



Producer Price Index (PPI)

October, 2021

10-12-2021

Department of Census and Statistics
Ministry of Finance

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.

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 under the rebased PPI also.

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- ❏ The PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of October 2021 is 125.8.
 - ❏ The annual change in the PPI has been compiled as 12.2 per cent.
 - ❏ Comparing the month on month changes, PPI in October 2021 has increased to 125.8 from 123.6 reported in September 2021.
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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 & Water supply, for the month of October 2021 is 125.8. The annual change in the PPI has been compiled as 12.2 per cent. The PPI reported for the three major economic activities, Agriculture, Manufacturing and Utility sector (Electricity, gas, steam and air conditioning supply & Water supply) are 131.0, 126.4 and 102.5 respectively. The Manufacturing and Agriculture reported positive changes of 14.2 per cent and 2.2 per cent respectively. While Electricity, gas, steam and air conditioning supply & Water supply reported decrease of 0.2 per cent on annual basis (Table 1).

In the Agriculture section, the sub activities of "Animal production" and "Growing of non-perennial crops" reported positive changes of 12.8 percent and 11.8 percent respectively on annual basis while the Growing of perennial crops reported a negative change of 0.5 percent.

The sub activities of manufacturing sector "Manufacture of coke and refined petroleum products" (70.4%), "Manufacture of chemicals and chemical products" (35.2%), "Manufacture of basic metals" (29.9%), "Manufacture of furniture" (29.8%), "Manufacture of rubber and plastics products" (17.1%), "Manufacture of wearing apparel" (15.6%), "Printing and reproduction of recorded media" (14.2%), "Manufacture of other transport equipment" (12.9%), "Manufacture of textiles" (12.8%), "Manufacture of other non-metallic mineral products" (12.6%), "Manufacture of food products" (7.3%), "Other manufacturing" (4.4%), "Manufacture of beverages" (2.0%) and "Manufacture of tobacco products" (0.2%) reported positive growth rates in the month of October 2021 compared to the same month of 2020.

The activities in utility sector, "Water collection, treatment and supply" reported positive change of 2.1 per cent and "Electricity, gas, steam and air conditioning supply" reported negative change of 0.5 per cent in the month of October 2021 compared to the same month in 2020 (Table 4).

Table 1: PPI of October, 2020 & 2021 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Year on Year % change (Oct 2021**/ Oct 2020)
	2020 Oct	2021 Oct**	
All Activities	112.1	125.8	12.2
Agriculture	128.1	131.0	2.2
Manufacturing	110.6	126.4	14.2
Electricity, gas, steam and air conditioning supply & Water supply	102.7	102.5	-0.2

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month on month changes, PPI in October 2021 has increased to 125.8 from 123.6 reported in September 2021. This shows an increase of 2.2 index points or 1.8 percentages compared to the September 2021. The three major economic activities, Agriculture and Manufacturing reported positive change of 3.6 per cent and 1.7 percent and Electricity, gas, steam and air conditioning supply & Water supply reported negative change of 0.1 percent respectively. (Table 2).

The sub activities of agriculture sector, "Growing of non-perennial crops" and "Animal production" reported positive changes of 12.3 percent and 4.5 percent respectively on annual basis while "Growing of perennial crops" (3.9%) reported negative change compared to the month of September 2021.

In Manufacturing sector, the sub activities, "Manufacture of coke and refined petroleum products" (11.3%), "Manufacture of chemicals and chemical products" (6.1%), "Manufacture of food products" (4.1%), "Manufacture of other non-metallic mineral products" (4.1%), "Manufacture of rubber and plastics products" (3.5%), "Manufacture of other transport equipment" (3.1%),

“Printing and reproduction of recorded media” (1.1%), “Manufacture of furniture” (0.7%) and “Manufacture of wearing apparel” (0.7%) changed positively from previous month. “Manufacture of beverages”, “Manufacture of tobacco products”, “Other manufacturing” and “Manufacture of basic metals” remained unchanged while “Manufacture of textiles” (3.9%) negatively changed compared to the previous month.

On monthly basis, both sub activities of the utility sector, “Electricity, gas, steam and air conditioning supply” and “Water collection, treatment and supply” reported same negative change of 0.1 per cent respectively in the month of October 2021 (Table 4).

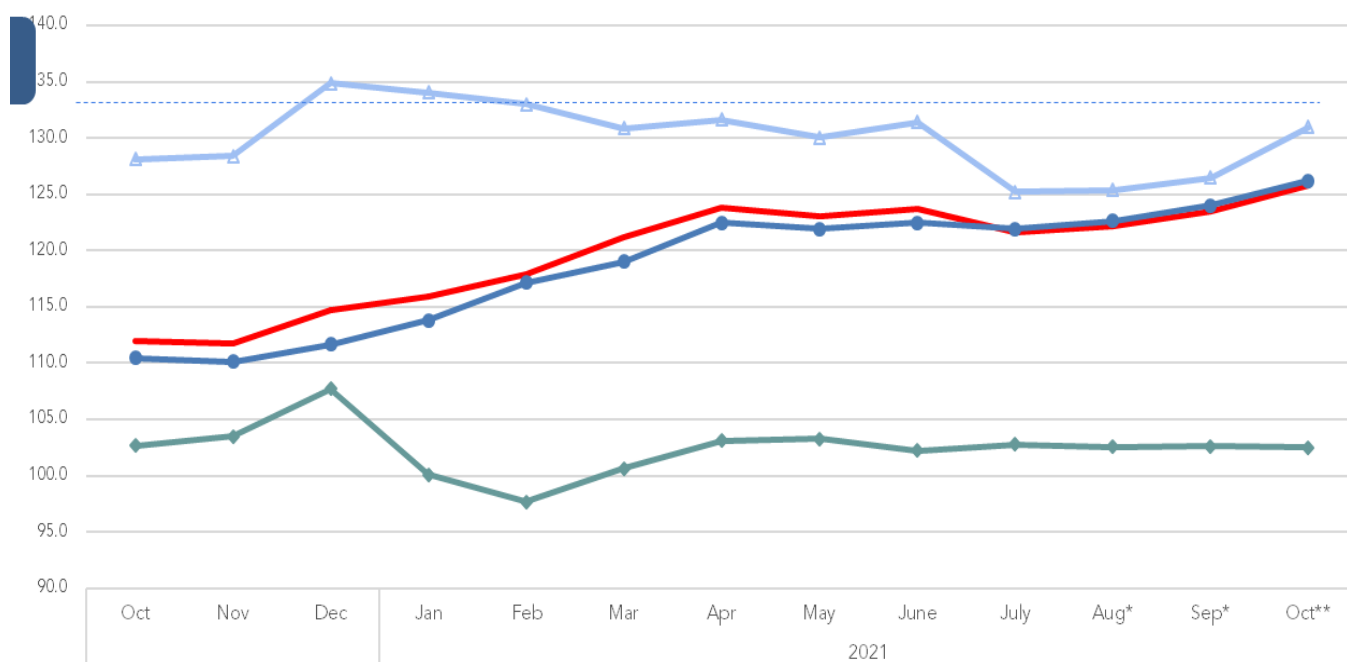
Table 2: PPI of October & September 2021 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2021 Oct**/ 2021 Sep*)
	2021 Sep*	2021 Oct**	
All Activities	123.6	125.8	1.8
Agriculture	126.5	131.0	3.6
Manufacturing	124.2	126.4	1.7
Electricity, gas, steam and air conditioning supply & Water supply	102.6	102.5	-0.1

* - Revised ** - Provisional

Source: Department of Census and Statistics

Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: October 2020 – October 2021 (Base: 2018 Q4=100)



Source: Department of Census and Statistics, Sri Lanka



* - Revised ** - Provisional

Source: Department of Census and Statistics

Table 4: PPI of September 2021 & October of 2020 & 2021 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2018 Q4 = 100)

ISIC Rev.4.0	Description of the Economic Activity	2020	2021		% change	
		Oct	Sep*	Oct**	2021 Oct**/ 2021 Sep*	Oct 2021**/ Oct 2020
	All Activities	112.1	123.6	125.8	1.8	12.2
01	Agriculture	128.1	126.5	131.0	3.6	2.2
011	Growing of non perianial crops	121.8	121.3	136.2	12.3	11.8
012	Growing of perianial crops	132.8	137.4	132.1	-3.9	-0.5
014	Animal production	106.4	114.9	120.1	4.5	12.8
C	Manufacturing	110.6	124.2	126.4	1.7	14.2
10	Manufacture of food products	112.4	115.9	120.6	4.1	7.3
11	Manufacture of beverages	105.3	107.4	107.4	0.0	2.0
12	Manufacture of tobacco products	118.8	119.0	119.0	0.0	0.2
13	Manufacture of textiles	100.9	118.5	113.9	-3.9	12.8
14	Manufacture of wearing apparel	113.5	130.4	131.3	0.7	15.6
18	Printing and reproduction of recorded media	107.6	121.5	122.8	1.1	14.2
19	Manufacture of coke and refined petroleum products	64.9	99.4	110.7	11.3	70.4
20	Manufacture of chemicals and chemical products	115.2	146.8	155.8	6.1	35.2
22	Manufacture of rubber and plastics products	121.2	137.1	141.9	3.5	17.1
23	Manufacture of other non-metallic mineral products	110.2	119.3	124.1	4.1	12.6
24	Manufacture of basic metals	169.4	220.1	220.1	0.0	29.9
30	Manufacture of other transport equipment	110.9	121.4	125.2	3.1	12.9
31	Manufacture of furniture	108.3	139.7	140.7	0.7	29.8
32	Other manufacturing	125.8	131.3	131.4	0.0	4.4
D	Electricity, gas, steam and Air conditioning supply	102.4	101.9	101.8	-0.1	-0.5
35	Electricity, gas, steam and air conditioning supply	102.4	101.9	101.8	-0.1	-0.5
E	Water collection, treatment and supply	103.1	105.4	105.3	-0.1	2.1
36	Water collection, treatment and supply	103.1	105.4	105.3	-0.1	2.1

* 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.

Producer Price Index (PPI) is released monthly with 40 days time lag with effect from month of November, 2021. The PPI for month of December, 2021 will be released on 10th of January 2022.

The Vision of DCS





“To be the leader in the region in producing timely statistical information to achieve the country’s development goals.”

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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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