection, purification and distribution of water	90.0	84.6	83.2	-1.7	-7.6

*- Revised ** - Provisional

Source: Department of Census and Statistics

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 entire 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.


Producer's Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017. The PPI for month of August, 2021 will be released on 15th of October 2021.





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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