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## PRESS RELEASE

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### PRODUCER PRICE INDICES FOR THE QUARTER ENDING JUNE, 2020

#### Introduction

The National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the second quarter April-June of 2020. The 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 collected as at 15<sup>th</sup> of the mid-month of every quarter that is; (Q1: January-March), (Q2: April-June), (Q3: July-September) and (Q4: October-December).

#### Weights and a Reference Period

The index weights are based on gross output derived from the 2015 Annual Survey of Industrial Production (ASIP 2015). The Producer Price Index on this release reports the indices with reference to Fourth Quarter (October-December) of the year 2018(2018Q4=100). It shows the producer price changes since December 2018 up to second quarter of 2020.

#### Classification

Industrial Classification follows the International Standard Industrial Classification of All Economic Activities (ISIC) Rev.4.

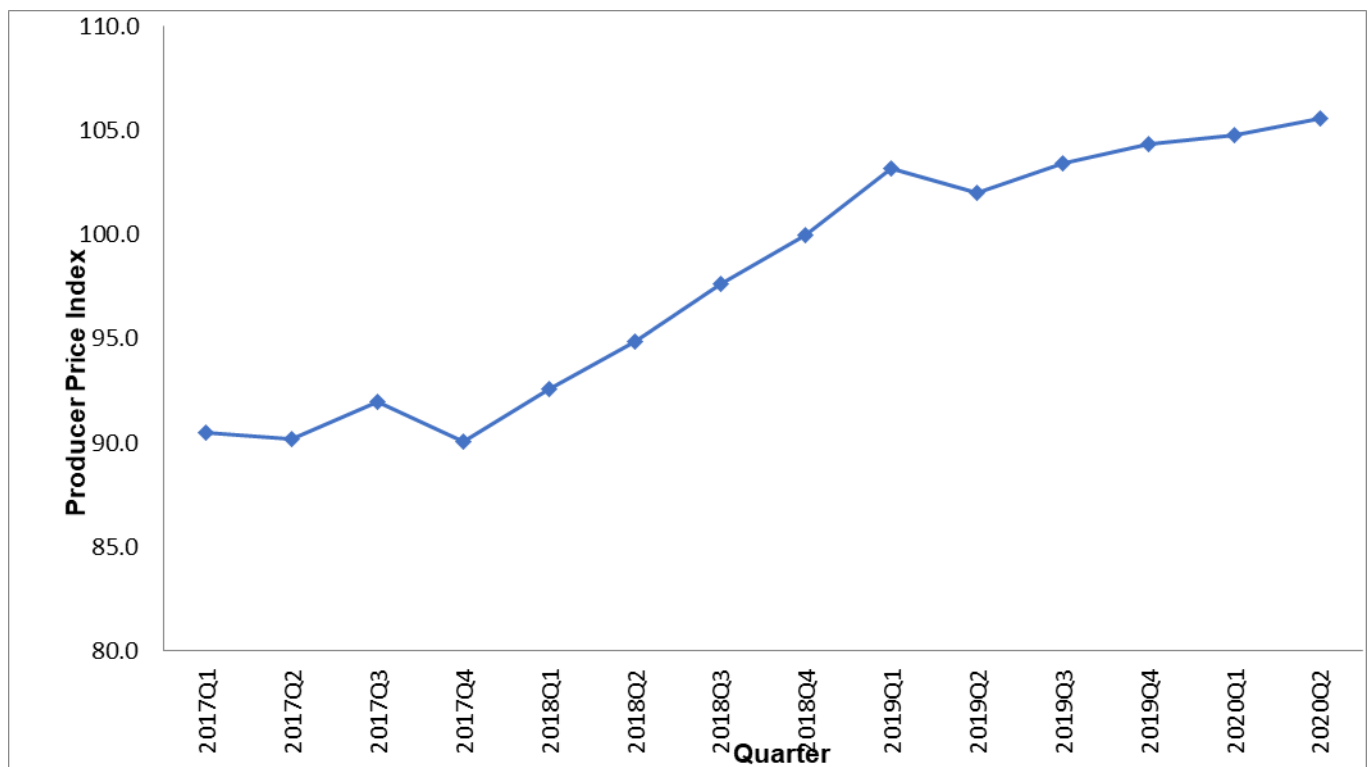
#### Methodology

In the process of deriving the structure and weights, a top-down approach was adopted in order to maximize the indirect representation of industries and items. The basket was selected and base weights were calculated from Gross Output (GO) based on The Annual Survey of Industrial Production of 2015. During the process of weights calculation, establishments with a contribution of at least 80% of Gross Output were selected in each ISIC Rev.4 Group.

A sample of establishments for inclusion in the price survey was then selected using cut-off sampling procedures.

The first level of aggregation is the class 4-digit ISIC; these indices are the un-weighted Elementary Aggregates (EA) and are being compiled using the Jevons geometric mean aggregation formula which refers to the Geometric Mean of the price relatives. The Elementary Aggregates indices are then being progressively combined with 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 levels) using the standard base-weighted Laspeyres formula.

**Chart 1: Overall Producer Price Indices for the Quarter Ending June, 2020 (Dec 2018 = 100)**



**Table 1: Producer Price Indices by Sub-sectors and Major Groups**

ISIC Rev.4	Industrial Activity	Weight	Index (Dec 2018=100)			Percentage Change	
			Apr-Jun 2019	Jan-Mar 2020	Apr-Jun 2020	2020Q2 vs 2020Q1	2020Q2 vs 2019Q2
07	Mining of metal ores	15.7	127.6	128.5	128.4	-0.1	0.6
08	Other mining and quarrying	3.4	100.2	100.2	100.2	0.0	0.0
<b>B</b>	<b>Mining and Quarrying</b>	<b>19.1</b>	<b>122.8</b>	<b>123.5</b>	<b>123.4</b>	<b>-0.1</b>	<b>0.5</b>
10	Manufacture of food products	19.4	98.5	98.9	99.2	0.3	0.7
11	Manufacture of beverages	12.0	93.1	103.8	103.9	0.1	11.6
12	Manufacture of tobacco products	3.3	98.1	105.2	127.5	21.2	30.0
13	Manufacture of textiles	3.2	100.4	100.1	100.8	0.7	0.4
14	Manufacture of wearing apparel	0.1	100	100	100	0.0	0.0
15	Manufacture of leather and related products	0.3	100	104.9	104.9	0.0	4.9
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.3	100	100.3	100.2	-0.1	0.2
17	Manufacture of paper and paper products	2.3	100.3	100.5	100.7	0.2	0.4
18	Printing and reproduction of recorded media	1.2	99	97.3	97.3	0.0	-1.7
19	Manufacture of coke and refined petroleum products	0.3	99.8	95.5	95.5	0.0	-4.3
20	Manufacture of chemicals and chemical products	3.0	100.2	100.4	101.6	1.2	1.4
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	0.4	101.2	107.2	107.2	0.0	5.9
22	Manufacture of rubber and plastics products	2.7	95.7	93	93.7	0.8	-2.1
23	Manufacture of other non-metallic mineral products	5.7	92.4	95.9	96.1	0.2	4.0
24	Manufacture of basic metals	3.2	94.9	96.9	95.2	-1.8	0.3
25	Manufacture of fabricated metal products, except machinery and equipment	0.4	98.5	102.1	102.2	0.1	3.8
26	Manufacture of computer, electronic and optical products	0.1	81.6	81.6	81.6	0.0	0.0
27	Manufacture of electrical equipment	0.7	100	99.7	99.7	0.0	-0.3
28	Manufacture of machinery and equipment n.e.c.	0.0	101.6	94.7	94.7	0.0	-6.8
29	Manufacture of motor vehicles, trailers and semi-trailers	0.6	102.2	92	92	0.0	-10.0
31	Manufacture of furniture	2.3	100	100	100	0.0	0.0
32	Other manufacturing	0.6	99.1	99.1	99.1	0.0	0.0
33	Repair and installation of machinery and equipment	0.1	112.6	112.6	112.6	0.0	0.0
<b>C</b>	<b>Manufacturing</b>	<b>62.8</b>	<b>97</b>	<b>99.8</b>	<b>101.1</b>	<b>1.3</b>	<b>4.2</b>
35	Electricity, gas, steam and air conditioning supply	17.0	100	101.8	101.8	0.0	1.8
36	Water collection, treatment and supply	1.2	102.2	109.3	109.3	0.0	6.9
<b>35&amp;36</b>	<b>Utility</b>	<b>18.1</b>	<b>100.1</b>	<b>102.2</b>	<b>102.2</b>	<b>0.0</b>	<b>2.1</b>
	<b>Overall Index</b>	<b>100.0</b>	<b>102.5</b>	<b>104.8</b>	<b>105.6</b>	<b>0.8</b>	<b>3.0</b>

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

Overall index recorded an increase of 0.8 percent from 104.8 of first quarter 2020 to 105.6 of second quarter 2020. An increase was attributed by manufacture of tobacco products by 21.2 percent followed by manufacture of chemicals and chemical products by 1.2 percent and

manufacture of rubber and plastics products by 0.8 percent. On the other hand, manufacture of basic metals decreased by 1.8 percent followed by manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials and mining of metal ores by 0.1 percent each.

Looking at percentage change on the same quarter (second quarter 2019 to second quarter 2020), the overall index recorded an increase of 3.0 percent from 102.5 second quarter 2019 to 105.6 second quarter 2020. An increase was attributed by manufacture of tobacco products 30.0 percent followed by manufacture of beverages by 11.6 percent and water collection, treatment and supply by 6.9 percent. On the other hand, manufacture of motor vehicles, trailers and semi-trailers decreased by 10.0 percent followed by manufacture of machinery and equipment n.e.c by 6.8 percent and manufacture of coke and refined petroleum products with a decrease of 4.3 percent.

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