

Web Release



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



Department of Census and Statistics
Ministry of National Policies and Economic Affairs

Tel: 011-2147414

Fax: 011-2877945

E-mail: prices@statistics.gov.lk

15th August, 2017

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 policy 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 recorded for all economic activities of June 2017 is 128.0. The price index for three major economic activities of the economy namely, "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 170.0, 110.2 and 86.7 respectively. The growth rate of overall index for June, 2017 is 19.6% per cent in June 2017, while the major three activities reported positive growth rates of 39.1%, 7.0% and 2.7% respectively for "Agriculture", "Manufacturing" and "Electricity & Water Supply" activities (Table 1).

Agriculture sector recorded positive growth rate for the tenth consecutive month on year on year basis. This is due to the increase in prices received by the domestic producers of sub activities in agriculture namely, "Growing of cereals", "Growing of fruits, nuts & beverage crops", "Production of fresh milk" and "production of eggs". The major contributors to the huge growth is mainly from the sub activities of "Growing of cereals" and "Growing of fruits, nuts & beverage crops".

The positive growth rate reported in the manufacturing sector is mainly due to the growth of prices received by activities of "Manufacturing of food products and beverages", "Manufacturing of tobacco products", "Manufacturing of textiles", "Manufacturing of wearing apparel", "Manufacturing of coke, refined petroleum products and nuclear fuel", "Manufacturing of furniture & manufacturing of other products not elsewhere classified" in the month of June 2017 compared to the same month in 2016. On the other hand, activities of "Publishing, printing & reproduction of recorded media", "Manufacture of rubber and plastic products" and "Manufacture of other non-metallic products", "Manufacture of electrical machinery and apparatus" reported negative growth rates in June 2017 on year on year basis (Table 4).

Activities of "Electricity generation and distribution" recorded a positive growth rate of 3.5 per cent while activity of "Collection, purification and distribution of water" reported a decrease in growth in June 2017 compared to that of in June, 2016 (Table 4).

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

Major Activity	PPI		Year on Year % change (June 2017/ June 2016) % change
	June - 2016	June - 2017**	
All Activities	107.0	128.0	19.6
Agriculture	122.2	170.0	39.1
Manufacturing	103.0	110.2	7.0
Electricity and water supply	84.4	86.7	2.7

** - Provisional

Monthly Changes of Producer's Price Index

PPI for three major activities increased by 1.6 per cent in June from the May level, while positive growth rates recorded for “Agriculture”, “Manufacturing” and “Electricity & Water supply” activities were 3.5 per cent, 0.6 per cent and 0.2 per cent respectively (Table 2).

The “Growing of vegetable” activity contributed significantly for the huge positive growth in agriculture sector in June on monthly basis. Almost all the vegetable goods reported higher prices compared to previous month. Even if the prices of plantain, pineapple, papaw, orange and coconut reported a price decrease, mango and tea leaves marked a price increase, hence, a positive growth recorded in “Growing of fruits, nuts and beverage crops” activity.

The activities of “Manufacturing of textiles”, “Manufacturing of wearing apparel”, and “Manufacturing of electrical machinery and apparatus” reported slight positive growth rates while, “Manufacturing of coke, refined petroleum products and nuclear fuel” reported a slight negative growth rate (Table 4).

PPI for the activity of “Generation and distribution of Electricity” marked a positive growth rate of 0.4 per cent and “Collection, purification and distribution of water” activity reported a negative growth rate of 1.2 per cent in June from May level (Table 4).

Table 2: PPI of May & June of 2017 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)

Major Activity	2017		Month to Month % change (2017 June / 2017 May)
	May*	June**	
All Activities	126.0	128.0	1.6
Agriculture	164.3	170.0	3.5
Manufacturing	109.5	110.2	0.6
Electricity and water supply	86.5	86.7	0.2

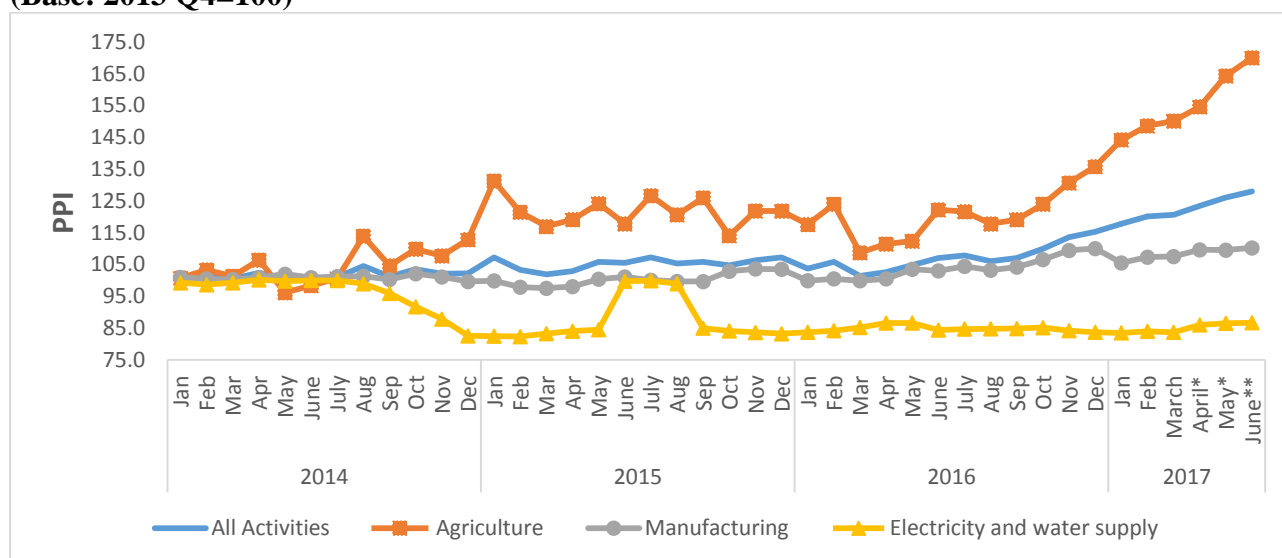
*- Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 - June 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	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	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	115.3	1.7	7.5	1.7	135.8	4.0	11.5	-1.1	110.0	0.7	6.2	3.4	83.7	-0.5	0.7	-3.1
2017	January	117.8	2.2	13.6	3.1	144.2	6.2	22.6	1.6	105.5	-4.1	5.6	3.8	83.5	-0.3	-0.2	-3.3
	February	120.1	2.0	13.5	4.0	148.6	3.1	19.9	3.2	107.3	1.7	6.8	4.2	84.0	0.6	-0.2	-3.5
	March	120.6	0.4	18.9	5.6	150.1	1.0	38.1	6.6	107.5	0.2	7.6	4.6	83.7	-0.4	-1.8	-3.8
	April*	123.4	2.3	20.3	7.3	154.6	3.0	38.8	10.2	109.6	2.0	9.1	5.1	86.0	2.7	-0.7	-4.1
	May*	126.0	2.1	20.2	9.0	164.3	6.3	46.3	14.8	109.5	-0.1	5.8	5.4	86.5	0.6	-0.1	-4.3
	June**	128.0	1.6	19.6	10.6	170.0	3.5	39.1	17.8	110.2	0.6	7.0	5.8	86.7	0.2	2.7	-2.6

* - Revised ** - Provisional

**Figure 1: Movements of Monthly Producer's Price Index: January 2014 - June 2017
(Base: 2013 Q4=100)**



* - Revised ** - Provisional

Table 4: PPI of June of 2016 & 2017, May 2017 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	
		June	May*	June**	June 2017/May 2017	June 2017/June 2016
	All Activities	107.0	126.0	128.0	1.6	19.6
	Agriculture	122.2	164.3	170.0	3.5	39.1
01	Agriculture and farming	122.2	164.3	170.0	3.5	39.1
	Manufacturing	103.0	109.5	110.2	0.6	7.0
15	Manufacture of food products and beverages	105.8	126.8	127.3	0.4	20.3
16	Manufacture of tobacco products	125.1	182.4	182.4	0.0	45.8
17	Manufacture of textiles	97.3	105.2	107.1	1.8	10.1
18	Manufacture of wearing apparel, dressing, and dyeing of fur	114.3	121.3	123.1	1.5	7.7
22	Publishing, printing and reproduction of recorded media	97.6	95.9	95.9	0.0	-1.7
23	Manufacture of coke, refine petroleum products and nuclear fuel	59.2	77.7	76.6	-1.4	29.4
24	Manufacture of chemicals and chemical products	95.3	96.2	96.2	0.0	0.9
25	Manufacture of rubber and plastics	92.8	90.6	90.7	0.1	-2.3
26	Manufacture of other non metallic mineral products	113.2	110.1	109.8	-0.3	-3.0
27	Manufacture of basic metals	96.3	99.1	99.3	0.2	3.1
31	Manufacture of electrical machinery and apparatus n.e.c.	108.4	107.2	108.0	0.7	-0.4
35	Manufacture of other transport equipments	101.4	105.2	105.2	0.0	3.7
36	Manufacture of furniture, Manufacturing n.e.c.	105.1	118.2	118.2	0.0	12.5
	Electricity and water supply	84.4	86.5	86.7	0.2	2.7
40	Electricity	82.2	84.8	85.1	0.4	3.5
41	Collection, purification and distribution of water	105.7	102.9	101.7	-1.2	-3.8

* - Revised ** - Provisional

ISIC refers to International Standard Industrial Classification of all activities (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 June 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 PPI for month of July, 2017 will be released on 15th of September 2017.

Director General

Department of Census and Statistics

Contact No.: 011-2147001 / 011- 2147020