



## **NEWS RELEASE**

### **Producer's Price Index (Base: Fourth Quarter 2013=100)**

#### **Fourth Quarter of 2015**

**Department of Census and Statistics  
Ministry of National Policy and Economic Affairs**

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The Department of Census and Statistics (DCS) disseminates a newly introduced Producer's Price Index (PPI) since second quarter of 2015 with a time lag of 5 weeks after each quarter. Along with the introduction of this index, DCS fully covers the price structure statistics for the economy through Producer's prices to Consumer prices.

The DCS has released the latest Producer's Price Index (PPI) for the fourth quarter of 2015. PPI for all activities (Agriculture, Manufacturing, Electricity and Water (utility)) reported for October, November and December 2015 are 106.0, 106.3, and 107.1 respectively. The overall PPI has increased by 2.4% in October, 4.2% in November and 4.8% in December as compared to the same months in the previous year. Agricultural price indices and Manufacturing sector price indices reported an increase, while Electricity & Water Supply price indices have recorded a decrease over the first two months of the fourth quarter of 2015 compared to the same months of the previous year. But indices of Electricity and Water Supply sector reported a slight increase in the month of December.

There is a marginal increase in all items index on month on month basis for the fourth quarter, 2015. When consider the major activities separately, Agriculture and Manufacturing sector activities have reported an incessant increase in Producer's Price indices. The Utility sector has reported a negative growth over the three months period on month on month basis.

The Producer's Price Index (PPI) measures the average change over the time in the 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 decisions.

Further, this is an important macroeconomic 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.

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