

# Web Release



## Producer's Price Index: September 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](mailto:prices@statistics.gov.lk)

15<sup>th</sup> November, 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 35 days. 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 Agriculture, Manufacturing and Electricity & Water supply sectors of the economy.

### Annual Changes of Producer's Price Index

PPI for all economic activities; "Agriculture", "Manufacturing" and "Electricity & Water Supply" increased by 1.8 index points to 125.5 index points in September of 2017 as compared to the index of August 2017. The Producer's Price Index for three major economic activities of the economy, namely, "Agriculture", "Manufacturing" and "Electricity & Water Supply" are 166.5, 108.3 and 82.7 respectively. The annual growth rate of the overall index for September, 2017 is 17.3 per cent. "Agriculture" sector reported a significantly high annual growth rate of 39.8 per cent, while the annual growth rate reported for "Manufacturing" activities is 3.9 per cent. However, "Electricity & Water Supply" sectors marked a negative annual growth rate of 2.5 per cent (Table 1).

Agriculture sector recorded a positive growth rate continuously for the twelfth 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 vegetables, fruits, nuts & beverage crops" and "Production of fresh milk" activities, while "Production of egg" activity reported a positive growth rate in September 2017 as compared to the September of 2016.

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

Activities of “Electricity generation and distribution” and “Collection, purification and distribution of water” reported decreases of 2.4 and 3.4 per cent respectively in September 2017 compared to the same month in 2016 (Table 4).

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

Major Economic Activity	PPI		Year on Year % change (September 2017/ September 2016)
	2016 September	2017 September**	
All Activities	107.0	125.5	17.3
Agriculture	119.1	166.5	39.8
Manufacturing	104.2	108.3	3.9
Electricity & water supply	84.8	82.7	-2.5

\*\* - Provisional

### Monthly Changes of Producer’s Price Index

The overall PPI increased by 1.5 per cent in September 2017 compared to that of in August 2017. “Agriculture” and “Manufacturing” activities contributed to this increase; these two sectors reported positive growth rates of 2.1 per cent and 1.2 per cent respectively. However, “Electricity & Water Supply” sector reported a negative growth rate of 1.7 per cent in September, 2017 compared to previous month (Table 2).

The “Growing of cereal crops and fruits” and “Production of eggs” activities contributed to the positive growth in agriculture sector in September, while sub activities of “Growing of vegetables” and “Dairy production” activity recorded negative growth rates.

The activities of “Manufacturing of food and beverages”, “Manufacturing of wearing apparel”, “Manufacturing of coke, refined petroleum products and nuclear fuel”, “Manufacturing of electrical machinery” and “Manufacturing of basic metals” reported positive growth rates while, activities of “Manufacture of textiles”, “Manufacture of chemicals and chemical products”, “Publishing, printing and reproduction of recorded media”, “Manufacture of Rubber and plastics” activities reported positive growth rates (Table 4).

PPI for the activity of “Generation and distribution of Electricity” and “Collection, purification and distribution of water” sectors marked a negative growth rates of 1.7 per cent in September from August level (Table 4).

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

Major Economic Activity	PPI		Month to Month % change (2017 September / 2017 August)
	2017 August*	2017 September**	
All Activities	123.7	125.5	1.5
Agriculture	163.0	166.5	2.1
Manufacturing	107.0	108.3	1.2
Electricity & Water Supply	84.1	82.7	-1.7

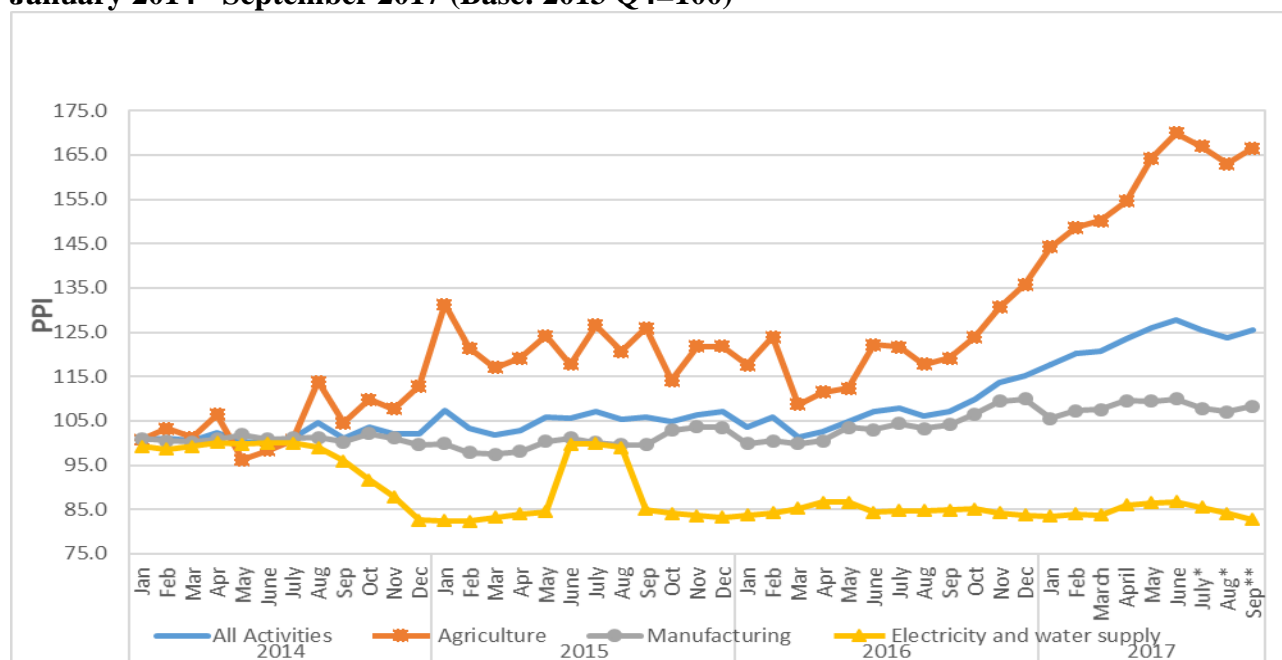
\*- Revised    \*\* - Provisional

**Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – September 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
	Feb	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	127.9	1.5	19.5	10.6	170.0	3.5	39.1	17.8	110.0	0.5	6.8	5.8	86.8	0.3	2.8	-2.6
	July*	125.4	-2.0	16.3	11.9	166.9	-1.8	37.3	21.4	107.8	-2.0	3.3	5.7	85.5	-1.5	0.9	-1.1
	August*	123.7	-1.4	16.7	13.2	163.0	-2.3	38.5	24.8	107.0	-0.7	3.7	5.7	84.1	-1.6	-0.8	0.2
	September**	125.5	1.5	17.3	14.6	166.5	2.1	39.8	28.8	108.3	1.2	3.9	5.6	82.7	-1.7	-2.5	0.0

\* - Revised \*\* - Provisional

**Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2014 - September 2017 (Base: 2013 Q4=100)**



\* - Revised \*\* - Provisional

**Table 4: PPI of September of 2016 & 2017, August 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	
		September	August*	September**	September 2017/August 2017	September 2017/September 2016
	<b>All Activities</b>	<b>107.0</b>	<b>123.7</b>	<b>125.5</b>	<b>1.5</b>	<b>17.3</b>
	<b>Agriculture</b>	<b>119.1</b>	<b>163.0</b>	<b>166.5</b>	<b>2.1</b>	<b>39.8</b>
01	Agriculture and farming	119.1	163.0	166.5	2.1	39.8
	<b>Manufacturing</b>	<b>104.2</b>	<b>107.0</b>	<b>108.3</b>	<b>1.2</b>	<b>3.9</b>
15	Manufacture of food products and beverages	109.4	126.9	129.2	1.8	18.1
16	Manufacture of tobacco products	124.2	182.4	182.4	0.0	46.9
17	Manufacture of textiles	99.9	108.3	107.1	-1.1	7.2
18	Manufacture of wearing apparel, dressing, and dyeing of fur	112.2	113.2	114.9	1.5	2.4
22	Publishing, printing and reproduction of recorded media	95.2	95.3	94.0	-1.4	-1.3
23	Manufacture of coke, refine petroleum products and nuclear fuel	66.6	69.4	71.9	3.6	8.0
24	Manufacture of chemicals and chemical products	95.3	95.1	95.0	-0.1	-0.3
25	Manufacture of rubber and plastics	91.9	91.9	91.4	-0.5	-0.5
26	Manufacture of other non metallic mineral products	113.1	108.7	108.4	-0.3	-4.2
27	Manufacture of basic metals	96.2	98.8	105.3	6.6	9.5
31	Manufacture of electrical machinery and apparatus n.e.c.	106.7	109.5	110.5	0.9	3.6
35	Manufacture of other transport equipments	102.7	105.2	105.2	0.0	2.4
36	Manufacture of furniture, Manufacturing n.e.c.	105.5	118.3	118.3	0.0	12.1
	<b>Electricity and water supply</b>	<b>84.8</b>	<b>84.1</b>	<b>82.7</b>	<b>-1.7</b>	<b>-2.5</b>
40	Electricity	82.8	82.2	80.8	-1.7	-2.4
41	Collection, purification and distribution of water	104.1	102.3	100.6	-1.7	-3.4

\* - Revised \*\* - Provisional

ISIC refers to International Standard Industrial Classification of all activities (Revision 3.1)

## **Revision Policy**

PPI is compiled by collecting prices received by the domestic producers for about 514 products from 376 manufacturing and utility related establishments. Prices of 36 agricultural products are collected from 331 Divisional Secretariat Divisions covering the 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 September of 2017, are also published in the department web site ([www.statistics.gov.lk](http://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 October, 2017 will be released on 15<sup>th</sup> of December 2017.

Director General  
Department of Census and Statistics  
Contact Numbers: 011-2147001 / 011- 2147020