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PRESS RELEASE

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PRODUCER PRICE INDICES FOR THE QUARTER ENDING SEPTEMBER, 2024

Introduction

The National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the third quarter July - September of 2024. The PPI 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 PPI on this release reports the indices with reference to the Fourth Quarter (October - December) 2018 (2018Q4=100). The result shows the producer price changes since December 2018 up to the second quarter 2024, the index has been linked back up to the first quarter 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 all-groups levels) using the standard base-weighted Laspeyres formula.

Chart 1: Overall Producer Price Indices for the Quarter Ending September 2024 (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 2023	Apr -June 2024	July - Sept 2024	2024Q3 vs 2024Q2	2024Q3 vs 2023Q3
7	Mining of metal ores	15.71	130.39	130.39	130.39	-	-
8	Other mining and quarrying	3.37	120.60	120.81	120.79	(0.02)	0.15
B	Mining and Quarrying	19.08	128.66	128.70	128.69	(0.00)	0.03
10	Manufacture of food products	19.40	119.35	123.79	125.17	1.12	4.88
11	Manufacture of beverages	11.97	117.89	120.11	120.19	0.07	1.95
12	Manufacture of tobacco products	3.27	135.27	139.86	124.85	(10.73)	(7.70)
13	Manufacture of textiles	3.15	109.55	109.44	109.44	-	(0.10)
14	Manufacture of wearing apparel	0.08	100.16	100.16	100.16	-	-
15	Manufacture of leather and related products	0.27	117.14	117.14	133.21	13.72	13.72
16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	1.28	118.73	117.99	118.70	0.61	(0.02)
17	Manufacture of paper and paper products	2.25	103.14	104.01	103.94	(0.07)	0.78
18	Printing and reproduction of recorded media	1.20	99.46	97.12	97.12	-	(2.35)
19	Manufacture of coke and refined petroleum products	0.25	122.16	124.93	128.66	2.98	5.32
20	Manufacture of chemicals and chemical products	2.99	96.60	96.93	96.93	-	0.35
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	0.38	104.78	104.78	104.78	-	-
22	Manufacture of rubber and plastics products	2.65	106.80	106.07	106.01	(0.05)	(0.74)
23	Manufacture of other non-metallic mineral products	5.69	111.11	114.23	113.71	(0.45)	2.34
24	Manufacture of basic metals	3.21	106.88	106.57	106.63	0.05	(0.24)
25	Manufacture of fabricated metal products, except machinery and equipment	0.37	113.26	113.07	111.76	(1.16)	(1.33)
26	Manufacture of computer, electronic and optical products	0.05	96.98	102.43	102.43	-	5.62
27	Manufacture of electrical equipment	0.72	107.57	108.87	107.29	(1.45)	(0.26)
28	Manufacture of machinery and equipment n.e.c.	-	99.87	104.43	104.43	-	4.56
29	Manufacture of motor vehicles, trailers and semi-trailers	0.58	86.52	86.59	86.60	0.00	0.09
31	Manufacture of furniture	2.34	99.92	100.84	100.84	-	0.92
32	Other manufacturing	0.59	120.98	140.74	140.74	-	16.33
33	Repair and installation of machinery and equipment	0.11	107.70	107.70	107.70	-	-
C	Manufacturing	62.80	114.10	116.60	116.29	(0.27)	1.92
35	Electricity, gas, steam and air conditioning supply	16.95	101.76	101.76	101.76	-	-
36	Water collection, treatment and supply	1.18	119.38	147.04	147.04	-	23.17
35&36	Utility	18.12	102.90	104.70	104.70	-	1.74
	Overall Index	100.00	114.85	116.75	116.55	(0.17)	1.48

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

Overall Produce Price index recorded a decrease of 0.17 percent from 116.75 of second quarter 2024 to 116.55 of third quarter 2024. A decrease was attributed to manufacture of tobacco products which decreased by 10.73 percent followed by manufacture of electrical equipment by 1.45 percent and manufacture of fabricated metal products, except machinery and equipment by 1.16 percent. On the other hand, manufacture of leather and related products recorded an increase of 13.72 percent followed by manufacture of coke and refined petroleum products by 2.98 percent and manufacture of food products by 1.12 percent.

Looking at percentage change for the similar quarter (third quarter 2023 to third quarter 2024), the overall index recorded an increase of 1.48 percent from 114.85 third quarter 2023 to 116.55 third quarter 2024. An increase was attributed to water collection, treatment and supply increased by 23.17 percent followed by other manufacturing by 16.33 percent and manufacture of leather and related products increased by 13.72 percent. On the other hand, manufacture of tobacco products decreased by 7.70 followed by printing and reproduction of recorded media by 2.35 percent and manufacture of fabricated metal products, except machinery and equipment decreased by 1.33 percent

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