

Web Release



Producer's Price Index (Base: Fourth Quarter 2013=100) Fourth Quarter of 2016



Department of Census and Statistics

Ministry of National Policies and Economic Affairs

Tel: 011-2147414

Fax: 011-2877945

E-mail: prices@statistics.gov.lk

Monthly Producer's Price Index (PPI) will be released 45 days after the end of the reference month from January, 2017 onwards.

Introduction

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. DCS has been releasing PPI quarterly from September, 2015 with time lag of 5 weeks. It has now been arranged to release PPI monthly with a time lag of 45 days.

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. PPI covers the Producer's prices of Agriculture, Manufacturing and Electricity and Water supply sectors of the economy.

PPI for all activities reported for October, November and December months of fourth quarter, 2016 are 110.1, 114.0 and 116.2 respectively. The PPI for all activities recorded for all three months in the fourth quarter of 2016 are higher than those recorded for the months of the same quarter in 2015. Agriculture and Manufacturing sectors reported positive growth rates in each month of the fourth quarter of 2016 compared to the same months of the year 2015. However, Electricity and Water supply sector recorded a negative growth rate of 0.1 per cent in December on year on year basis. Agriculture sector reported a positive growth rate of 8.7%, 8.1% and 13.6% in October, November and December respectively. While, Manufacturing sector reported positive growth rate in October (3.9%), November (5.8%) and December (6.6%) (Table 1).

The positive growth recorded for the agriculture sector is mainly due to the growth of activities of "Growing of cereals" and "Growing of fruits". The positive growth reported in the manufacturing sector is largely due to the growth of activities of "Manufacturing of food products and beverages", "Manufacturing of tobacco products", "Refined petroleum products", and "Manufacturing of non-metallic mineral products" in the months of fourth quarter of 2016 compared to the months of the same quarter in 2015. On the other hand, activities of "Manufacturing of wearing apparel", "Printing activities" and "Manufacture of other transport goods (ships and boats construction) reported negative growth rates over the months of fourth quarter 2016 (Table 4).

Revision Policy

PPI is compiled by collecting producer's prices for about 514 product items from 376 manufacturing and utility related establishments. Prices of 36 agricultural products are collected from 331 Divisional Secretariat Divisions covering whole country. Electricity and water supply

sector prices are collected from Ceylon Electricity Board and National Water Supply & Drainage Board respectively.

In certain circumstances, required prices are not available at the time of releasing PPI. In such occasions missing prices are statistically imputed. Therefore, indices of the latest month are released as provisional. These indices are finalized with time lag of two months.

Table 1: PPI of Fourth Quarter of 2015 & 2016 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activities`	PPI - 2015			PPI - 2016			Year on Year % change		
	Oct	Nov	Dec	Oct**	Nov**	Dec**	Oct 2016/ Oct 2015	Nov 2016 /Nov 2015	Dec. 2016 /Dec 2015
All activities	104.7	106.3	107.2	110.1	114.0	116.2	5.1	7.3	8.4
Agriculture	114.1	121.8	121.8	124.0	131.7	138.4	8.7	8.1	13.6
Manufacturing	102.9	103.6	103.5	106.9	109.6	110.3	3.9	5.8	6.5
Electricity and water supply	84.1	83.6	83.2	85.1	84.2	83.1	1.2	0.7	-0.1

** Provisional

Monthly Changes of PPI

PPI for all activities increased by 2.9 per cent in October 2016, 3.5 per cent in November and 1.9 per cent in December of 2016 compared to the PPI of respective previous months. Further, PPI of Agriculture sector and manufacturing sector reported a continuous increase on monthly basis. However, the PPI of Electricity and Water supply activity reported a positive growth rate in October and the sector reported a negative growth rates for November and December on monthly basis. (Table 2).

Table 2: Month to month changes of PPI by Major Economic Activity, Fourth Quarter 2016 (Base: 2013 Q4=100)

Major Economic Activities	PPI - 2016				Month to month % change		
	Sep*	Oct**	Nov**	Dec**	Oct 16/Sep 16	Nov 16/Oct 16	Dec 16/Nov 16
All activities	107.0	110.1	114.0	116.2	2.9	3.5	1.9
Agriculture	119.1	124.0	131.7	138.4	4.1	6.2	5.1
Manufacturing	104.2	106.9	109.6	110.3	2.6	2.5	0.6
Electricity and water supply	84.8	85.1	84.2	83.1	0.4	-1.1	-1.3

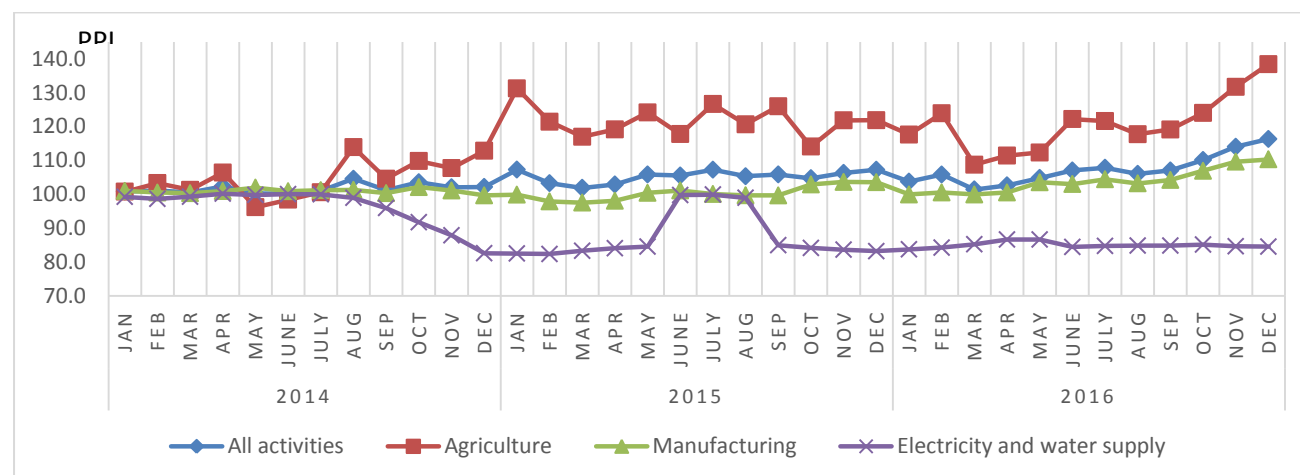
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Activity: January 2014 - December 2016
(Base: 2013 Q4=100)

Year	Month	All activities			Agriculture			Manufacturing			Electricity & Water Supply						
		Index number	% changes		Index number	% changes		Index number	% changes		Index number	% changes					
			Month to month	Year on year		12 Months MA	Month to month		Year on year	12 Months MA		Month to month	Year on year	12 Months MA	Month to month	Year on year	12 Months MA
2014	January	100.8			100.7			101.0			99.2						
	February	101.1	0.3		103.3	2.5		100.5	-0.5		98.6	-0.6					
	March	100.5	-0.6		101.3	-1.9		100.3	-0.2		99.2	0.6					
	April	102.3	1.8		106.4	5.0		100.9	0.6		100.2	0.9					
	May	100.2	-2.1		96.2	-9.6		101.9	1.0		99.8	-0.4					
	June	100.1	-0.1		98.4	2.3		100.9	-1.1		100.0	0.2					
	July	100.9	0.8		100.6	2.2		101.2	0.3		100.0	0.0					
	August	104.5	3.6		113.9	13.3		101.3	0.1		98.9	-1.0					
	September	101.2	-3.2		104.6	-8.2		100.3	-1.0		95.9	-3.0					
	October	103.5	2.3		109.8	5.0		102.1	1.8		91.7	-4.4					
	November	102.0	-1.4		107.7	-1.9		101.1	-1.0		87.8	-4.2					
	December	102.1	0.1		112.8	4.8		99.6	-1.4		82.5	-6.0					
2015	January	107.3	5.0	6.4	131.2	16.3	30.3	99.9	0.2	-1.1	82.5	-0.1	-16.9				
	February	103.2	-3.7	2.1	121.4	-7.5	17.5	97.9	-2.0	-2.6	82.3	-0.2	-16.5				
	March	101.9	-1.3	1.4	117.0	-3.7	15.5	97.5	-0.4	-2.8	83.3	1.2	-16.1				
	April	102.9	1.0	0.5	119.1	1.9	12.0	98.0	0.5	-2.8	84.0	0.9	-16.1				
	May	105.8	2.9	5.6	124.1	4.2	29.1	100.4	2.4	-1.5	84.5	0.6	-15.3				
	June	105.5	-0.3	5.4	117.8	-5.1	19.7	101.1	0.7	0.2	99.7	18.0	-0.3				
	July	107.2	1.6	6.2	126.6	7.5	25.9	100.1	-1.0	-1.1	99.9	0.2	-0.1				
	August	105.3	-1.8	0.7	120.6	-4.7	5.9	99.7	-0.4	-1.6	98.9	-1.0	0.0				
	September	105.8	0.5	4.6	126.0	4.4	20.5	99.6	0.0	-0.7	84.9	-14.2	-11.5				
	October	104.7	-1.0	1.2	114.1	-9.4	3.9	102.9	3.3	0.8	84.1	-1.0	-8.3				
	November	106.3	1.5	4.2	121.8	6.8	13.1	103.6	0.7	2.5	83.6	-0.6	-4.8				
	December	107.2	0.9	5.0	121.8	0.0	8.0	103.5	-0.1	3.9	-0.6	83.2	-0.5	0.7	-8.9		
2016	January	103.7	-3.3	-3.3	2.7	117.6	-3.5	-10.4	12.6	99.9	-3.5	0.0	-0.5	83.7	0.7	1.5	-7.5
	February	105.8	2.0	2.5	2.8	123.9	5.4	2.1	11.2	100.5	0.6	2.7	0.0	84.2	0.6	2.3	-6.0
	March	101.4	-4.2	-0.5	2.6	108.7	-12.3	-7.1	9.3	99.9	-0.6	2.5	0.4	85.2	1.2	2.3	-4.4
	April	102.6	1.2	-0.3	2.6	111.4	2.5	-6.5	7.6	100.5	0.6	2.5	0.8	86.6	1.6	3.1	-2.8
	May	104.8	2.1	-1.0	2.0	112.3	0.8	-9.5	4.6	103.5	3.0	3.1	1.2	86.6	0.0	2.5	-1.2
	June	107.0	2.1	1.4	1.7	122.2	8.8	3.8	3.4	103.0	-0.5	1.9	1.4	84.4	-2.5	-15.4	-2.6
	July*	107.8	0.7	0.5	1.2	121.6	-0.5	-4.0	1.1	104.4	1.4	4.3	1.8	84.7	0.4	-15.2	-4.0
	August*	106.0	-1.7	0.7	1.2	117.7	-3.2	-2.4	0.4	103.2	-1.1	3.5	2.3	84.8	0.1	-14.3	-5.3
	September*	107.0	0.9	1.1	0.9	119.1	1.2	-5.4	-1.5	104.2	1.0	4.6	2.7	84.8	0.0	-0.1	-4.4
	October**	110.1	2.9	5.1	1.3	124.0	4.1	8.7	-1.1	106.9	2.6	3.9	3.0	85.1	0.4	1.2	-3.6
	November**	114.0	3.5	7.3	1.5	131.7	6.2	8.1	-1.4	109.6	2.5	5.8	3.2	84.2	-1.1	0.7	-3.1
	December**	116.2	1.9	8.4	1.8	138.4	5.1	13.6	-0.9	110.3	0.6	6.5	3.5	83.1	-1.3	-0.1	-3.2

* - Revised ** - Provisional

Graph 1: Movements of monthly Producer's Price Index: January 2014 – December 2016
(Base: 2013 Q4=100)



**Table 4: PPI of Fourth Quarter of 2015 & 2016 by two digit level economic activity of ISIC
(Base: 2013 Q4=100)**

ISIC Rev. 3.1	Description of the Economic Activity	2015			2016		
		Oct	Nov	Dec	Oct**	Nov**	Dec**
	All activities	104.7	106.3	107.2	110.1	114.0	116.2
A	Agriculture	114.1	121.8	121.8	124.0	131.7	138.4
01	Agriculture and farming	114.1	121.8	121.8	124.0	131.7	138.4
D	Manufacturing	102.9	103.6	103.5	106.9	109.6	110.3
15	Manufacture of food products and beverages	101.8	103.7	103.8	112.8	115.3	117.7
16	Manufacture of tobacco products	124.9	124.9	124.9	152.3	182.1	182.1
17	Manufacture of textiles	97.3	98.1	100.5	99.8	102.4	101.6
18	Manufacture of wearing apparel, dressing, and dyeing of fur	118.3	119.5	123.6	113.2	115.3	115.4
22	Publishing, printing and reproduction of recorded media	104.7	104.8	104.8	95.2	95.2	95.2
23	Manufacture of coke, refine petroleum products and nuclear fuel	59.6	61.3	61.3	67.5	67.5	67.5
24	Manufacture of chemicals and chemical products	101.2	95.6	95.6	95.3	95.3	95.3
25	Manufacture of rubber and plastics	93.6	93.6	92.7	94.4	94.4	94.4
26	Manufacture of other non metallic mineral products	102.5	102.3	102.4	111.9	110.6	110.6
27	Manufacture of basic metals	94.7	93.8	92.4	96.2	96.2	96.2
31	Manufacture of electrical machinery and apparatus n.e.c.	109.3	109.8	109.9	106.7	106.7	106.7
35	Manufacture of other transport equipments	107.9	108.7	109.8	100.3	100.9	101.6
36	Manufacture of furniture, Manufacturing n.e.c.	104.4	104.7	105.0	105.0	105.1	104.6
E	Electricity and water supply	84.1	83.6	83.2	85.1	84.2	83.1
40	Electricity	82.4	82.0	81.6	83.0	82.4	82.3
41	Collection, purification and distribution of water	100.1	98.6	97.9	105.3	101.0	90.9

** - Provisional

ISIC refers International Standard Industrial Classification (Revision 3.1)

Further details of Producer's Price Index compiled for the Fourth Quarter of 2016, are also published in the department web site (www.statistics.gov.lk)

Director General
Department of Census and Statistics
Contact No.: 011-2147001 / 011- 2147020