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PRESS RELEASE

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PRODUCER PRICE INDICES FOR December, 2019

Introduction

The National Bureau of Statistics hereby releases the publication of Producer Price Index (PPI) after rebasing for the October-December quarter of 2019. 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 every quarter that is; (January-March), (April-June), (July-September) and (October-December) respectively.

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 (October-December Quarter of the year 2018), as the base period. It shows the producer price changes since December 2018 up to fourth quarter of 2019, the index has been linked back up to the first quarter of the year 2013 to show the trend of price from the series (2013Q1=100) 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 2015-based weights calculated from the Annual Survey of Industrial Production Gross Output (GO). During the process weight calculation, Establishments with a contribution of at least 80% Gross Output were selected in each ISIC Rev.4 Group. 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.

Linking of (2013 Q1=100) and (2018 Q4=100) PPI series

The PPI series (March 2013=100) have been linked with PPI series (December 2018=100) by calculating a linking coefficient for overlapping quarter (October-December 2018) for (2013Q1=100) series and (2018Q4=100) series of PPI. The (2018=100) series have 68 activities at 4-digit ISIC as compared with 29 activities of (2013Q1=100) series, 48 activities at 3-digit ISIC compared to 22 activities from the (2013Q1=100) series. At the 2-digit ISIC level, the (2018Q4=100) series covers 27 activities as compared to 15 activities from the (2013Q1=100) series. The linking were possible to the equivalent activities for both series at all levels. During the process of linking some of the minor errors were discovered on (2013Q1=100) series and corrected. The linked series for the top-level aggregates from the first quarter of 2013 to Fourth quarter of 2019 can be accessed through the provided link.

Producer Price Indices for December, 2019. (Dec 2018 = 100)

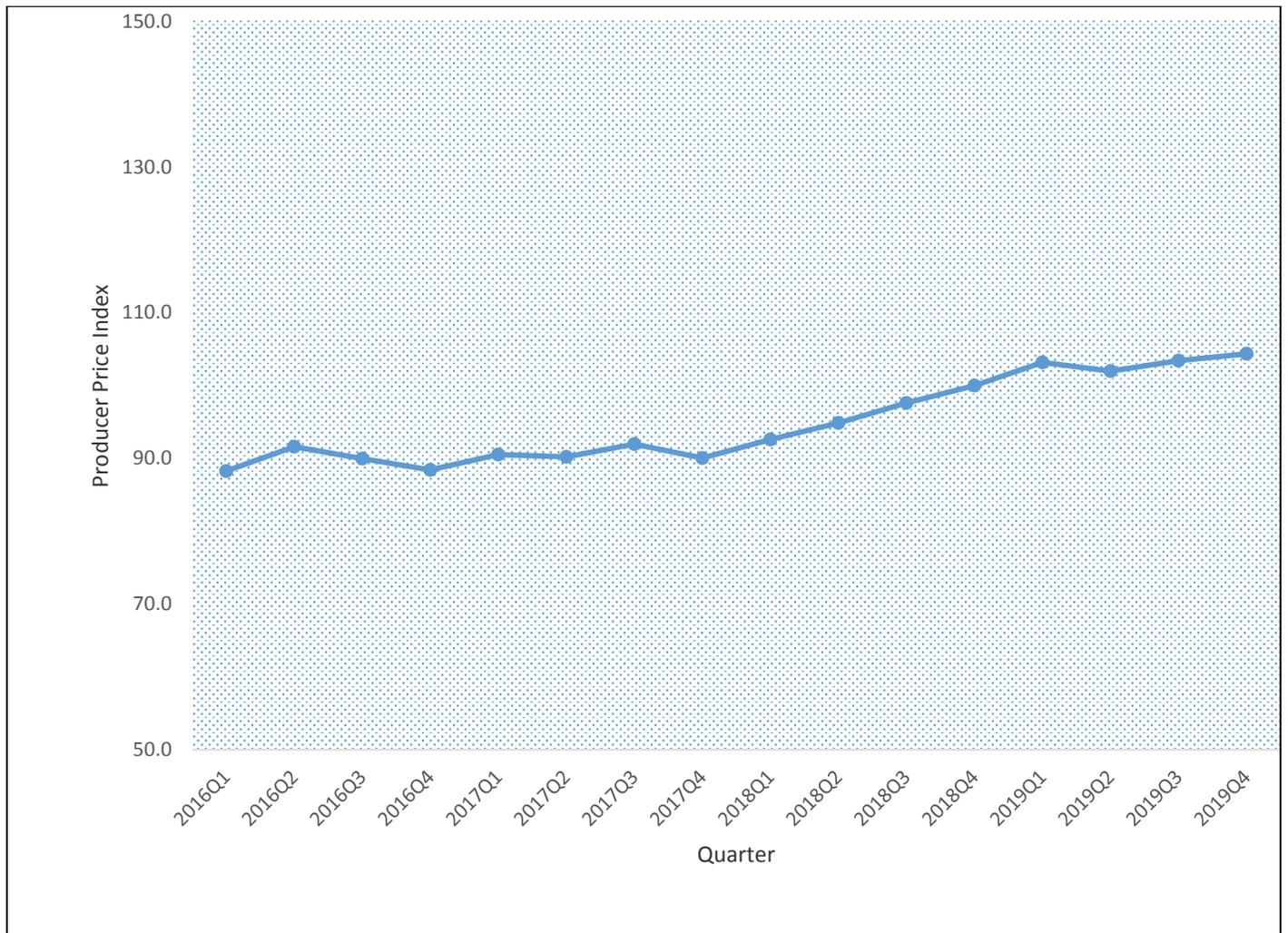


Table 1: Producer Price Indices by Sectors and Major Groups (Dec 2018 = 100)

ISIC	Description	Oct-Dec 2018Q4	Jan-Mar 2019Q1	Apr-June 2019Q2	July-Sept 2019 Q3	Oct-Dec 2019Q4
07	Mining of metal ores	100.0	126.9	127.6	128.4	128.9
08	Other mining and quarrying	100.0	100.0	100.2	100.2	100.18
B	Mining and Quarrying	100.0	122.2	122.8	123.4	123.9
10	Manufacture of food products	100.0	99.2	98.5	96.4	98.0
11	Manufacture of beverages	100.0	93.3	89.1	93.3	98.2
12	Manufacture of tobacco products	100.0	100.0	98.1	120.6	111.6
13	Manufacture of textiles	100.0	100.1	100.4	100.9	101.0
14	Manufacture of wearing apparel	100.0	100.0	100.0	100.0	100.0
15	Manufacture of leather and related products	100.0	101.1	100.0	104.9	104.9
16	Manufacture of wood and of products of wood and cork, except furniture;	100.0	100.0	100.0	100.3	100.3
17	Manufacture of paper and paper products	100.0	100.0	100.3	99.4	99.7
18	Printing and reproduction of recorded media	100.0	100.0	99.0	98.8	98.8
19	Manufacture of coke and refined petroleum products	100.0	100.0	99.8	96.7	96.7
20	Manufacture of chemicals and chemical products	100.0	99.5	100.2	101.5	101.2
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	100.0	100.0	101.2	111.9	111.9
22	Manufacture of rubber and plastics products	100.0	99.7	95.7	93.9	92.5
23	Manufacture of other non-metallic mineral products	100.0	100.3	92.7	95.4	99.9
24	Manufacture of basic metals	100.0	96.2	94.9	95.3	96.5
25	Manufacture of fabricated metal products, except machinery and equipment	100.0	100.0	98.5	101.2	101.2
26	Manufacture of computer, electronic and optical products	100.0	81.6	81.6	81.6	81.6
27	Manufacture of electrical equipment	100.0	99.9	100.0	99.7	99.7
28	Manufacture of machinery and equipment n.e.c.	100.0	100.0	101.6	101.1	94.7
29	Manufacture of motor vehicles, trailers and semi-trailers	100.0	100.0	102.2	87.8	87.8
31	Manufacture of furniture	100.0	100.0	100.0	100.0	100.0
32	Other manufacturing	100.0	100.0	99.1	99.1	99.1
33	Repair and installation of machinery and equipment	100.0	112.6	112.6	112.6	112.6
C	Manufacturing	100.0	98.3	96.3	97.8	99.2
35	Electricity, gas, steam and air conditioning supply	100.0	100.0	100.0	101.8	101.8
36	Water collection, treatment and supply	100.0	100.0	102.2	102.2	102.2
D	Utility	100.0	100.0	100.1	101.8	101.8
	Total Manufacturing	100.0	103.2	102.0	103.4	104.4

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

Table 2: Percentage Change Over Quarter

ISIC	Description	Apr-June 2019Q2	July-Sept 2019 Q3	Oct- Dec 2019Q4	Percentage Change Dec 2019/Sept 2019
07	Mining of metal ores	127.6	128.4	128.9	0.4
08	Other mining and quarrying	100.2	100.2	100.2	0.0
B	Mining and Quarrying	122.8	123.4	123.9	0.4
10	Manufacture of food products	98.5	96.4	98.0	1.7
11	Manufacture of beverages	89.1	93.3	98.2	5.3
12	Manufacture of tobacco products	98.1	120.6	111.6	-7.4
13	Manufacture of textiles	100.4	100.9	101.0	0.2
14	Manufacture of wearing apparel	100.0	100.0	100.0	0.0
15	Manufacture of leather and related products	100.0	104.9	104.9	0.0
16	Manufacture of wood and of products of wood and cork, except furniture;	100.0	100.3	100.3	0.0
17	Manufacture of paper and paper products	100.3	99.4	99.7	0.3
18	Printing and reproduction of recorded media	99.0	98.8	98.8	0.0
19	Manufacture of coke and refined petroleum products	99.8	96.7	96.7	0.0
20	Manufacture of chemicals and chemical products	100.2	101.5	101.2	-0.3
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	101.2	111.9	111.9	0.0
22	Manufacture of rubber and plastics products	95.7	93.9	92.5	-1.5
23	Manufacture of other non-metallic mineral products	92.7	95.4	99.9	4.8
24	Manufacture of basic metals	94.9	95.3	96.5	0.7
25	Manufacture of fabricated metal products, except machinery and equipment	98.5	101.2	101.2	0.0
26	Manufacture of computer, electronic and optical products	81.6	81.6	81.6	0.0
27	Manufacture of electrical equipment	100.0	99.7	99.7	0.0
28	Manufacture of machinery and equipment n.e.c.	101.6	101.1	94.7	-6.3
29	Manufacture of motor vehicles, trailers and semi-trailers	102.2	87.8	87.8	0.0
31	Manufacture of furniture	100.0	100.0	100.0	0.0
32	Other manufacturing	99.1	99.1	99.1	0.0
33	Repair and installation of machinery and equipment	112.6	112.6	112.6	0.0
C	Manufacturing	96.3	97.8	99.2	1.4
35	Electricity, gas, steam and air conditioning supply	100.0	101.8	101.8	0.0
36	Water collection, treatment and supply	102.2	102.2	102.2	0.0
D	Utility	100.1	101.8	101.8	0.0
	Total Manufacturing	102.0	103.4	104.4	0.9

As shown above, overall index recorded an increase from 103.4 for the third Quarter (July-September 2019) to 104.4 for the fourth Quarter (October-December 2019). The main industrial activities that lead to an increase of price for the fourth Quarter of year 2019 as shown in Table 2 were Manufacture of beverages which increased by 5.3 percent while Manufacture of other non-metallic mineral products increased by 4.8 percent. On the other hand, Manufacture of tobacco products decreased by 7.4 while Manufacture of machinery and equipment n.e.c. decreased by 6.3 percent.

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