



Web Release

Producer's Price Index: May 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 May is 144.0. The annual growth rate recorded for the overall PPI is 4.0 per cent. The PPI reported for the three major economic activities, agriculture, manufacturing and electricity & water supply are 175.8, 136.1 and 87.9 respectively. Agriculture and manufacturing sectors reported positive growth rates of 14.6 per cent and 3.4 per cent while electricity & water supply activity reported a negative growth rate of 0.2 per cent on annual basic (Table1).

The major sub activities of agriculture sector, "Growing crops" reported positive growth rate of 15.7 per cent and "Farming of animals" reported negative growth rate of 11.0 per cent on annual basis. Activities related to "Growing of crops": "Growing of cereals and other crops" activity recorded a high positive annual growth rate of 28.0 per cent and "Growing of fruits, nuts and beverage and spice crops" reported positive annual growth rate of 17.5 per cent on annual basis. However, "Growing of vegetables" the other activity related to "Growing of crops" reported a negative annual growth rate of 10.9 per cent. Further, sub activities related to "Farming of animals": "Production of dairy" recorded positive growth rate of 3.8 per cent and "Production of eggs" reported high negative growth rate of 19.6 per cent in May 2020 compared to the same month in 2019.

The sub activities of manufacturing sector, "Manufacturing of electrical machinery and apparatus not elsewhere classified"(11.3%), "Manufacturing of wearing apparel, dressing, and dyeing of fur"(10.5%), "Manufacturing of food products and beverages" (8.6%), "Manufacturing of furniture and Manufacturing of goods not elsewhere classified"(6.0%), "Manufacturing of other non-metallic mineral products"(3.2%), "Manufacturing of chemicals and chemical products"(3.2%), "Manufacturing of Textiles"(3.0%), "Manufacturing of rubber and plastics"(2.5%), and "Manufacturing of tobacco products"(0.2%) reported positive annual growth rates. However, "Manufacturing of coke, refined petroleum products and nuclear fuel" (40.7%), "Manufacturing of other transport equipment" (4.6%), "Publishing, printing and reproduction of recorded media" (3.6%) and "Manufacturing of basic metals" (1.4%) reported negative annual growth rates in May 2020 compared to May 2019 (Table 4).

Both activities in utility sector, "Collection, purification and distribution of water" and "Generation and distribution of electricity" reported negative growth rates of 1.1 per cent and 0.2 per cent respectively in the month of May 2020 compared to the same month in 2019 (Table 4).

Table 1: PPI of May 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 (May2020**/ May 2019)
	2019 May	2020 May**	
All Activities	138.5	144.0	4.0
Agriculture	153.4	175.8	14.6
Manufacturing	131.6	136.1	3.4
Electricity & water supply	88.1	87.9	-0.2

** - Provisional

Monthly Changes of Producer's Price Index

The overall PPI increased by 0.5 index points from 143.5 index points in April 2020 to 144.0 index points in May 2020. The overall monthly positive growth rate reported for the month of May 2020 is 0.3 per cent. Out of the three major economic activities, agriculture & manufacturing sectors reported positive growth rates of 9.7 per cent and 0.1 per cent respectively on monthly basis. However, electricity and water supply activity reported negative growth rate of 2.3 per cent compared to the previous month (Table 2).

The both sub activities of agriculture sector, "Growing of crops" (10.0%) and "Farming of animals" (1.0%) reported positive growth rates on monthly basis. Further, all activities related to "Growing of crops": "Growing of fruits, nuts and beverage crops" (11.2%), "Growing of cereal crops" (6.1%) and "Growing of vegetables" (0.6%) reported positive growth rates on monthly basis. Both sub activities related to "Farming of animals": "Egg production" (1.1%) and "Production of dairy" (0.8%) also reported monthly positive growth rates.

In Manufacturing sector, the sub activities, "Manufacturing of wearing apparel, dressing, and dyeing of fur" (6.2%), "Manufacturing of electrical machinery and apparatus not elsewhere classified" (4.3%), "Manufacturing of Textiles" (1.2%) and "Manufacturing of tobacco products" (0.2%) reported positive growth rates on monthly basis. "Manufacturing of coke, refined petroleum products and nuclear fuel" (20.2%), "Manufacturing of rubber and plastics" (4.4%), "Publishing, printing and reproduction of recorded media" (4.0%), "Manufacturing of other transport equipment" (2.6%), "Manufacturing of furniture" (2.2%), "Manufacturing of other non-metallic mineral products" (0.9%), "Manufacturing of food and beverages" (0.8%) and Manufacturing of basic metals" (0.8%) reported negative growth rates on monthly basis. However, "Manufacturing of chemicals and chemical products" remained unchanged during the month of May 2020 compared to April 2020 (Table 4).

Both sub activities of the utility sector, "Collection, purification and distribution of water" and "Generation and distribution of electricity" reported same negative growth rate of 2.3 per cent in the month of May 2020 on monthly basis (Table 4).

Table 2: PPI of April & May 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 May**/ 2020 Apr*)
	2020 Apr*	2020 May**	
All Activities	143.5	144.0	0.3
Agriculture	160.3	175.8	9.7
Manufacturing	136.0	136.1	0.1
Electricity & Water Supply	90.0	87.9	-2.3

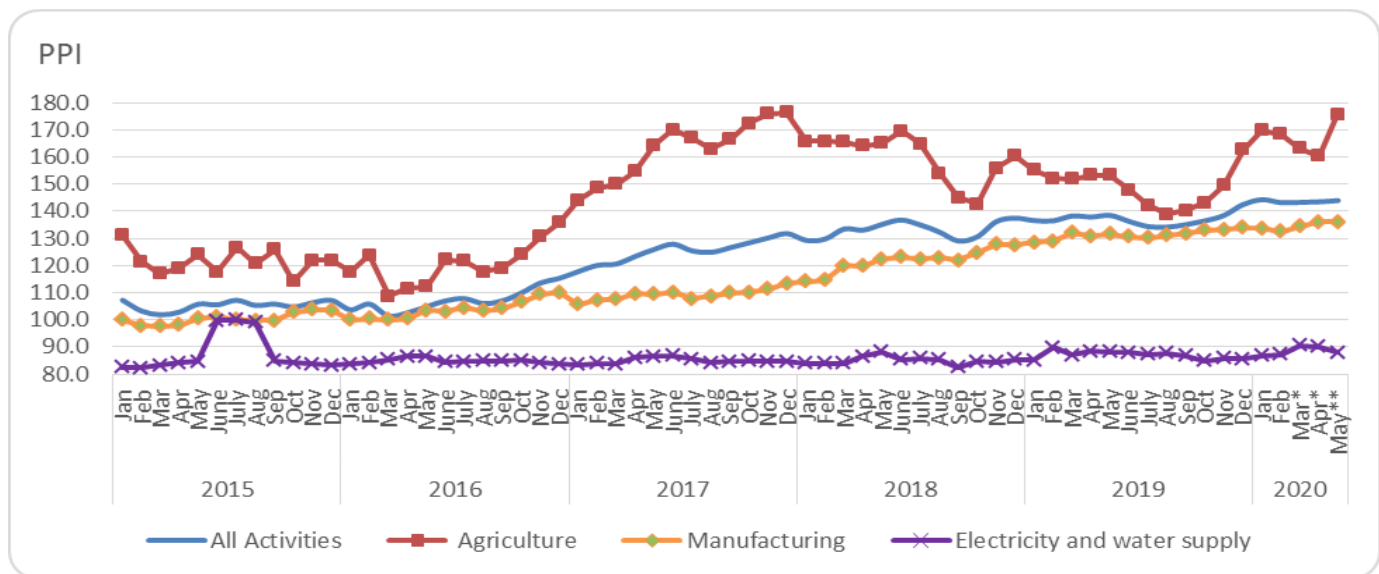
* - Revised ** - Provisional

Table 3: Movements of Producer's Price Index by Major Economic Activity: January 2014 – May 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	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	87.4	2.7	4.0	0.5
	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	87.0	-0.5	3.7	0.8
	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	1.5	2.0	0.9
	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	88.1	-0.2	-0.1	0.7
	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	-0.2	3.2	1.2
	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	87.3	-0.7	1.7	1.3
	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	87.7	0.5	2.9	1.4
	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	-1.0	5.2	2.1
	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	2.1
	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	2.2
	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	2.2
2020	Jan	144.3	1.3	5.6	2.9	169.8	4.3	9.4	-5.4	133.7	-0.1	4.0	7.2	86.7	1.4	1.9	2.2
	Feb	143.2	-0.8	4.9	2.9	168.3	-0.9	10.6	-3.9	132.6	-0.8	2.7	6.3	87.2	0.6	-0.2	1.8
	Mar*	143.3	0.1	3.6	2.9	163.3	-3.0	7.6	-2.6	134.4	1.4	1.7	5.6	90.5	3.8	4.0	1.9
	Apr*	143.5	0.1	4.1	3.0	160.3	-1.8	4.6	-1.6	136.0	1.2	4.0	5.2	90.0	-0.6	1.9	1.9
	May**	144.0	0.3	4.0	3.1	175.8	9.7	14.6	0.2	136.1	0.1	3.4	4.9	87.9	-2.3	-0.2	1.8

* - Revised ** - Provisional

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



* - Revised ** - Provisional

Table 4: PPI of April 2020 & May 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	
		May	Apr*	May**	May** 2020/Apr* 2020	May** 2020/May 2019	
	All Activities	138.5	143.5	144.0	0.3	4.0	
	Agriculture	153.4	160.3	175.8	9.7	14.6	
01	Agriculture and farming	153.4	160.3	175.8	9.7	14.6	
	Manufacturing	131.6	136.0	136.1	0.1	3.4	
15	Manufacture of food products and beverages	131.1	143.5	142.4	-0.8	8.6	
16	Manufacture of tobacco products	236.3	236.3	236.7	0.2	0.2	
17	Manufacture of textiles	127.9	130.2	131.7	1.2	3.0	
18	Manufacture of wearing apparel, dressing, and dyeing of fur	137.6	143.2	152.1	6.2	10.5	
22	Publishing, printing and reproduction of recorded media	131.4	132.0	126.7	-4.0	-3.6	
23	Manufacture of coke, refine petroleum products and nuclear fuel	102.2	75.9	60.6	-20.2	-40.7	
24	Manufacture of chemicals and chemical products	122.7	126.6	126.6	0.0	3.2	
25	Manufacture of rubber and plastics	107.0	114.7	109.7	-4.4	2.5	
26	Manufacture of other non metallic mineral products	117.2	122.1	121.0	-0.9	3.2	
27	Manufacture of basic metals	116.4	115.7	114.8	-0.8	-1.4	
31	Manufacture of electrical machinery and apparatus n.e.c.	123.0	131.2	136.9	4.3	11.3	
35	Manufacture of other transport equipments	122.9	120.3	117.2	-2.6	-4.6	
36	Manufacture of furniture, Manufacturing n.e.c.	128.3	139.0	136.0	-2.2	6.0	
	Electricity and water supply	88.1	90.0	87.9	-2.3	-0.2	
40	Electricity	85.5	87.3	85.3	-2.3	-0.2	
41	Collection, purification and distribution of water	114.0	115.5	112.8	-2.3	-1.1	

* - 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.

Further details of Producer's Price Index compiled for the month of May 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 June, 2020 will be released on 17th of August 2020.

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Due to the pandemic situation, most of the establishments in the manufacturing sector were not operated during the month of May 2020. Further, non-operation of shipments caused for missing of producer prices, affecting the compilation process of PPI. In this case, producer prices were imputed; if all producer prices of an economic activity were missing, in such occasions indexes of economic activities were imputed. Moreover, when compiling PPI, internationally recognized best practices were adopted without introducing any bias to the index. In this non-normal situation, DCS is much grateful to International Monetary Fund, for giving guidance to overcome the issues when compiling price indexes.