

Web Release



Producer's Price Index: February 2020 (Base: Fourth Quarter 2013=100)



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Introduction

The Producer's Price Index (PPI) measures the average change over the time in 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 macro-economic 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)

The PPI for all economic activities: agriculture, manufacturing and water supply & electricity, for the month of February is 144.9. The annual growth rate recorded for the overall PPI is 6.1 per cent. The PPI reported for the three major economic activities, agriculture, manufacturing and electricity & water supply are 168.4, 135.4 and 83.8 respectively. Agriculture activity reported a substantially high positive annual growth rate of 10.6 per cent followed by 4.8 per cent annual growth rate by manufacturing sector. However, electricity & water supply activity reported a negative annual growth rate of 6.7 per cent (Table 1).

Both of major sub activities of agriculture sector, "Growing crops" and "Farming of animals" reported positive growth rates of 11.0 per cent and 3.6 per cent respectively on annual basis. All activities related to "Growing of crops" posted positive growth rates. Moreover, "Growing of vegetables" activity recorded a significantly high positive annual growth rate of 118.5 per cent. Other activities related to "Growing of crops", "Growing of cereals and other crops" (26.8%) and "Growing of fruits, nuts and beverage and spice crops" (1.2%) reported positive annual growth rates. Further, sub activities related to "Farming of animals": "Production of eggs" and "Production of dairy" recorded the same positive growth rate of 3.6 per cent in February 2020 compared to the same month in 2019.

The sub activities of manufacturing sector, "Manufacturing of tobacco products" (18.2%), "Manufacturing of chemicals and chemical products" (10.3%), "Manufacturing of coke, refined petroleum products and nuclear fuel" (8.6%), "Manufacturing of electrical machinery and apparatus not elsewhere classified" (8.1%), "Manufacturing of other non-metallic mineral products" (5.9%), "Manufacturing of food products and beverages" (5.8%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified" (5.1%), "Manufacturing of rubber and plastics" (3.4%), "Publishing, printing and reproduction of recorded media" (1.5%), "Manufacturing of wearing apparel, dressing, and dyeing of fur" (0.2%), "Manufacturing of Textiles" (0.2%) and "Manufacturing of basic metals" (0.1%) reported positive annual growth rates. However "Manufacturing of other transport equipment" reported a negative annual growth rate of 2.7 per cent in February 2020 compared to that of in February 2019 (Table 4).

Both activities in utility sector, "Generation and distribution of electricity" and "Collection, purification and distribution of water" reported negative growth rates of 7.1 per cent and 4.3 per cent respectively in the month of February 2020 compared to the same month in 2019 (Table 4).

Table 1: PPI of February of 2019 & 2020 and Year on Year changes of PPI by Major Economic Activity (Base: 2013 Q4=100)

Major Economic Activity	PPI		Year on Year % change (Feb 2020**/ Feb 2019)
	2019 Feb.	2020 Feb.**	
All Activities	136.5	144.9	6.1
Agriculture	152.2	168.4	10.7
Manufacturing	129.1	135.4	4.8
Electricity & water supply	89.8	83.8	-6.7

** - Provisional

Monthly Changes of Producer's Price Index

The overall PPI increased by 0.4 index points from 144.5 index points in January 2020 to 144.9 index points in February 2020. The overall monthly growth rate reported for the month of February 2020 is 0.3 per cent. Even though Manufacturing activity reported a positive monthly growth rate of 1.1 per cent, Electricity & water supply and agriculture activities posted negative monthly growth rates of 3.3 per cent and 0.8 per cent respectively in the month of February of 2020 (Table 2).

The sub activities of agriculture sector, "Growing of crops" (0.9%) reported a negative growth rate and "Farming of animals" remained unchanged on monthly basis. The activities related to "Growing of crops": "Growing of fruits, nuts and beverage crops" (2.9%) reported a positive growth rate; however, "Growing of vegetables" (17.3%) and "Growing of cereal crops" (3.2%) reported negative growth rates. Further, activities related to "Farming of animals": "Production of dairy" reported a positive growth rate of 0.1 per cent, while "Egg production" remained unchanged from January level.

In Manufacturing sector, the sub activities, "Manufacturing of food and beverages" (3.6%), "Manufacturing of furniture, Manufacturing of goods not elsewhere classified" (1.5%), "Manufacturing of tobacco products" (0.5%) and "Manufacturing of wearing apparel, dressing, and dyeing of fur" (0.1%) reported positive growth rates on monthly basis. The sub activities, "Manufacturing of other non-metallic mineral products" (0.6%) and "Manufacturing of rubber and plastics" (0.4%) reported negative growth rates. The monthly growth rates of "Manufacturing of Textiles", "Publishing, printing and reproduction of recorded media", "Manufacturing of coke, refined petroleum products and nuclear fuel", "Manufacturing of chemicals and chemical products", "Manufacturing of basic metals", "Manufacturing of electrical machinery and apparatus not elsewhere classified" and "Manufacturing of other transport equipment" activities remained unchanged in the month of February 2020 compared to January 2020 (Table 4).

Both sub activities of the utility sector, "Collection, purification and distribution of water" and "Generation and distribution of electricity" reported the same negative growth rate of 3.3 per cent in the month of February 2020 on monthly basis (Table 4).

Table 2: PPI of January & February of 2020 and Month to Month changes of PPI by Major Economic Activity (Base: 2013 Q4 =100)

Major Economic Activity	PPI		Month to Month % change (2020 Feb**/ 2020 Jan*)
	2020 Jan*	2020 Feb**	
All Activities	144.5	144.9	0.3
Agriculture	169.8	168.4	-0.8
Manufacturing	133.9	135.4	1.1
Electricity & Water Supply	86.6	83.8	-3.3

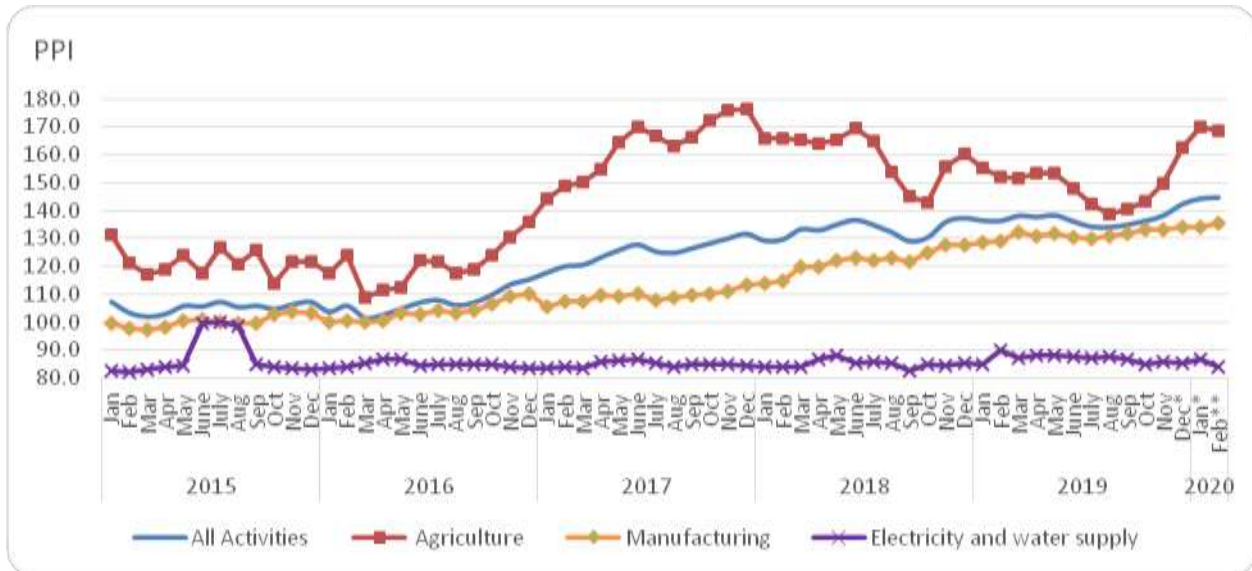
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – February 2020
(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 Moving Average	Month to month		Year on year	12 Months Moving Average		Month to month	Year on year	12 Months Moving Average			
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	16.4	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	-0.6	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	-0.2	-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	124.9	-0.4	17.8	13.3	163.0	-2.3	38.5	24.8	108.6	0.7	5.2	5.8	84.1	-1.6	-0.8	0.2
	September	126.6	1.4	18.3	14.8	166.4	2.1	39.7	28.8	109.8	1.1	5.4	5.9	84.7	0.7	-0.1	0.2
	October	128.4	1.4	16.8	15.8	172.4	3.6	39.0	31.3	110.0	0.2	3.3	5.8	84.8	0.1	-0.4	0.1
	November	130.2	1.4	14.8	16.4	175.9	2.0	34.7	33.6	111.2	1.1	1.8	5.5	84.7	-0.1	0.6	0.1
	December	131.8	1.2	14.3	17.0	176.5	0.3	30.0	35.2	113.3	1.9	3.0	5.2	84.5	-0.2	1.0	0.1
2018	January	129.3	-1.9	9.8	16.6	165.7	-6.1	14.9	34.2	114.0	0.6	8.1	5.5	83.8	-0.8	0.4	0.1
	February	129.8	0.4	8.1	16.1	165.8	0.1	11.6	33.1	114.6	0.5	6.8	5.5	84.0	0.2	0.0	0.1
	March	133.5	2.9	10.7	15.4	165.6	-0.1	10.3	30.5	120.0	4.7	11.6	5.8	83.9	-0.1	0.2	0.3
	April	133.1	-0.3	7.9	14.3	164.1	-0.9	6.1	27.6	119.8	-0.2	9.3	5.9	86.6	3.2	0.7	0.4
	May	135.2	1.6	7.3	13.2	165.2	0.7	0.5	23.6	122.3	2.1	11.7	6.4	88.2	1.8	2.0	0.6
	June	136.8	1.2	7.0	12.2	169.6	2.7	-0.2	20.0	123.2	0.7	12.0	6.8	85.2	-3.4	-1.8	0.2
	July	135.0	-1.3	7.7	11.5	164.9	-2.8	-1.2	16.8	122.3	-0.7	13.5	7.7	85.8	0.7	0.4	0.2
	Aug	132.4	-1.9	6.0	10.5	154.1	-6.5	-5.5	13.3	122.9	0.5	13.2	8.3	85.2	-0.7	1.3	0.3
	Sep	129.1	-2.5	2.0	9.2	145.1	-5.8	-12.8	9.2	121.8	-0.9	10.9	8.8	82.5	-3.2	-2.6	0.1
	Oct	130.6	1.2	1.7	8.0	142.7	-1.7	-17.2	4.7	124.8	2.5	13.5	9.6	84.7	2.7	-0.1	0.2
	Nov	136.2	4.3	4.6	7.1	155.8	9.2	-11.4	1.2	127.7	2.3	14.8	10.7	84.4	-0.4	-0.4	0.1
	Dec	137.5	1.0	4.3	6.3	160.4	3.0	-9.1	-1.7	127.6	-0.1	12.6	11.5	85.4	1.2	1.1	0.1
2019	Jan	136.6	-0.7	5.6	6.0	155.2	-3.2	-6.3	-3.3	128.5	0.7	12.7	11.9	85.1	-0.4	1.6	0.2
	Feb	136.5	-0.1	5.2	5.8	152.2	-1.9	-8.2	-4.9	129.1	0.5	12.7	12.4	89.8	5.5	6.9	0.8
	Mar	138.3	1.3	3.6	5.2	151.8	-0.3	-8.3	-6.3	132.1	2.3	10.1	12.2	86.9	-3.2	3.6	1.0
	Apr	137.9	-0.3	3.6	4.9	153.3	1.0	-6.6	-7.3	130.8	-1.0	9.2	12.2	88.3	1.6	2.0	1.1
	May	138.5	0.4	2.4	4.5	153.4	0.1	-7.1	-7.9	131.6	0.6	7.6	11.8	88.2	-0.1	0.0	1.0
	June	136.3	-1.6	-0.4	3.8	147.9	-3.6	-12.8	-8.9	130.6	-0.8	6.0	11.3	87.9	-0.3	3.2	1.4
	July	134.4	-1.4	-0.4	3.2	142.2	-3.9	-13.8	-10.0	130.1	-0.4	6.4	10.7	87.8	-0.1	2.3	1.6
	Aug	134.2	-0.1	1.4	2.8	138.8	-2.4	-9.9	-10.3	131.1	0.8	6.7	10.1	86.8	-1.1	1.9	1.6
	Sep	135.1	0.7	4.6	3.0	140.4	1.2	-3.2	-9.6	131.9	0.6	8.3	9.9	86.8	0.0	5.2	2.2
	Oct	136.5	1.0	4.5	3.2	143.2	2.0	0.4	-8.2	133.0	0.8	6.6	9.4	84.8	-2.3	0.1	2.3
	Nov	138.5	1.5	1.7	3.0	149.6	4.5	-4.0	-7.6	133.2	0.2	4.3	8.5	85.8	1.2	1.7	2.4
	Dec*	142.5	2.9	3.6	2.9	162.8	8.8	1.5	-6.7	133.9	0.5	4.9	7.9	85.5	-0.3	0.1	2.4
2020	Jan*	144.5	1.4	5.8	3.0	169.8	4.3	9.4	-5.4	133.9	0.0	4.2	7.2	86.6	1.3	1.8	2.4
	Feb**	144.9	0.3	6.1	3.0	168.4	-0.8	10.7	-3.9	135.4	1.1	4.8	6.6	83.8	-3.3	-6.7	1.2

* - Revised ** - Provisional

Figure 1: Movements of Monthly Producer's Price Index by Major Economic Activity: January 2015 – February 2020 (Base: 2013 Q4=100)



* - Revised ** - Provisional

Table 4: PPI of January 2020 & February of 2019 & 2020 and percentage changes by two-digit level Economic Activity of ISIC (Base: 2013 Q4 = 100)

ISIC Rev.3.1	Description of the Economic Activity	2019	2020		% change	
		Feb.	Jan.*	Feb.**	Feb** 2020/Jan* 2020	Feb** 2020/Feb 2019
	All Activities	136.5	144.5	144.9	0.3	6.1
	Agriculture	152.2	169.8	168.4	-0.8	10.7
01	Agriculture and farming	152.2	169.8	168.4	-0.8	10.7
	Manufacturing	129.1	133.9	135.4	1.1	4.8
15	Manufacture of food products and beverages	131.8	134.5	139.4	3.6	5.8
16	Manufacture of tobacco products	200.9	236.3	237.6	0.5	18.2
17	Manufacture of textiles	132.7	132.9	132.9	0.0	0.2
18	Manufacture of wearing apparel, dressing, and dyeing of fur	139.2	139.4	139.6	0.1	0.2
22	Publishing, printing and reproduction of recorded media	128.5	130.3	130.3	0.0	1.5
23	Manufacture of coke, refine petroleum products and nuclear fuel	87.2	94.7	94.7	0.0	8.6
24	Manufacture of chemicals and chemical products	117.7	129.7	129.7	0.0	10.3
25	Manufacture of rubber and plastics	108.7	112.9	112.4	-0.4	3.4
26	Manufacture of other non metallic mineral products	114.5	122.0	121.2	-0.6	5.9
27	Manufacture of basic metals	115.5	115.6	115.6	0.0	0.1
31	Manufacture of electrical machinery and apparatus n.e.c.	113.8	123.0	123.0	0.0	8.1
35	Manufacture of other transport equipments	129.7	126.2	126.2	0.0	-2.7
36	Manufacture of furniture, Manufacturing n.e.c.	128.4	133.0	135.0	1.5	5.1
	Electricity and water supply	89.8	86.6	83.8	-3.3	-6.7
40	Electricity	87.4	84.0	81.2	-3.3	-7.1
41	Collection, purification and distribution of water	113.0	112.0	108.2	-3.3	-4.3

* - Revised ** - Provisional

ISIC refers to International Standard Industrial Classification of all economic 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 February 2020, are also published in the department web site : <http://www.statistics.gov.lk/page.asp?page=Inflation%20and%20Prices>

Producer's Price Index (PPI) is released monthly with 45 days time lag with effect from January, 2017. The PPI for month of March, 2020 will be released on 15th of May 2020.

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