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PRESS RELEASE

Our Ref: NBS/C.30/4/48

Date: 08th October, 2014

PRODUCER PRICE INDICES (PPI) FOR September, 2014

Introduction

The National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the July-September quarter of 2014. Producer Price Index measures the average change over time in the prices received by selected domestic producers for the production of their goods. A basket includes a list of selected commodities of goods that are being priced on quarterly basis. The producer prices are collected as at 15th February, 15th May, 15th August and 15th November as the mid-month of every Quarter of the year. These dates corresponds to the (January-March), (April-June), (July-September) and (October-December) quarters respectively.

Weights and a Reference Period

The index weights are based on gross output derived from the 2008 Annual Survey of Industrial Production. The PPI on this release reports the price indices with reference to March 2013, as the base period. It shows the producer price changes since March 2013 on three major sub-sectors of industry (Mining, Manufacturing, and Utilities).

Classification

As shown on the Table 1, Commodities Classification follows the International Standard Industrial Classification of All Economic Activities (ISIC) Rev.4.

Methodology

In the process of deriving the structure and weights, a top-down approach was adopted, the basket was selected and 2008-based weights calculated. A top-down approach was adopted for the calculation of the weights in order to maximize the indirect representation of industries and items. A sample of establishments for inclusion in the price survey was then selected using cut-off sampling procedures.

The price relatives of the selected commodities on each four digit level of ISIC was computed. The first level of aggregation is the class 4-digit ISIC; these indices are the un-weighted Elementary Aggregate (EA) and are being compiled using the Jevons geometric mean aggregation formula which refers to Geometric Mean of the price relatives. The Elementary Aggregates indices are then being progressively combined to higher levels within the index structure (i.e. group 3-digit, 2-digit division and 1-digit Section levels of the ISIC, and then the all groups level) using the standard base-weighted Laspeyres formula .

Producer Price Indices from March, 2013 – September, 2014. (March 2013 = 100)

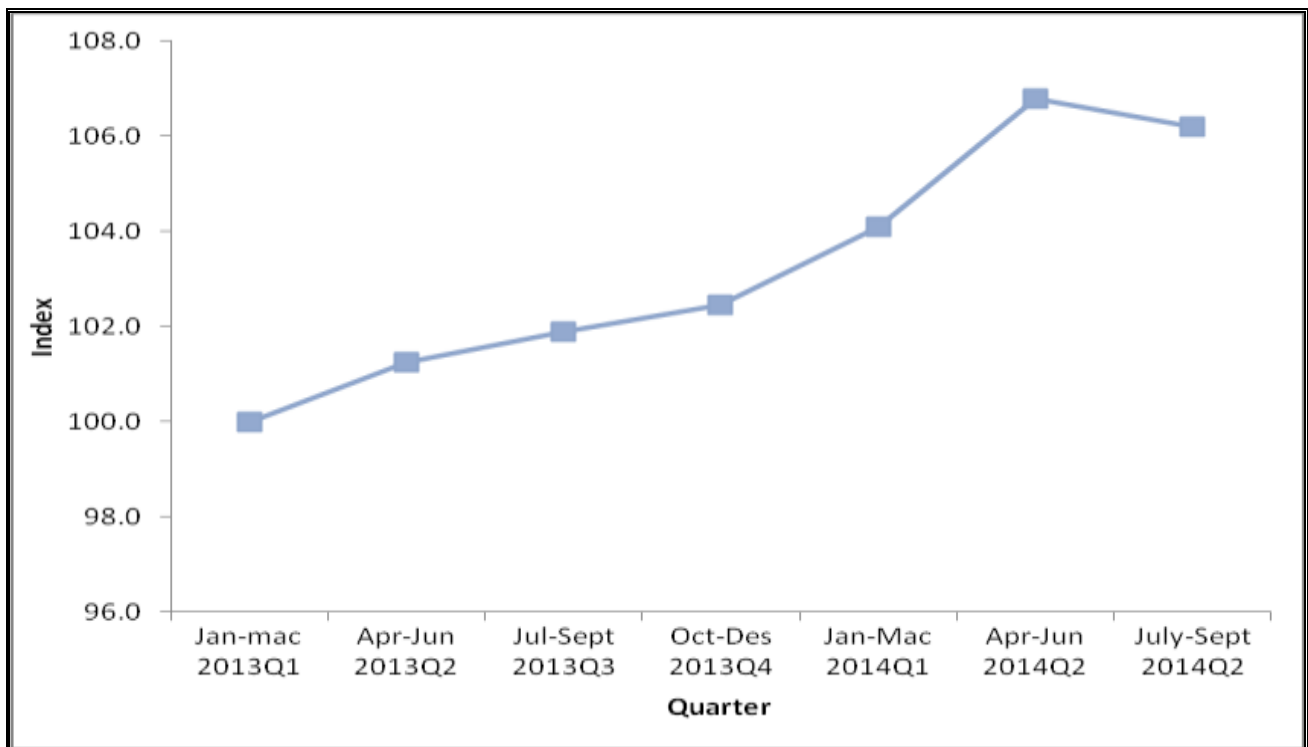


Table 1: Producer Price Indices by Sectors and Major Groups (March 2013 = 100)

ISIC Rev4	Industrial Group	Weight	Apr-Jun 2013Q2	Jul-Sept 2013Q3	Oct-Nov 2013Q4	Jan-Mar 2014Q1	Apr-Jun 2014Q2	Jul-Sept 2014Q2
07	Mining of metal ores	3.6	100.9	101.7	110.0	109.7	124.8	111.0
08	Other mining and quarrying	0.4	100.3	101.6	102.5	103.2	103.3	105.4
B	Mining	4.0	100.3	101.6	102.5	103.2	103.3	105.4
10	Manufacture of food products	20.0	103.6	104.6	103.0	105.6	104.0	102.4
11	Manufacture of beverages	15.2	100.7	101.2	104.2	106.5	107.5	108.2
12	Manufacture of tobacco products	5.1	102.3	102.4	109.1	111.7	133.7	125.5
13	Manufacture of textile	3.1	102.2	106.6	108.3	107.7	108.3	109.1
17	Manufacture of paper and paper products	2.9	101.9	102.0	101.6	104.9	104.9	103.9
20	Manufacture of chemical and chemical products	5.0	100.3	100.7	101.1	100.7	100.4	104.6
22	Manufacture of rubber and plastics products	1.5	100.8	100.3	100.3	100.5	101.0	101.0
23	Manufacture of other non-metallic mineral products	6.7	100.0	100.0	100.0	100.0	100.0	100.0
24	Manufacture of basic metals	8.5	101.3	101.3	101.0	101.5	101.7	102.4
25	Manufacture of fabricated metal products, except machinery and equipment	12.0	100.1	101.2	101.1	104.9	112.2	109.4
32	Other manufacturing	0.3	100.0	100.1	100.2	100.2	100.3	100.5
C	Manufacturing	80.4	101.5	102.2	102.8	104.8	107.1	116.6
35&36	Utilities	16	100.1	100.2	100.5	100.8	106.2	106.5
	Overall Index	100.0	101.2	101.9	102.5	104.1	106.8	106.2

*Utilities includes; Electric power generation, transmission and distribution and Water collection, treatment and supply.

Table 2: Percentage change over Quarter

ISIC Rev4	Industrial Group	Weight (%)	Jan-Mar 2014Q1	Apr-Jun 2014Q2	July-Sept 2014Q3	% Change Over three month ago (June 2014/March 2014)
07	Mining of metal ores	3.6	109.7	124.8	111.0	-13.9
08	Other mining and quarrying	0.4	103.2	103.3	105.4	2.1
B	Mining	4.0	103.2	103.3	105.4	2.1
10	Manufacture of food products	20.0	105.6	104.0	102.4	-1.6
11	Manufacture of beverages	15.2	106.5	107.5	108.2	0.7
12	Manufacture of tobacco products	5.1	111.7	133.7	125.5	-8.2
13	Manufacture of textile	3.1	107.7	108.3	109.1	0.8
17	Manufacture of paper and paper products	2.9	104.9	104.9	103.9	-1.0
20	Manufacture of chemical and chemical products	5.0	100.7	100.4	104.6	4.1
22	Manufacture of rubber and plastics products	1.5	100.5	101.0	101.0	0.0
23	Manufacture of other non-metallic mineral products	6.7	100.0	100.0	100.0	0.0
24	Manufacture of basic metals	8.5	101.5	101.7	102.4	0.6
25	Manufacture of fabricated metal products, except machinery and equipment	12.0	104.9	112.2	109.4	-2.8
32	Other manufacturing	0.3	100.2	100.3	100.5	0.2
C	Manufacturing	80.4	104.8	107.1	106.2	-0.9
35&36	Utilities	16	100.8	106.2	106.5	0.3
	Overall Index	100.0	104.1	106.8	106.2	-0.6

As shown in Table 1, all industry (overall index) of the first Quarter (Jan-Mar 2014) index recorded an decrease from 106.8 points to 106.2 points of the third Quarter (July-Sept 2014). The main drivers of the fall in price of the third Quarter of the year 2014 as shown in Table 2, were Mining of metal ores (-13.9%), Manufacture of tobacco products (-8.2%), Manufacture of fabricated metal products, except machinery and equipment (-2.8%) and Manufacture of food products (-1.6%). On the other hand Manufacture of chemical and chemical products recorded the increase of 4.1 % while Other mining and quarrying recorded a increases of 2.1% when compared with the first quarter of the year 2014.

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