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PRESS RELEASE

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PRODUCER PRICE INDICES FOR THE QUARTER ENDING SEPTEMBER, 2023

Introduction

The National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the third quarter July-September of 2023. The Producer Price Index measures the average change over time in the prices received by selected domestic producers for the production of 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 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 the Fourth Quarter (October-December) of the year 2018(2018Q4=100). It shows the producer price changes since December 2018 up to the third quarter of 2023, the index has been linked back up to the first quarter of the year 2013 to show the trend of price movements on three major sub-sectors of industry (Mining, Manufacturing, and Utilities).

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, 2023 (Dec 2018 = 100)

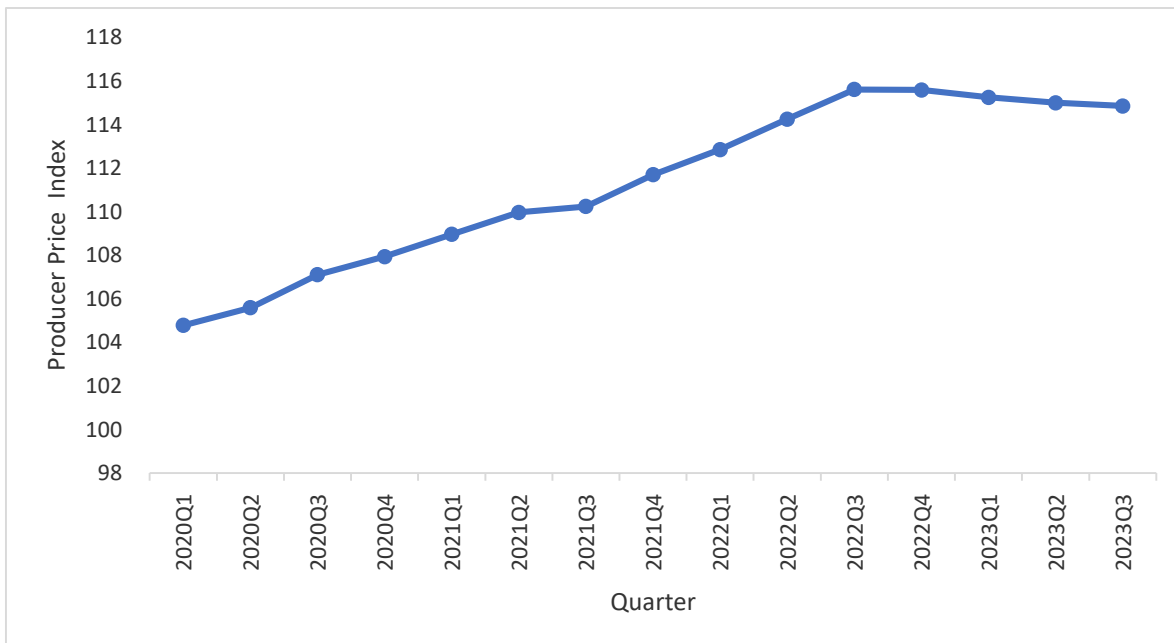


Table 1: Producer Price Indices by Sub-sectors and Major Groups

ISIC Rev.4	Industrial Activity	Weight	Index (Dec 2018=100)			Percentage Change	
			July-Sept 2022	Apr-June 2023	July-Sept 2023	2023Q3 vs 2023Q2	2023Q3 vs 2022Q3
07	Mining of metal ores	15.71	130.39	130.39	130.39	0.00	0.00
08	Other mining and quarrying	3.37	120.68	120.65	120.60	(0.04)	(0.06)
B	Mining and Quarrying	19.08	128.67	128.67	128.66	(0.01)	(0.01)
10	Manufacture of food products	19.4	126.48	122.67	119.35	(2.70)	(5.64)
11	Manufacture of beverages	11.97	115.12	117.25	117.89	0.54	2.41
12	Manufacture of tobacco products	3.27	128.00	130.85	135.27	3.38	5.68
13	Manufacture of textiles	3.15	103.57	108.34	109.55	1.12	5.78
14	Manufacture of wearing apparel	0.08	100.00	100.16	100.16	0.00	0.16
15	Manufacture of leather and related products	0.27	108.57	127.32	117.14	(7.99)	7.89
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.28	118.08	117.17	118.73	1.32	0.55
17	Manufacture of paper and paper products	2.25	103.18	103.13	103.14	0.01	(0.04)
18	Printing and reproduction of recorded media	1.2	97.43	99.62	99.46	(0.16)	2.08
19	Manufacture of coke and refined petroleum products	0.25	103.81	119.44	122.16	2.27	17.67
20	Manufacture of chemicals and chemical products	2.99	110.31	96.20	96.60	0.41	(12.43)
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	0.38	104.78	104.78	104.78	0.00	0.00
22	Manufacture of rubber and plastics products	2.65	100.29	106.82	106.80	(0.02)	6.49
23	Manufacture of other non-metallic mineral products	5.69	103.99	108.20	111.11	2.70	6.85
24	Manufacture of basic metals	3.21	113.72	107.20	106.88	(0.30)	(6.01)
25	Manufacture of fabricated metal products, except machinery and equipment	0.37	107.11	112.75	113.26	0.46	5.75
26	Manufacture of computer, electronic and optical products	0.05	99.14	99.14	96.98	(2.18)	(2.18)
27	Manufacture of electrical equipment	0.72	104.45	104.77	107.57	2.67	2.98
28	Manufacture of machinery and equipment n.e.c.	0	95.96	99.87	99.87	0.00	4.08
29	Manufacture of motor vehicles, trailers and semi-trailers	0.58	86.32	86.32	86.52	0.22	0.22
31	Manufacture of furniture	2.34	102.84	99.92	99.92	0.00	(2.84)
32	Other manufacturing	0.59	115.88	119.91	120.98	0.90	4.40
33	Repair and installation of machinery and equipment	0.11	107.70	107.70	107.70	0.00	0.00
C	Manufacturing	62.8	115.01	114.41	114.10	(0.27)	(0.79)
35	Electricity, gas, steam and air conditioning supply	16.95	103.36	101.76	101.76	0.00	(1.55)
36	Water collection, treatment and supply	1.18	111.67	115.27	119.38	3.57	6.90
35&36	Utility	18.12	103.90	102.63	102.90	0.26	(0.96)
	Overall Index	100	115.60	115.00	114.85	(0.13)	(0.65)

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

Overall index recorded a decrease of 0.13 percent from 115.00 of second quarter 2023 to 114.85 of third quarter 2023. A decrease was attributed to Manufacture of leather and related products which decreased by 7.99 percent followed by Manufacture of food products decreased by 2.70 percent and Manufacture of computer, electronic and optical products decreased by 2.18 percent. On the other hand, Water collection, treatment and supply increased by 3.57 percent followed by Manufacture of tobacco product increased by 3.38 percent and Manufacture of other non-metallic mineral products increased by 2.70 percent.

Looking at percentage change on the same quarter (third quarter 2022 to third quarter 2023), the overall index recorded a decrease of 0.65 percent from 115.60 third quarter 2022 to 114.85 third quarter 2023. A decrease was attributed to Manufacture of chemicals and chemical products decreased by 12.43 percent followed by Manufacture of basic metals decreased by 6.01 percent: Manufacture of food products decreased by 5.64 percent.

On the other hand, Manufacture of coke and refined petroleum products increased by 17.67 percent followed by Manufacture of leather and related products increased by 7.89 and Water collection, treatment and supply increased by 6.90 percent.

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