



## **NEWS RELEASE**

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

#### **First Quarter of 2016**

**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.

PPI for all activities reported for January, February and March 2016 are 103.8, 103.0, and 101.3 respectively. The overall PPI has decreased by 3.2% in January, 0.2% in February and 0.6% in March as compared to the same months in the previous year. PPI for Agricultural sector for all months of the first quarter 2016 has declined compared to the same months in the previous year. However, PPI of Manufacturing and Electricity & Water Supply sectors of first three months of 2016 have increased compared to the same months in the previous year.

There is a continuous decline in all items index on month on month basis for first quarter, 2016. When consider the major activities separately, over the three months period of the first quarter of 2016, PPI for Agricultural activities have reported an incessant drop.

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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