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## PRESS RELEASE

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

#### Introduction

The National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the third quarter July-September 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 third quarter of 2020.

#### Classification

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

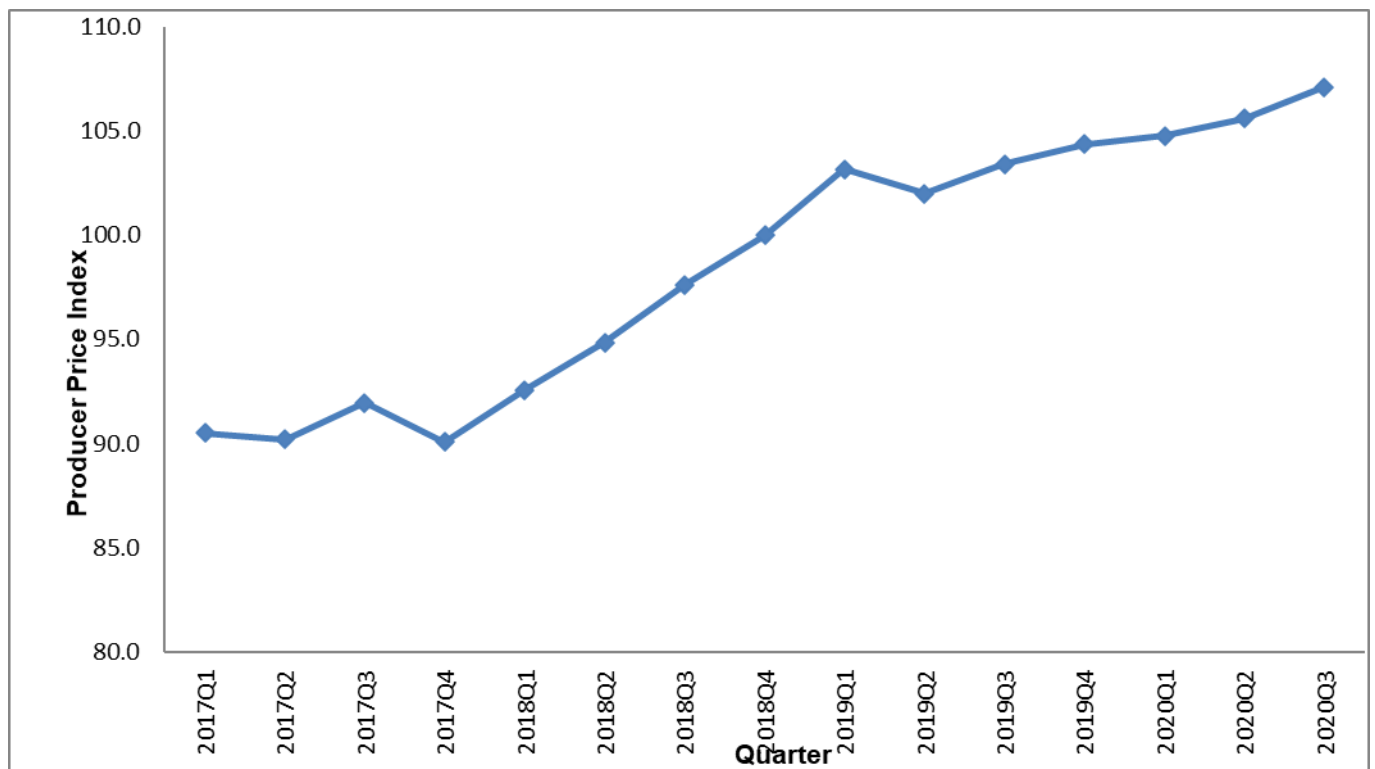
#### Methodology

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 September, 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	
			Jul-Sept 2019	Apr-Jun 2020	Jul-Sept 2020	2020Q3 vs 2020Q2	2020Q3 vs 2019Q3
07	Mining of metal ores	15.7	128.4	128.4	128.6	0.2	0.2
08	Other mining and quarrying	3.4	100.2	100.2	121.1	20.9	20.9
<b>B</b>	<b>Mining and Quarrying</b>	<b>19.1</b>	<b>123.4</b>	<b>123.4</b>	<b>127.2</b>	<b>3.1</b>	<b>3.1</b>
10	Manufacture of food products	19.4	96.4	99.2	103.3	4.1	7.2
11	Manufacture of beverages	12.0	93.3	103.9	102	-1.8	9.3
12	Manufacture of tobacco products	3.3	120.6	127.5	127.7	0.2	5.9
13	Manufacture of textiles	3.2	100.9	100.8	99.9	-0.9	-1.0
14	Manufacture of wearing apparel	0.1	100	100	100.2	0.2	0.2
15	Manufacture of leather and related products	0.3	104.9	104.9	104.9	0.0	0.0
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.3	100.3	100.2	119	18.8	18.6
17	Manufacture of paper and paper products	2.3	99.4	100.7	100.6	-0.1	1.2
18	Printing and reproduction of recorded media	1.2	98.8	97.3	97.9	0.6	-0.9
19	Manufacture of coke and refined petroleum products	0.3	96.7	95.5	98	2.6	1.3
20	Manufacture of chemicals and chemical products	3.0	101.5	101.6	99.1	-2.5	-2.4
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	0.4	111.9	107.2	107	-0.2	-4.4
22	Manufacture of rubber and plastics products	2.7	93.9	93.7	89.4	-4.6	-4.8
23	Manufacture of other non-metallic mineral products	5.7	95.4	96.1	94.3	-1.9	-1.2
24	Manufacture of basic metals	3.2	95.3	95.2	94.6	-0.6	-0.7
25	Manufacture of fabricated metal products, except machinery and equipment	0.4	101.2	102.2	102.4	0.2	1.2
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	99.7	99.7	101.2	1.5	1.5
28	Manufacture of machinery and equipment n.e.c.	0.0	101.1	94.7	95.5	0.8	-5.5
29	Manufacture of motor vehicles, trailers and semi-trailers	0.6	87.8	92	91.1	-1.0	3.8
31	Manufacture of furniture	2.3	100	100	100	0.0	0.0
32	Other manufacturing	0.6	99.1	99.1	104.7	5.7	5.7
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>97.8</b>	<b>101.1</b>	<b>102</b>	<b>0.9</b>	<b>4.3</b>
35	Electricity, gas, steam and air conditioning supply	17.0	101.8	101.8	103.2	1.4	1.4
36	Water collection, treatment and supply	1.2	102.2	109.3	110.7	1.3	8.3
<b>35&amp;36</b>	<b>Utility</b>	<b>18.1</b>	<b>101.8</b>	<b>102.2</b>	<b>103.7</b>	<b>1.5</b>	<b>1.9</b>
	<b>Overall Index</b>	<b>100.0</b>	<b>103.4</b>	<b>105.6</b>	<b>107.1</b>	<b>1.4</b>	<b>3.6</b>

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

Overall index recorded an increase of 1.4 percent from 105.6 of second quarter 2020 to 107.1 of third quarter 2020. An increase was attributed by other mining and quarrying by 20.9 percent followed by manufacture of wood and of products of wood and cork, except furniture;

manufacture of articles of straw and plaiting materials by 18.8 percent and other manufacturing by 5.7 percent. On the other hand, manufacture of rubber and plastics products decreased by 4.6 percent followed by manufacture of chemicals and chemical products by 2.5 percent and manufacture of other non-metallic mineral products by 1.9 percent.

Looking at percentage change on the same quarter (third quarter 2019 to third quarter 2020), the overall index recorded an increase of 3.6 percent from 103.4 third quarter 2019 to 107.1 third quarter 2020. An increase was attributed by other mining and quarrying 20.9 percent followed by manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials by 8.6 percent and manufacture of beverages by 9.3 percent. On the other hand, manufacture of machinery and equipment n.e.c. decreased by 5.5 percent followed by manufacture of rubber and plastics products by 4.8 percent and manufacture of pharmaceuticals, medicinal chemical and botanical products with a decrease of 4.4 percent.

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