



Producer Price Index (PPI)

February, 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 February 2023 is 250.3.
 - ▣ The annual change in the PPI has been compiled as 75.5 percent.
 - ▣ Comparing the month-on-month changes, PPI in February 2023 has decreased to 250.3 from 251.5 reported in January 2023.

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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 February 2023 is 250.3. The annual change in the PPI has been compiled as 75.5 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, 233.3 and 178.0 respectively. All three major sectors, "Manufacturing", "Utility Sector" ("Electricity, gas, steam and Air conditioning supply & Water supply") and "Agriculture" reported positive changes of 81.7 percent, 70.7 percent and 39.2 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 97.1 percent, 52.0 percent and 5.3 percent respectively on annual basis (Table 3).

The sub-activities of the Manufacturing sector: "Manufacture of coke and refined petroleum products (183.6%)", "Manufacture of textiles (133.1%)", "Other manufacturing (111.5%)", "Manufacture of rubber and plastics products (101.9%)", "Manufacture of furniture (96.1%)", "Printing and reproduction of recorded media (95.3%)", "Manufacture of basic metals (86.8%)", "Manufacture of food products (86.4%)", "Manufacture of chemicals and chemical products (75.2%)", "Manufacture of other non-metallic mineral products (67.8%)", "Manufacture of wearing apparel (62.3%)", "Manufacture of other transport equipment (59.3%)", "Manufacture of beverages (49.1%)" and "Manufacture of tobacco products (27.0%)" reported positive growth rates in the month of February 2023 compared to the same month of 2022 (Table 3).

For the month of February 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 78.0 percent and 40.2 percent respectively on an annual basis (Table3).

Table 1: PPI of February 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 Feb**/ 2022 Feb)
	2022 Feb	2023 Feb**	
All Activities	142.6	250.3	75.5
Agriculture	167.6	233.3	39.2
Manufacturing	141.0	256.2	81.7
Electricity, gas, steam and Air conditioning supply & Water supply	104.3	178.0	70.7

** - Provisional

Source: Department of Census and Statistics

Monthly Changes of Producer Price Index

Comparing the month-on-month changes, PPI in February 2023 has decreased to 250.3 from 251.5 reported in January 2023. This shows a decrease of 1.2 index points or 0.5 percentage compared to January 2023. The economic activities of "Electricity, gas, steam and air conditioning supply & Water supply" reported positive change of 1.5 percent while that of "Manufacturing" remained unchanged and "Agriculture" reported negative change of 5.0 percent on a monthly basis (Table 2).

The sub-activities of the "Agriculture" sector, "Growing of perennial crops" reported positive change of 11.3 percent while "Growing of non-perennial crops" and "Animal production" reported negative changes of 18.9 percent and 7.7 percent on a monthly basis in the month of February 2023 compared to January 2023 (Table 3).

In the Manufacturing sector, the sub-activities, "Printing and reproduction of recorded media (15.2%)" and "Other manufacturing (0.7%)" reported positive changes on a monthly basis. "Manufacture of beverages", "Manufacture of coke and refined petroleum products", "Manufacture of basic metals" and "Manufacture of furniture" remained unchanged

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compared to the preceding month while “Manufacture of rubber and plastics products (0.8%)”, “Manufacture of tobacco products (0.8%)”, “Manufacture of other non-metallic mineral products (0.7%)”, “Manufacture of chemicals and chemical products (0.4%)”, “Manufacture of other transport equipment (0.3%)”, “Manufacture of food products (0.2%)”, “Manufacture of textiles (0.1%)” and “Manufacture of wearing apparel (0.1%)” reported negative changes on a monthly basis (Table 3).

Both sub-activities of the Utility sector (“Electricity, gas, steam and Air conditioning supply & Water supply”), “Water collection, treatment, and supply” and “Electricity, gas, steam and Air conditioning supply” reported positive changes of 3.7 percent and 1.1 percent on a monthly basis in the month of February 2023 (Table 3).

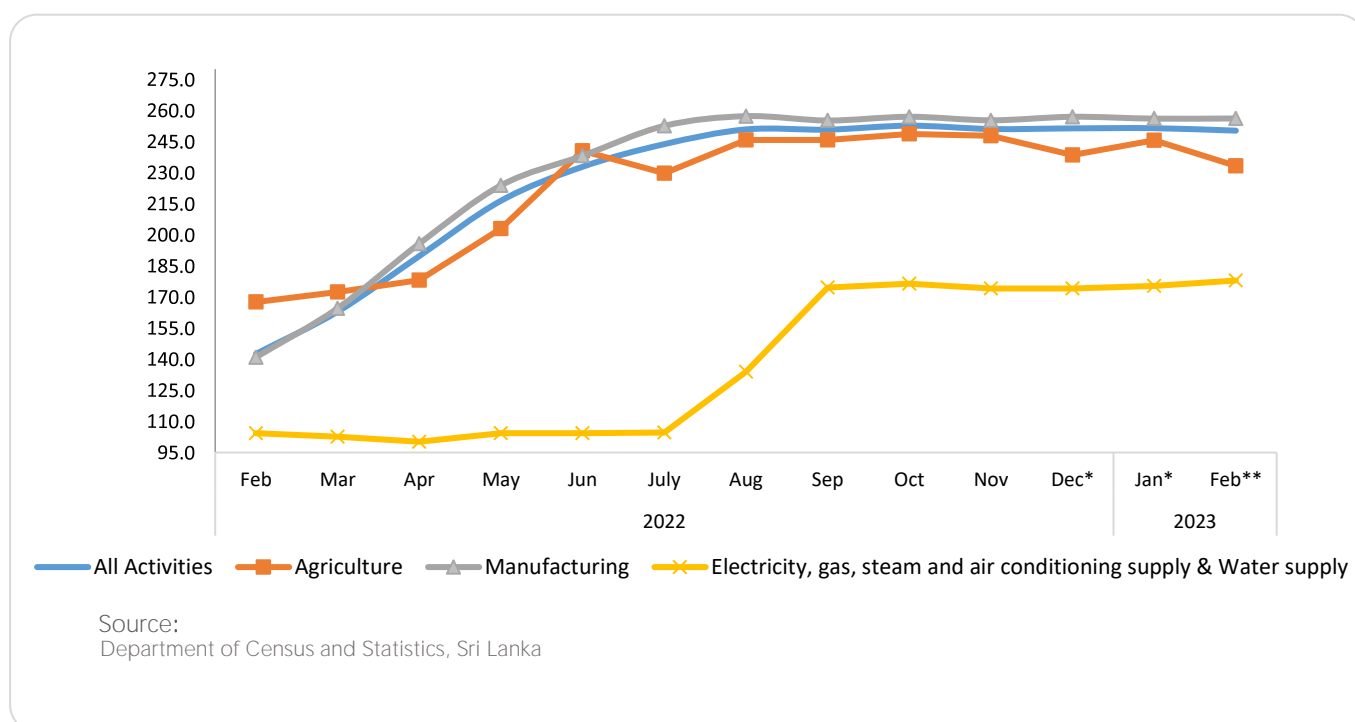
Table 2: PPI of January & February 2023 and Month to Month changes of PPI by Major Economic Activity (Base: 2018 Q4=100)

Major Economic Activity	PPI		Month to Month % change (2023 Feb**/ 2023 Jan*)
	2023 Jan*	2023 Feb**	
All Activities	251.5	250.3	-0.5
Agriculture	245.6	233.3	-5.0
Manufacturing	256.1	256.2	0.0
Electricity, gas, steam and Air conditioning supply & Water supply	175.4	178.0	1.5

* - Revised ** - Provisional

Source: Department of Census and Statistics

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



* - Revised ** - Provisional

Table 3: PPI of February 2022 & 2023 and January 2023 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	
		Feb	Jan*	Feb**	2023 Feb**/ 2023 Jan*	2023 Feb**/ 2022 Feb
	All Activities	142.6	251.5	250.3	-0.5	75.5
A	Agriculture	167.6	245.6	233.3	-5.0	39.2
	011 Growing of non-perennial crops	195.2	253.3	205.5	-18.9	5.3
	012 Growing of perennial crops	163.5	223.3	248.5	11.3	52.0
	014 Animal production	128.2	273.8	252.7	-7.7	97.1
C	Manufacturing	141.0	256.1	256.2	0.0	81.7
10	Manufacture of food products	141.9	264.9	264.5	-0.2	86.4
11	Manufacture of beverages	123.5	184.2	184.2	0.0	49.1
12	Manufacture of tobacco products	128.4	164.4	163.1	-0.8	27.0
13	Manufacture of textiles	156.9	366.3	365.8	-0.1	133.1
14	Manufacture of wearing apparel	124.6	202.4	202.2	-0.1	62.3
18	Printing and reproduction of recorded media	126.8	215.0	247.6	15.2	95.3
19	Manufacture of coke and refined petroleum products	122.5	347.4	347.4	0.0	183.6
20	Manufacture of chemicals and chemical products	174.7	307.3	306.0	-0.4	75.2
22	Manufacture of rubber and plastics products	149.0	303.3	300.8	-0.8	101.9
23	Manufacture of other non-metallic mineral products	143.5	242.4	240.8	-0.7	67.8
24	Manufacture of basic metals	232.5	434.4	434.4	0.0	86.8
30	Manufacture of other transport equipment	141.2	225.5	224.9	-0.3	59.3
31	Manufacture of furniture	142.4	279.2	279.2	0.0	96.1
32	Other manufacturing	144.7	303.9	306.1	0.7	111.5
D	Electricity, gas, steam and Air conditioning supply	103.9	182.9	184.9	1.1	78.0
35	Electricity, gas, steam and Air conditioning supply	103.9	182.9	184.9	1.1	78.0
E	Water collection, treatment and supply	106.2	143.6	148.9	3.7	40.2
36	Water collection, treatment and supply	106.2	143.6	148.9	3.7	40.2

* 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.

The Producer Price Index (PPI) (Base: 2018Q4=100) was released monthly with a lag of 40 days, with effect from November 2021 to December 2022. Also, the Producer Price Index (PPI) (Base: 2018Q4=100) will be released monthly, commencing with the PPI of January 2023, on the last working day of the following month. Accordingly, the PPI for the month of March 2023 will be released on 28th of April 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."

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