



Producer Price Index (PPI)

February, 2022

08-04-2022

Department of Census and Statistics

Ministry of Economic Policies and Plan Implementation

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, gas, steam and Air conditioning supply & Water supply" sectors of the economy under the rebased PPI also.

- ! **The PPI for all economic activities: "Agriculture", "Manufacturing" and "Electricity, gas, steam and Air conditioning supply & Water supply", for the month of February 2022 is 140.3.**
 - ! **The annual change in the PPI has been compiled as 18.9 percent.**
 - ! **Comparing the month-on-month changes, PPI in February 2022 has increased to 140.3 from 136.5 reported in January 2022.**
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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 February 2022 is 140.3. The annual change in the PPI has been compiled as 18.9 percent. The PPI reported for the three major economic activities, 'Agriculture', 'Manufacturing' and 'Utility sector' ('Electricity, gas, steam and Air conditioning supply & Water supply') are 163.1, 139.0 and 104.2 respectively. All three major sectors 'Agriculture', 'Manufacturing' and Utility ('Electricity, gas, steam and Air conditioning supply & Water supply') reported positive changes of 22.6 percent, 18.5 percent, and 6.7 percent respectively on annual basis. (Table 1)

In the Agriculture sector, the sub-activities of "Growing of non-perennial crops", "Animal production" and "Growing of perennial crops" reported positive changes of 38.4 percent, 18.9 percent, and 4.2 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of chemicals and chemical products" (53.4%), "Manufacture of coke and refined petroleum products" (46.4%), "Manufacture of other non-metallic mineral products" (31.5%), "Manufacture of food products" (30.2%), "Manufacture of basic metals" (28.6%), "Manufacture of textiles" (24.9%), "Manufacture of rubber and plastics products" (20.7%), "Manufacture of other transport equipment" (19.6%), "Manufacture of beverages" (16.9%), "Manufacture of furniture" (15.0%), "Printing and reproduction of recorded media" (13.1%), "Other manufacturing" (10.3%), "Manufacture of tobacco products" (8.3%) and "Manufacture of wearing apparel" (3.4%) reported positive growth rates in the month of February 2022 compared to the same month of 2021 (Table 3).

Both sub-activities in the Utility sector ('Electricity, gas, steam, and Air conditioning supply & Water supply') reported positive changes on annual basis, the "Electricity, gas, steam, and air conditioning supply" 7.5 percent and "Water collection, treatment, and supply" 2.1 percent in the month of February 2022 compared to the same month in 2021 (Table 3).

Table 1: PPI of February 2021 & 2022 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Year on Year % change (Feb 2022**/ Feb 2021)
	2021 Feb	2022 Feb**	
All Activities	118.0	140.3	18.9
Agriculture	133.0	163.1	22.6
Manufacturing	117.3	139.0	18.5
Electricity, gas, steam and Air conditioning supply & Water supply	97.7	104.2	6.7

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in February 2022 has increased to 140.3 from 136.5 reported in January 2022. This shows an increase of 3.8 index points or 2.8 percentage compared to January 2022. The economic activities of "Manufacturing" and "Electricity, gas, steam and air conditioning supply & Water supply" reported positive changes of 3.4 percent and 1.5 percent respectively and "Agriculture" reported a negative change of 0.6 percent on monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops" reported a positive change of 5.3 percent while "Animal production" and "Growing of non-perennial crops" reported negative changes of 9.1 percent and 1.9 percent respectively in the month of February 2022 (Table 3).

In the Manufacturing sector, the sub-activities, "Manufacture of wearing apparel" (9.0%), "Manufacture of chemicals and chemical products" (8.4%), "Manufacture of textiles" (7.3%), "Manufacture of food products" (3.9%), "Manufacture of other non-metallic mineral products" (3.9%), "Manufacture of basic metals" (3.7%), "Manufacture of furniture" (2.8%), "Manufacture of beverages"(1.4%), "Manufacture of other transport equipment" (1.1%), "Printing and reproduction of recorded media" (0.9%), "Other manufacturing" (0.9%) & "Manufacture of rubber and plastics products" (0.1%) reported positive changes while "Manufacture of tobacco products" remained unchanged and "Manufacture of coke and refined petroleum products" reported a negative change of (27.5%) on monthly basis. (Table 3).

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 1.8 percent and 0.2 percent respectively on monthly basis in the month of February 2022 (Table 3).

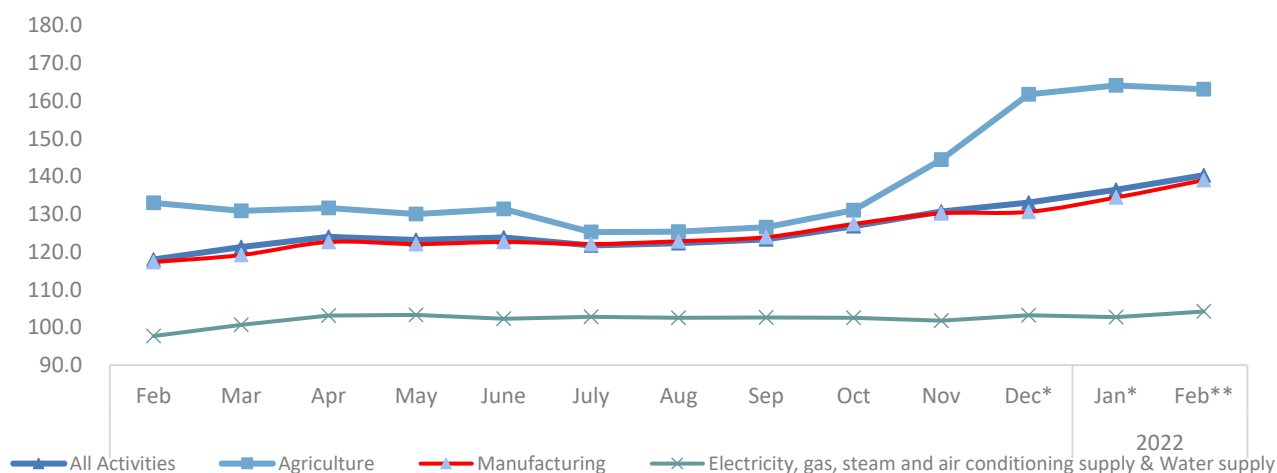
Table 2: PPI of February & January 2022 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2022 Feb**/ 2022 Jan*)
	2022 Jan*	2022 Feb**	
All Activities	136.5	140.3	2.8
Agriculture	164.1	163.1	-0.6
Manufacturing	134.4	139.0	3.4
Electricity, gas, steam and Air conditioning supply & Water supply	102.7	104.2	1.5

* - Revised ** - Provisional

Source: Department of Census and Statistics

Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: February 2021 – February 2022 (Base: 2018 Q4=100)



Source: Department of Census and Statistics, Sri Lanka

* - Revised ** - Provisional

Table 3: PPI of January 2022 & February of 2021 & 2022 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2018 Q4 = 100)

ISIC Rev.4.0	Description of the Economic Activity	2021		2022		% change	
		Feb	Jan*	Feb**	2022 Feb**/2022 Jan*	Feb** 2022/ Feb 2021	Feb 2021
	All Activities	118.0	136.5	140.3	2.8	18.9	
A	Agriculture	133.0	164.1	163.1	-0.6	22.6	
	011 Growing of non-perennial crops	141.0	199.0	195.2	-1.9	38.4	
	012 Growing of perennial crops	146.1	144.6	152.3	5.3	4.2	
	014 Animal production	107.8	141.0	128.2	-9.1	18.9	
C	Manufacturing	117.3	134.4	139.0	3.4	18.5	
10	Manufacture of food products	109.4	137.1	142.4	3.9	30.2	
11	Manufacture of beverages	106.1	122.3	124.0	1.4	16.9	
12	Manufacture of tobacco products	118.6	128.5	128.5	0.0	8.3	
13	Manufacture of textiles	105.6	122.9	131.9	7.3	24.9	
14	Manufacture of wearing apparel	121.1	114.9	125.2	9.0	3.4	
18	Printing and reproduction of recorded media	107.5	120.5	121.6	0.9	13.1	
19	Manufacture of coke and refined petroleum products	85.4	172.4	125.0	-27.5	46.4	
20	Manufacture of chemicals and chemical products	114.0	161.4	174.9	8.4	53.4	
22	Manufacture of rubber and plastics products	126.1	152.0	152.2	0.1	20.7	
23	Manufacture of other non-metallic mineral products	111.4	141.0	146.5	3.9	31.5	
24	Manufacture of basic metals	180.8	224.2	232.5	3.7	28.6	
30	Manufacture of other transport equipment	113.9	134.7	136.2	1.1	19.6	
31	Manufacture of furniture	130.3	145.8	149.9	2.8	15.0	
32	Other manufacturing	125.8	137.5	138.8	0.9	10.3	
D	Electricity, gas, steam and Air conditioning supply	96.5	101.9	103.7	1.8	7.5	
35	Electricity, gas, steam and Air conditioning supply	96.5	101.9	103.7	1.8	7.5	
E	Water collection, treatment and supply	104.0	106.0	106.2	0.2	2.1	
36	Water collection, treatment and supply	104.0	106.0	106.2	0.2	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 the month of November 2021. The PPI for the month of March 2022 will be released on 10th of May 2022.





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."

 **Department of Census & Statistics,**
Sankyana Mandiraya
No. 306/71, Polduwa
Road, Battaramulla

 info@statistics.gov.lk
 +94 11 2147001
 +94 11 2147011
 statistics.gov.lk

This publication is produced by the Prices & Wages Division
 **5th floor, Department of Census and Statistics**
 prices@statistics.gov.lk
 **+94 11- 2147414**  **+94 11- 2877945**