



Web Release

Producer's Price Index : January 2017 (Base Period : Fourth Quarter 2013=100)

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From January, 2017 onwards, Monthly Producer's Price Index (PPI) is released with time lag of 45 days.

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 above activities reported for January of 2017 is 117.8. The indices for three major economic activities, Agriculture, Manufacturing and Electricity & Water Supply are 144.2, 104.8 and 83.8 respectively. The rate of growth of overall index is 13.6% on year on year basis. All major economic activities have reported positive growth rates: Agriculture (22.6%), Manufacturing (4.9%) and Water and Electricity Supply (0.1%) compared to the same month in 2016. Agriculture sector has recorded a significant positive growth rate while Electricity and Water Supply sector reported a marginal increase (Table 1).

The positive growth in prices recorded for the agriculture sector is mainly due to the growth of activities of "Growing of cereals" and "Growing of fruits, nuts and beverage crops". 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 basic metals" in the month of January 2017 compared to the same month in 2016. On the other hand, activities of "Manufacture of chemicals and chemical products", "Manufacture of rubber and plastic products" and "Manufacture of electrical machinery and apparatus" reported negative growth rates in January 2017 on year on year basis. Even though the producers of "Electricity generation and distribution" reported slight growth, producer engaged in "Collection, purification and distribution of water" reported a negative growth rate in January, 2017 on annual basis (Table 4).

Table 1: PPI of January of 2016 & 2017 and Year on Year changes of PPI by Major Economic Activity (Base period: 2013 Q4=100)

Major Economic Activities	PPI		Year on year % change
	2016 January	2017 January**	Jan 2017 / Jan 2016
All Activities	103.7	117.8	13.6
Agriculture	117.6	144.2	22.6
Manufacturing	99.9	104.8	4.9
Electricity and water supply	83.7	83.8	0.1

** - Provisional

Monthly Changes of PPI

PPI for all activities increased by 2.0 per cent in January 2017 on monthly basis, that is compared to December 2016. Further, PPI of Agriculture and Electricity and Water supply sectors reported a positive growth rates on monthly basis. However, the PPI of manufacturing activity reported a negative growth rate of 4.9% (Table 2).

Table 2: Month to month changes of PPI by Major Economic Activity, January 2017 (Base period: 2013 Q4=100)

Major Economic Activities	PPI		Month to month % change
	2016 December*	2017 January**	Jan2017 / Dec 2016
All Activities	115.5	117.8	2.0
Agriculture	135.8	144.2	6.2
Manufacturing	110.2	104.8	-4.9
Electricity and water supply	83.7	83.8	0.1

* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Activity: January 2014 - January 2017
(Base period: 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	Jan	100.8				100.7				101.0				99.2			
	Feb	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		
	Sept	101.2	-3.2			104.6	-8.2			100.3	-1.0			95.9	-3.0		
	Oct	103.5	2.3			109.8	5.0			102.1	1.8			91.7	-4.4		
	Nov	102.0	-1.4			107.7	-1.9			101.1	-1.0			87.8	-4.2		
	Dec	102.1	0.1			112.8	4.8			99.6	-1.4			82.5	-6.0		
2015	Jan	107.3	5.0	6.4		131.2	16.3	30.3		99.9	0.2	-1.1		82.5	-0.1	-16.9	
	Feb	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	
	Sept	105.8	0.5	4.6		126.0	4.4	20.5		99.6	0.0	-0.7		84.9	-14.2	-11.5	
	Oct	104.7	-1.0	1.2		114.1	-9.4	3.9		102.9	3.3	0.8		84.1	-1.0	-8.3	
	Nov	106.3	1.5	4.2		121.8	6.8	13.1		103.6	0.7	2.5		83.6	-0.6	-4.8	
	Dec	107.2	0.9	5.0	3.6	121.8	0.0	8.0	16.4	103.5	-0.1	3.9	-0.6	83.2	-0.5	0.7	-8.9
2016	Jan	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
	Feb	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
	Sept	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
	Oct*	109.9	2.7	4.9	1.3	124.0	4.1	8.7	-1.1	106.5	2.2	3.5	2.9	85.1	0.4	1.2	-3.6
	Nov*	113.4	3.2	6.7	1.5	130.6	5.3	7.2	-1.5	109.2	2.5	5.4	3.2	84.2	-1.1	0.7	-3.1
	Dec*	115.5	1.9	7.7	1.7	135.8	4.0	11.5	-1.1	110.2	0.9	6.4	3.4	83.7	-0.6	0.7	-3.1
2017	Jan**	117.8	2.0	13.6	3.1	144.2	6.2	22.6	1.6	104.8	-4.9	4.9	3.8	83.8	0.1	0.1	-3.2

* - Revised ** - Provisional

Graph 1: Movements of monthly Producer's Price Index: January 2014 – January 2017
(Base: 2013 Q4=100)

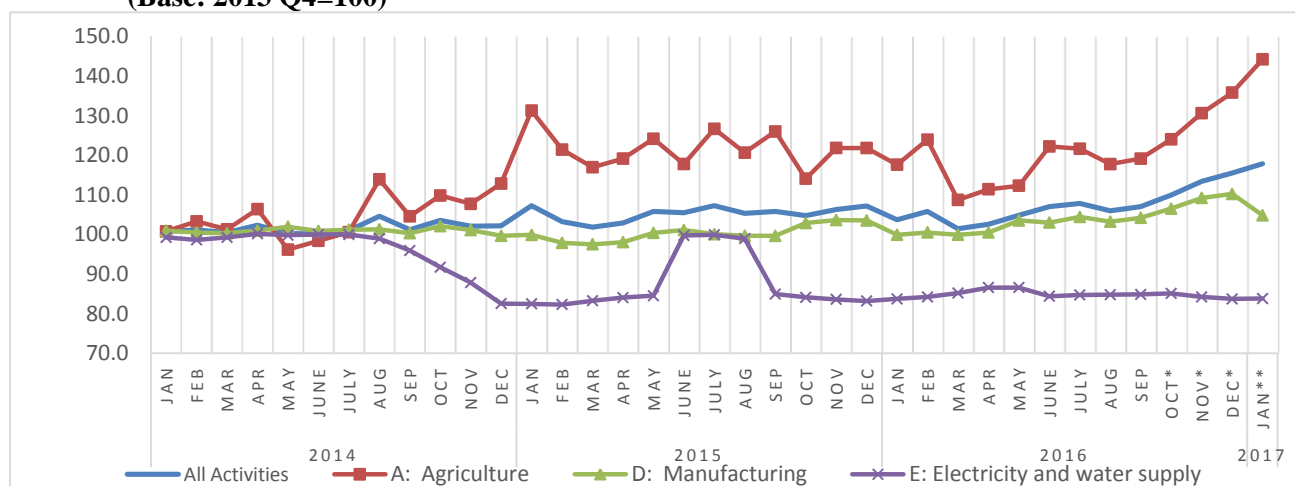


Table 4: PPI of January of 2016 & 2017, December of 2016 and percentage changes by two digit level economic activity of ISIC (Base period : 2013 Q4=100)

ISIC Rev.3.1	Description of the Economic Activity	PPI				
		2016		2017	% change	
		January	December*	January**	Jan 2017/Dec 2016	Jan 2017/Jan 2016
	All Activities	103.7	115.5	117.8	2.0	13.6
	Agriculture	117.6	135.8	144.2	6.2	22.6
01	Agriculture and farming	117.6	135.8	144.2	6.2	22.6
	Manufacturing	99.9	110.2	104.8	-4.9	4.9
15	Manufacture of food products and beverages	102.4	117.0	119.7	2.3	16.9
16	Manufacture of tobacco products	125.1	182.1	182.3	0.1	45.7
17	Manufacture of textiles	95.3	100.2	101.3	1.1	6.3
18	Manufacture of wearing apparel, dressing, and dyeing of fur	109.9	115.5	115.7	0.2	5.3
22	Publishing, printing and reproduction of recorded media	98.9	98.3	99.0	0.7	0.1
23	Manufacture of coke, refine petroleum products and nuclear fuel	51.5	71.8	64.7	-9.9	25.6
24	Manufacture of chemicals and chemical products	98.3	95.2	96.2	1.1	-2.1
25	Manufacture of rubber and plastics	92.5	91.1	92.0	1.0	-0.5
26	Manufacture of other non metallic mineral products	105.5	111.8	111.7	-0.1	5.9
27	Manufacture of basic metals	95.1	96.2	106.3	10.5	11.8
31	Manufacture of electrical machinery and apparatus n.e.c.	111.6	106.7	108.6	1.8	-2.7
35	Manufacture of other transport equipments	103.4	101.6	104.7	3.1	1.3
36	Manufacture of furniture, Manufacturing n.e.c.	103.9	105.4	105.9	0.5	1.9
	Electricity and water supply	83.7	83.7	83.8	0.1	0.1
40	Electricity	81.6	82.0	82.1	0.1	0.6
41	Collection, purification and distribution of water	103.1	100.2	99.8	-0.4	-3.2

* - Revised ** - Provisional ISIC refers International Standard Industrial Classification(Revision 3.1)

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.

Further details of Producer's Price Index compiled for the month of January of 2017, are also published in the department web site (www.statistics.gov.lk)

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