



Producer Price Index (PPI)

January, 2023

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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 2023 is 251.6.
 - 📌 The annual change in the PPI has been compiled as 83.1 percent.
 - 📌 Comparing the month-on-month changes, PPI in January 2023 has increased to 251.6 from 250.7 reported in December 2022.

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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, gas, steam and Air conditioning supply & Water supply" for the month of January 2023 is 251.6. The annual change in the PPI has been compiled as 83.1 percent. The PPI reported for the three major economic activities, "Manufacturing", "Agriculture" and "Utility sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") are 256.2, 245.6 and 175.4 respectively. All three major sectors, "Manufacturing", "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") and "Agriculture" reported positive changes of 89.4 percent, 69.8 percent and 49.7 percent respectively on annual basis (Table 1).

In the Agriculture sector, the sub-activities of "Animal production", "Growing of perennial crops" and "Growing of non-perennial crops" reported positive changes of 94.2 percent, 54.4 percent and 27.3 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of textiles (198.0%)", "Manufacture of coke and refined petroleum products (133.9%)", "Other manufacturing (129.0%)", "Manufacture of rubber and plastics products (100.4%)", "Manufacture of basic metals (93.8%)", "Manufacture of food products (93.5%)", "Manufacture of furniture (91.5%)", "Manufacture of chemicals and chemical products (89.6%)", "Manufacture of other non-metallic mineral products (70.7%)", "Printing and reproduction of recorded media (68.8%)", "Manufacture of other transport equipment (67.4%)", "Manufacture of wearing apparel (65.3%)", "Manufacture of beverages (45.0%)" and "Manufacture of tobacco products (27.8%)" reported positive growth rates in the month of January 2023 compared to the same month of 2022 (Table 3).

For the month of January 2023, the sub-activities in 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 78.1 percent and 35.5 percent respectively on an annual basis (Table3).

Table 1: PPI of January 2022 & 2023 and Year on Year changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Year on Year % change (2023 Jan**/ 2022 Jan)
	2022 Jan	2023 Jan**	
All Activities	137.4	251.6	83.1
Agriculture	164.1	245.6	49.7
Manufacturing	135.3	256.2	89.4
Electricity, gas, steam and Air conditioning supply & Water supply	103.3	175.4	69.8

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in January 2023 has increased to 251.6 from 250.7 reported in December 2022. This shows an increase of 0.9 index points or 0.4 percentage compared to December 2022. The economic activities of "Agriculture", "Electricity, gas, steam and air conditioning supply & Water supply" reported positive changes of 2.9 percent and 0.7 percent while that of "Manufacturing" remained unchanged on a monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of non-perennial crops", "Animal production and "Growing of perennial crops" reported positive changes of 3.6 percent, 3.1 percent and 2.1 percent on a monthly basis in the month of January 2023 compared to December 2022 (Table 3).

PPI January 2023

In the Manufacturing sector, the sub-activities, "Manufacture of rubber and plastics products (5.8%)", "Other manufacturing (4.4%)", "Manufacture of other transport equipment (3.3%)", "Manufacture of tobacco products (3.3%)", "Manufacture of beverages (3.0%)", "Manufacture of food products (0.4%)", "Manufacture of wearing apparel (0.3%)", "Manufacture of furniture (0.3%)" reported positive changes on a monthly basis. "Manufacture of coke and refined petroleum products" and "Manufacture of basic metals" remained unchanged compared to the preceding month while, "Printing and reproduction of recorded media (15.7%)", "Manufacture of other non-metallic mineral products (5.7%)", "Manufacture of chemicals and chemical products (0.9%)" and "Manufacture of textiles (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 1.2 percent while "Water collection, treatment, and supply" reported negative change of 1.7 percent on a monthly basis in the month of January 2023 (Table 3).

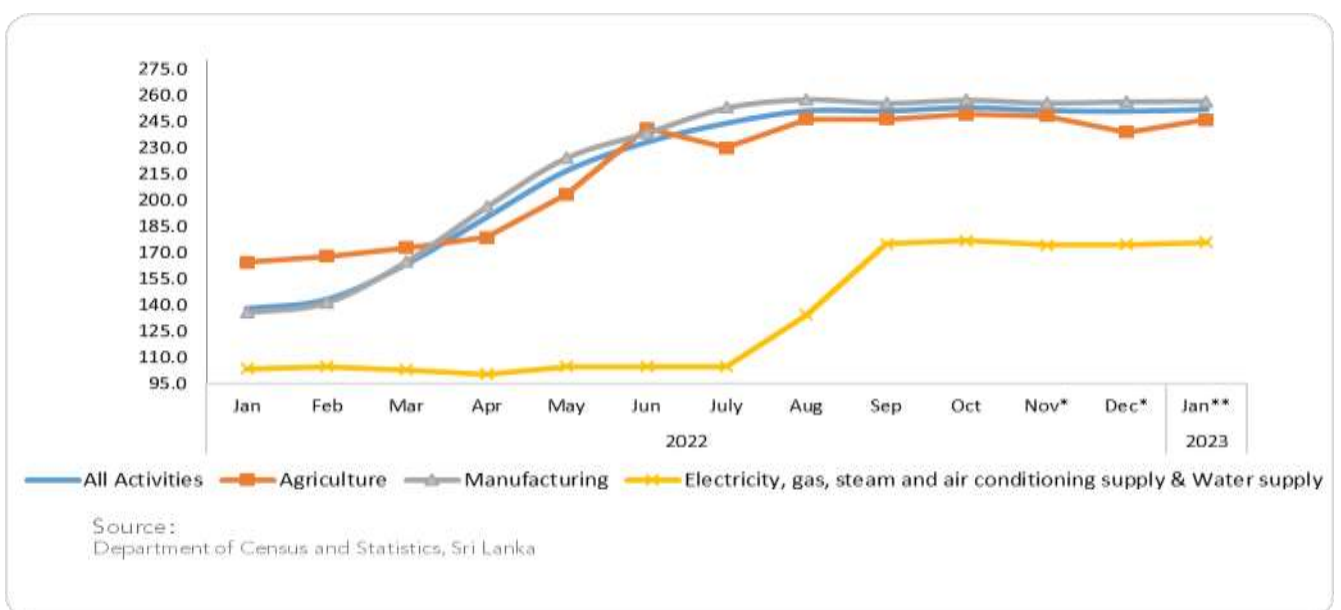
Table 2: PPI of January 2023 & December 2022 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2023 Jan**/ 2022 Dec*)
	2022 Dec*	2023 Jan**	
All Activities	250.7	251.6	0.4
Agriculture	238.6	245.6	2.9
Manufacturing	256.1	256.2	0.0
Electricity, gas, steam and Air conditioning supply & Water supply	174.2	175.4	0.7

* - Revised ** - Provisional

Source: Department of Census and Statistics

Figure 1: Movements of Monthly Producer Price Index by Major Economic Activity: January 2022- January 2023 (Base: 2018 Q4=100)



* - Revised ** - Provisional

Table 3: PPI of January 2022 & 2023 and December 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	2022		2023	% change		
		Jan	Dec*	Jan**	2023 Jan**/ 2022 Jan**	2023 Dec**/ 2022 Dec**	2023 Jan**/ 2022 Jan
	All Activities	137.4	250.7	251.6	0.4	83.1	
A	Agriculture	164.1	238.6	245.6	2.9	49.7	
	011 Growing of non-perennial crops	199.0	244.4	253.3	3.6	27.3	
	012 Growing of perennial crops	144.6	218.8	223.3	2.1	54.4	
	014 Animal production	141.0	265.6	273.8	3.1	94.2	
C	Manufacturing	135.3	256.1	256.2	0.0	89.4	
10	Manufacture of food products	137.0	264.1	265.1	0.4	93.5	
11	Manufacture of beverages	122.3	172.2	177.3	3.0	45.0	
12	Manufacture of tobacco products	128.5	159.0	164.2	3.3	27.8	
13	Manufacture of textiles	122.9	366.9	366.3	-0.2	198.0	
14	Manufacture of wearing apparel	119.4	196.8	197.4	0.3	65.3	
18	Printing and reproduction of recorded media	121.6	243.6	205.3	-15.7	68.8	
19	Manufacture of coke and refined petroleum products	172.4	403.2	403.2	0.0	133.9	
20	Manufacture of chemicals and chemical products	161.4	308.7	306.0	-0.9	89.6	
22	Manufacture of rubber and plastics products	151.9	287.6	304.4	5.8	100.4	
23	Manufacture of other non-metallic mineral products	142.5	258.0	243.2	-5.7	70.7	
24	Manufacture of basic metals	224.2	434.4	434.4	0.0	93.8	
30	Manufacture of other transport equipment	134.7	218.2	225.5	3.3	67.4	
31	Manufacture of furniture	145.8	278.4	279.2	0.3	91.5	
32	Other manufacturing	139.5	305.9	319.4	4.4	129.0	
D	Electricity, gas, steam and Air conditioning supply	102.7	180.7	182.9	1.2	78.1	
35	Electricity, gas, steam and Air conditioning supply	102.7	180.7	182.9	1.2	78.1	
E	Water collection, treatment and supply	106.0	146.1	143.6	-1.7	35.5	
36	Water collection, treatment and supply	106.0	146.1	143.6	-1.7	35.5	

* 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 and Producer Price Index (PPI) is released monthly with 30 days time lag with effect from the month of January 2023. The PPI for the month of February 2023 is released on 31st of March 2023.

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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