

Web Release



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



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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. Department of Census and Statistics (DCS) has been releasing PPI quarterly from September, 2015 with time lag of 5 weeks. Giving due consideration for making the estimates available more frequently, it has now been arranged to release PPI monthly with a time lag of 45 days.

PPI 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 & Water supply sectors of the economy.

PPI for all activities reported for February of 2017 is 120.1. The indices for three major economic activities: Agriculture, Manufacturing and "Electricity & Water Supply" are 148.9, 107.5 and 82.9 respectively. The rate of growth of overall index is 13.5% on year on year basis. Two major economic activities have reported positive growth rates: Agriculture (20.2%) and Manufacturing (7.0%) compared to the same month in 2016. Although, Agriculture sector has recorded a significant positive growth rate, Electricity & Water Supply sector has shown a slight negative growth (Table 1).

The positive growth recorded for the agriculture sector is mainly due to the growth of activities of "Growing of cereals", "Growing of fruits, nuts & beverage crops" and "Production of Fresh milk". 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 furniture" & "Manufacturing of jewellery and related articles" in the month of February 2017 compared to the same month in 2016. On the other hand, activities of "Printing", "Manufacturing of chemicals and chemical products", "Manufacture of rubber and plastic products" and "Manufacture of electrical machinery and apparatus" reported negative growth rates in February 2017 on annual basis. Even though the activities of "Electricity generation and distribution" and "Collection, purification and distribution of water have reported a negative growth rates in February, 2017 on annual basis (Table 4).

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

Major Economic Activities	PPI		Year on Year % change (Feb. 2017/ Feb. 2016)
	2016 February	2017 February**	
All Activities	105.8	120.1	13.5
Agriculture	123.9	148.9	20.2
Manufacturing	100.5	107.5	7.0
Electricity & water supply	84.2	82.9	-1.5

** - Provisional

Monthly Changes of PPI

PPI for all activities increased by 2.0 per cent in February 2017 on monthly basis. PPI of Agriculture and Manufacturing sectors reported a positive growth rates on monthly basis (Table 2). Even if the prices of Paddy, Maize, Kurakkan, Green gram of cereal group recorded a decrease, some of the vegetables and fruits reported an increase in prices in February compared to the previous month.

The activities “Manufacturing of refined petroleum products”, “Manufacturing of other non metallic metal products” and “Manufacturing of food products and beverages” significantly contributed for the positive growth in manufacturing sector on monthly basis (Table 4).

Table 2: PPI of January and February of 2017 and Month to Month changes of PPI by Major Economic Activity - February 2017
(Base: 2013 Q4=100)

Major Economic Activities	PPI		Month to Month % change (2017 Feb. / 2017 Jan.)
	2017 January*	2017 February**	
All Activities	117.8	120.1	2.0
Agriculture	144.2	148.9	3.3
Manufacturing	105.7	107.5	1.7
Electricity & Water Supply	83.6	82.9	-0.8

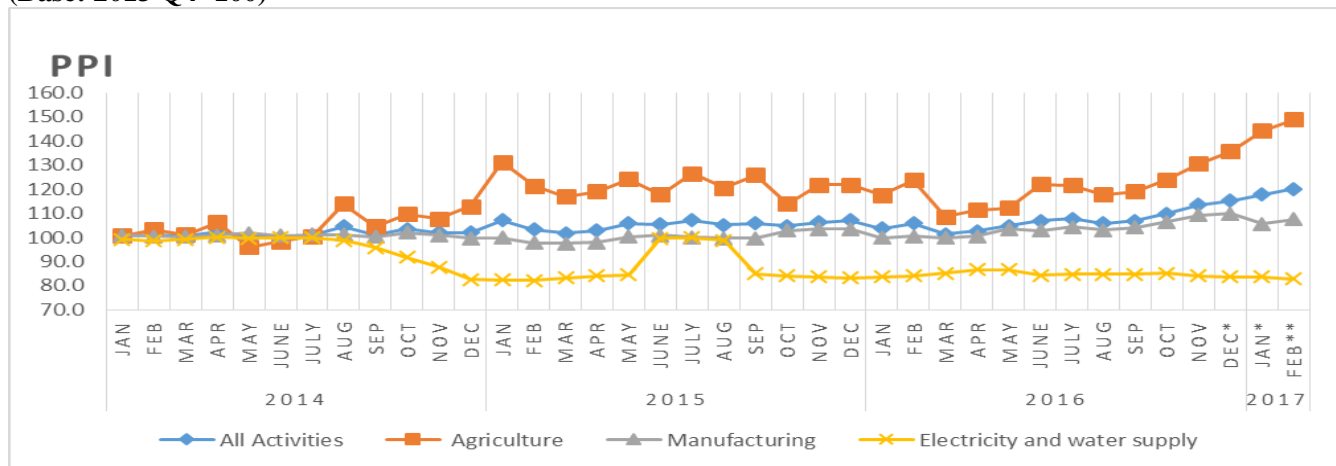
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Activity: January 2014 - February 2017
(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		
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	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	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	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	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	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	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	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	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	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	109.9	2.7	4.9	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	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*	115.3	1.7	7.5	135.8	4.0	11.5	-1.1	110.0	0.7	6.2	3.4	83.7	-0.6	0.7	-3.1
2017	Jan*	117.8	2.2	13.6	144.2	6.2	22.6	1.6	105.7	-3.9	5.8	6.6	83.6	-0.1	-0.1	-3.3
	Feb**	120.1	2.0	13.5	148.9	3.3	20.2	3.2	107.5	1.7	7.0	4.0	82.9	-0.8	-1.5	-3.6

* - Revised ** - Provisional

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



* - Revised ** - Provisional

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

ISIC Rev.3.1	Description of the Economic Activity	2016	2017		% change	
		February	January*	February**	Feb 2017/Jan2017	Feb2017/Feb 2016
	All Activities	105.8	117.8	120.1	2.0	13.5
	Agriculture	123.9	144.2	148.9	3.3	20.2
01	Agriculture and farming	123.9	144.2	145.7	1.0	17.6
	Manufacturing	100.5	105.7	107.5	1.7	7.0
15	Manufacture of food products and beverages	103.4	122.9	124.7	1.5	20.6
16	Manufacture of tobacco products	125.1	182.4	182.4	0.0	45.8
17	Manufacture of textiles	95.1	104.5	104.8	0.3	10.2
18	Manufacture of wearing apparel, dressing, and dyeing of fur	110.0	114.6	116.7	1.8	6.1
22	Publishing, printing and reproduction of recorded media	98.9	96.8	96.4	-0.4	-2.5
23	Manufacture of coke, refine petroleum products and nuclear fuel	55.1	64.7	73.5	13.6	33.4
24	Manufacture of chemicals and chemical products	98.3	96.2	96.5	0.3	-1.8
25	Manufacture of rubber and plastics	92.4	90.2	90.8	0.7	-1.7
26	Manufacture of other non metallic mineral products	105.9	109.6	111.8	2.0	5.6
27	Manufacture of basic metals	94.9	107.4	108.1	0.7	13.9
31	Manufacture of electrical machinery and apparatus n.e.c.	111.9	108.4	109.0	0.6	-2.6
35	Manufacture of other transport equipments	103.4	104.7	105.2	0.5	1.7
36	Manufacture of furniture, Manufacturing n.e.c.	104.3	116.8	117.2	0.3	12.4
	Electricity and water supply	84.2	83.6	82.9	-0.8	-1.5
40	Electricity	82.1	81.6	80.8	-1.0	-1.6
41	Collection, purification and distribution of water	103.7	103.1	102.6	-0.5	-1.1

* - 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 & 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. These indices are finalized with time lag of two months.

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

Producer's Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017.

The next PPI will be released on 15th of May 2017.

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