

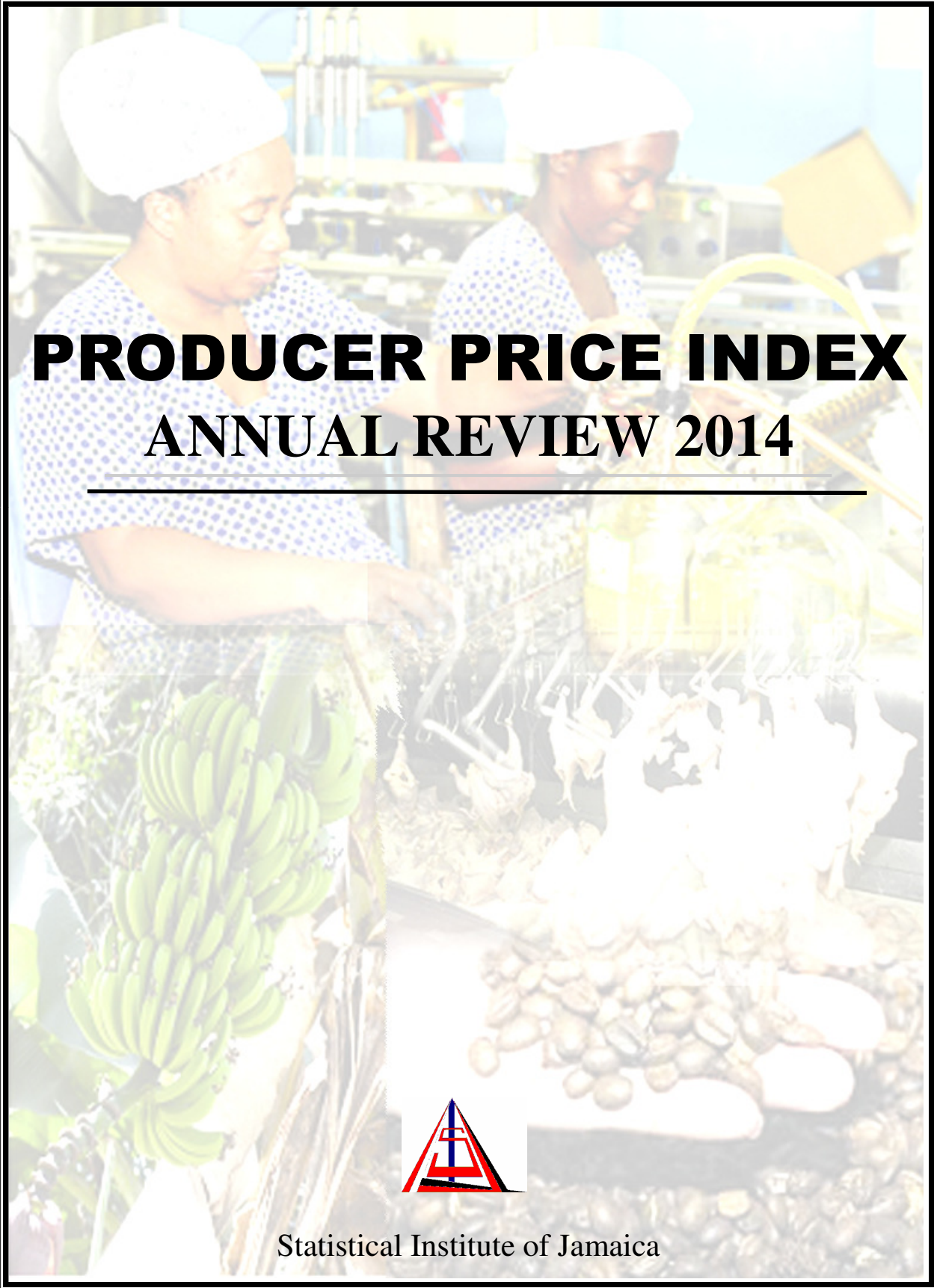


PRODUCER PRICE INDEX

ANNUAL REPORT 2014



Statistical Institute of Jamaica



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ANNUAL REVIEW 2014



Statistical Institute of Jamaica



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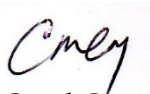
Preface

The Producer Price Index (PPI) Annual Review 2014 provides information on price movements at the level of the producer in the Mining & Quarrying and Manufacturing industries. The PPI records changes in the prices of goods and services as they leave the place of production. It can therefore be used as another indicator of inflation in the Jamaican economy.

The Producer Price Index (PPI) is used to support improvements in the Jamaica System of National Accounts (SNA) by facilitating the computation of Gross Domestic Product (GDP) estimates at constant prices. It is also used as an analytical tool by local and international business and organizations, and for economic planning, monitoring and comparison. The PPI will also be used in the computation of a **Production Volume Index (PVI), which is slated for development shortly.**

The Producer Price Survey monitors producer prices on a monthly basis and these prices are collected mainly from large establishments, that is, establishments which employ 10 or more persons.

The base year for this series is 2008 and details pertaining to the methodology are available in the **Technical notes.**



Carol Coy

Director General

March, 2015



Acknowledgements

The Statistical Institute of Jamaica (STATIN) wishes to acknowledge the very kind support and cooperation of all stakeholders who were involved in the production of the Producer Price Index Annual Review.

Appreciation is extended to the many business establishments who have provided data for the monthly surveys and have responded promptly to queries.

STATIN wishes to extend its gratitude to all members of staff who participated in the preparation of this report. The data collection was undertaken by the staff of the Field Services Division, under the direction of Mr. Damion Tyrell, Director. The processing of the data was undertaken by the staff of the Information and Technology Division under the direction of Mr. Howard Hamilton, former director and by the Indices and Price Analyses Unit. Special thanks are extended to the STATIN Editorial Committee who gave invaluable advice and support during the preparation of the PPI Annual Review 2014.

This report was prepared by Mrs. Siomara McDonald, Statistician in the Indices and Price Analyses Unit of the Administrative Statistics Division with the assistance of Mr. Jamar Chin, Statistical Officer. The process was supervised by Unit Head Mrs. Shelly-Ann Chambers and directed by Mrs. Sharon Willis, acting Divisional Director. Technical oversight and guidance was provided by Mrs. Lorna Reid, Technical Advisor.

STATIN gratefully acknowledges each contribution.

Table of Contents

Preface	iii
Acknowledgements	iv
Introduction	1

PRODUCER PRICE INDEX ANNUAL REVIEW 2014

Factors Affecting Local Producers	2-3
<i>Figure i: PPI Weighting Structure – Mining & Quarrying Industry</i>	4
<i>Figure ii: PPI Weighting Structure – Manufacturing Industry</i>	4

MAIN FINDINGS

<u>Mining & Quarrying</u>	5
<i>Table i – Percentage Change in the PPI for the Mining & Quarrying Industry 2014 & 2013</i>	5
Bauxite Mining & Alumina Processing	6
<i>Figure iii – Monthly Percentage Change in the PPI for the Mining & Quarrying Industry and Bauxite Mining & Alumina Processing for 2014</i>	
Other Mining & Quarrying	7
<i>Figure iv – Monthly Percentage Change in the PPI for the Mining & Quarrying Industry and Other Mining & Quarrying for 2014</i>	
Quarterly Movements	
<i>Figure v – Quarterly PPI for the Mining & Quarrying Industry Q1-Q4 2014</i>	8
Point - to - Point Movements	9
Fiscal Year-to-Date Movements	9

MAIN FINDINGS

<u>Manufacturing</u>	10
<i>Table ii - Percentage Change in the PPI for the Manufacturing Industry 2014 & 2013</i>	
Food, Beverage and Tobacco	11-12
<i>Table iii - Percentage Change in the PPI for the Manufacturing Industry and 'Food, Beverages & Tobacco' 2014 & 2013</i>	
<i>Figure vi – Monthly Percentage Change in the PPI for the Manufacturing Industry and 'Food, Beverages & Tobacco' for 2014</i>	

Refined Petroleum Products.....	13
<i>Figure vii – Monthly PPI for the Manufacturing Industry and ‘Refined Petroleum Products’ for 2014</i>	
Chemicals and Chemical Products.....	14
<i>Figure viii – Monthly PPI for the Manufacturing Industry and ‘Chemicals & Chemical Products’ for 2014</i>	
Other Major Groups in Manufacturing	15
Quarterly Movements	16
<i>Figure ix – Quarterly PPI for the Manufacturing Industry Q1-Q4 2014</i>	
Point-to-Point Movements	17
Fiscal Year-to-Date Movements	17
Figure X – Average Monthly Exchange Rate for 2014.....	18

MAIN TABLES

2014

Table 1: PPI by Industry, January – December 2014	20-21
Table 2: PPI Monthly Percentage by Industry January – December 2014.....	22-23
Table 3: Quarterly PPI by Industry, January – December 2014	24-25
Table 4: PPI Point-to-Point Percentage Change by Industry January – December 2013 & 2014.....	26-27
Table 5: PPI Fiscal Year-to-Date Percentage Change by Industry April – December 2014.....	28-29

2013

Table 6: PPI by Industry, January – December 2013	30-31
Table 7: PPI Monthly Percentage by Industry January – December 2013.....	32-33
Table 8: Quarterly PPI by Industry, January – December 2013	34-35
Table 9: PPI Weighting Structure Mining & Quarrying and Manufacturing Industries	36

Appendix 1: Technical Notes	37- 42
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GLOSSARY OF PPI CONCEPTS	43- 46
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INTRODUCTION

The Producer Price Index (PPI) 2014

The Producer Price index was first published in Jamaica in 2007, with data going back to 2005 for the Mining and Quarrying and Manufacturing industries. It was developed as an output based PPI since it provided an indication of the average change over time in the prices of the final products leaving the place of production. This index has been used to support improvements in the Jamaican System of National Accounts (SNA) by facilitating the compilation of Gross Domestic Product (GDP) at constant prices.

The PPI has also been used:

- ◇ as a short term indicator of inflationary trends
- ◇ as an analytical tool for local and international businesses and organizations, and
- ◇ by researchers for economic monitoring and comparison.

The PPI like the Consumer Price Index (CPI), and the Export and Import Price Indices (XMPI), is one of the closely watched indicators of macro-economic performance and is one of the direct indicators of the purchasing power of money. Price indices are important as they are an indication of the extent to which the prices of goods and services have risen over specific time periods.

Periodic revisions to this index are necessary to ensure that changing production, consumption patterns and structural changes in the Jamaican economy are reflected in the index compiled. As a result this series was revised in 2013. Production and purchasing patterns tend to change when new products are introduced in the market while others drop out, when incomes change, when there are demographic changes in the structure of the population, due to technological changes and changes in taste and preference.

.....

An Output PPI is a measure of the change in the prices of finished goods and services that are sold on the domestic market or exported. The prices of finished goods are monitored because they are the best measure of what purchasers will actually have to pay.

The Producer Price Index Review 2014

FACTORS AFFECTING LOCAL PRODUCERS

Raw Materials/Inputs

The effect of raw material costs on producers during the year 2014 had a major impact on local production. There were fluctuations in the cost of raw materials throughout the year. The increase in the price of flour which had a major impact on the bakery industry during the first quarter of the year contributed to higher prices being charged for such products. However, the price for grains, which includes: corn, wheat and soya started to trend down on the international market during the third quarter and continued its decline towards the end of the calendar year 2014. These lower prices for these raw materials which are the primary inputs used in the production of grain mill products and starchy products resulted in a reduction in prices locally.

Oil Prices

Oil prices on the world market fluctuated throughout the first part of the year, moving from US\$94.62 per barrel of oil in January 2014 to US\$105.79 in June 2014. Subsequently, there was a steady decline in the price of oil internationally. During the month of July, oil recorded a price of US\$103.59 per barrel and ended the year with a low of US\$59.29 per barrel. This lower cost of oil on the world market resulted from the weak demand in some economies such as Europe and China as well as increased inventories. The lower price of oil was reflected locally, especially in the cost of transport. Residential and commercial customers also benefited from the reduction in the cost of energy. The reduction of the cost of energy to businesses resulted in some producers reducing the prices on their products.

Foreign Exchange

The Jamaican economy is dependent on imports. The fluctuations in the foreign exchange rate therefore impacts the cost of goods and services on the local market. During the year 2014 the Jamaican dollar depreciated by approximately



7.0 per cent. This affected local producers directly as a significant portion of raw materials used in local production are imported.

Note: *The exchange rate used for the Producer Price Index is an average of the buying and selling price for the month.*





Figure i:

PPI Weighting Structure - Mining & Quarrying Industry

Percentage Weights for Major Groups within the Mining & Quarrying Industry

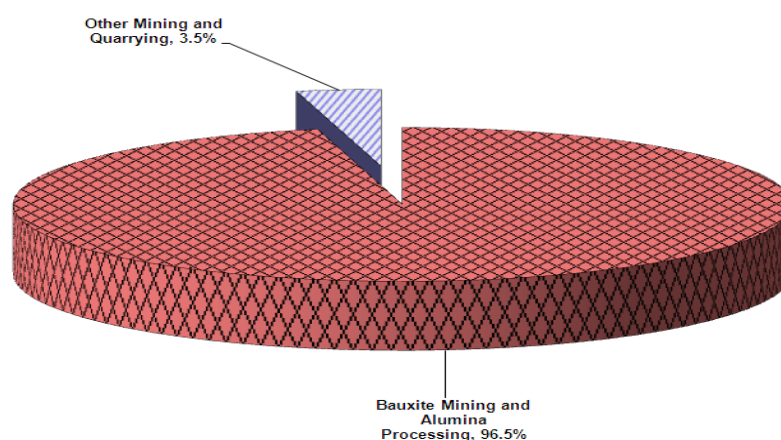
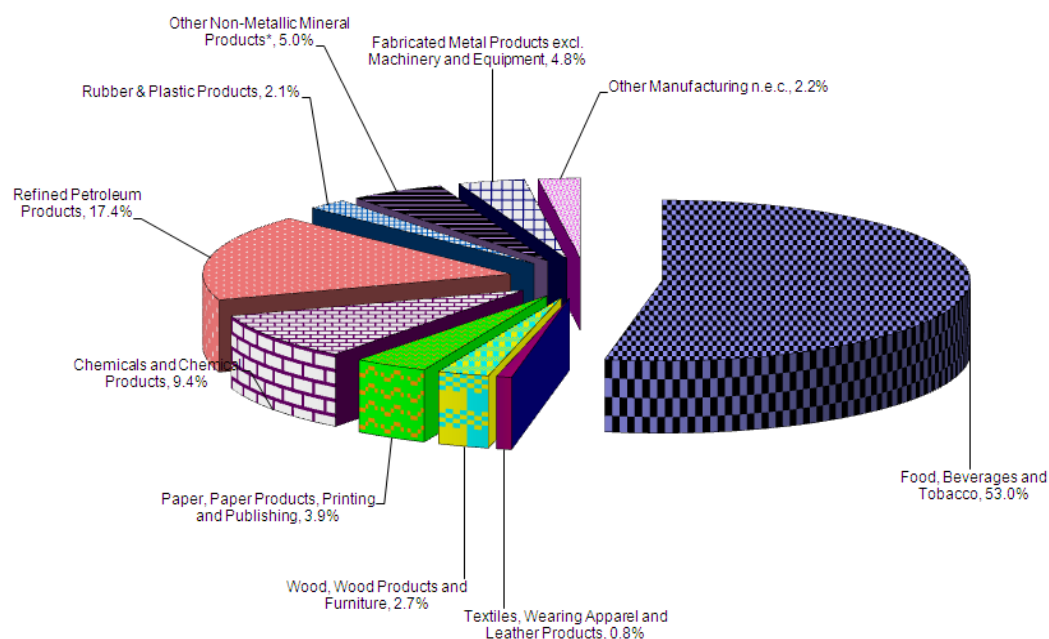


Figure ii:

PPI Weighting Structure - Manufacturing Industry

Percentage Weights for Major Groups within the Manufacturing Industry



MAIN FINDINGS

MINING & QUARRYING

The Mining & Quarrying industry for the year 2014 registered an increase in its index of 17.7 per cent. This increase followed a 9.8 per cent movement in the industry for 2013 and a 5.3 per cent increase in the year 2012. This movement was mainly influenced by the major group 'Bauxite Mining & Alumina Processing', which rose by 18.1 per cent. The other major group 'Other Mining & Quarrying' advanced by 6.8 per cent. (See Table i below).

The factors that influenced the upward movement in the industry were higher alumina prices and the depreciation of the Jamaican dollar against its United States counterpart. The largest increase in the index of the industry, 11.1 per cent, was recorded during the month of July. This was mainly due to the increase in the price for alumina. At the start of the year, January 2014 the index fell by 0.3 per cent. Two other months also recorded declines; April and November, of 1.2 per cent and 0.1 per cent respectively. This was as a result of lower alumina prices and the depreciation of the Jamaican dollar against its United States counterpart. (See Table 2: Producer Price Index Monthly Percentage Change by Industry January - December 2014, pg 22) .

Table i

**Percentage Change in the PPI for the Mining & Quarrying Industry
2014 & 2013**

INDUSTRY/ GROUPS	Percentage Change between		
	Jan and Dec* 2014	Jan and Dec* 2013	Mean Annual Change+ 2014/2013
MINING & QUARRYING	17.7	9.8	25.0
Bauxite Mining & Alumina Processing	18.1	10.0	25.4
Other Mining & Quarrying	6.8	4.5	15.2

* This represents the percentage change that results when the index for December is compared with the January index.

+This is the percentage change that results when the average (arithmetic mean) monthly index for 2014 is compared with the average monthly index for 2013.

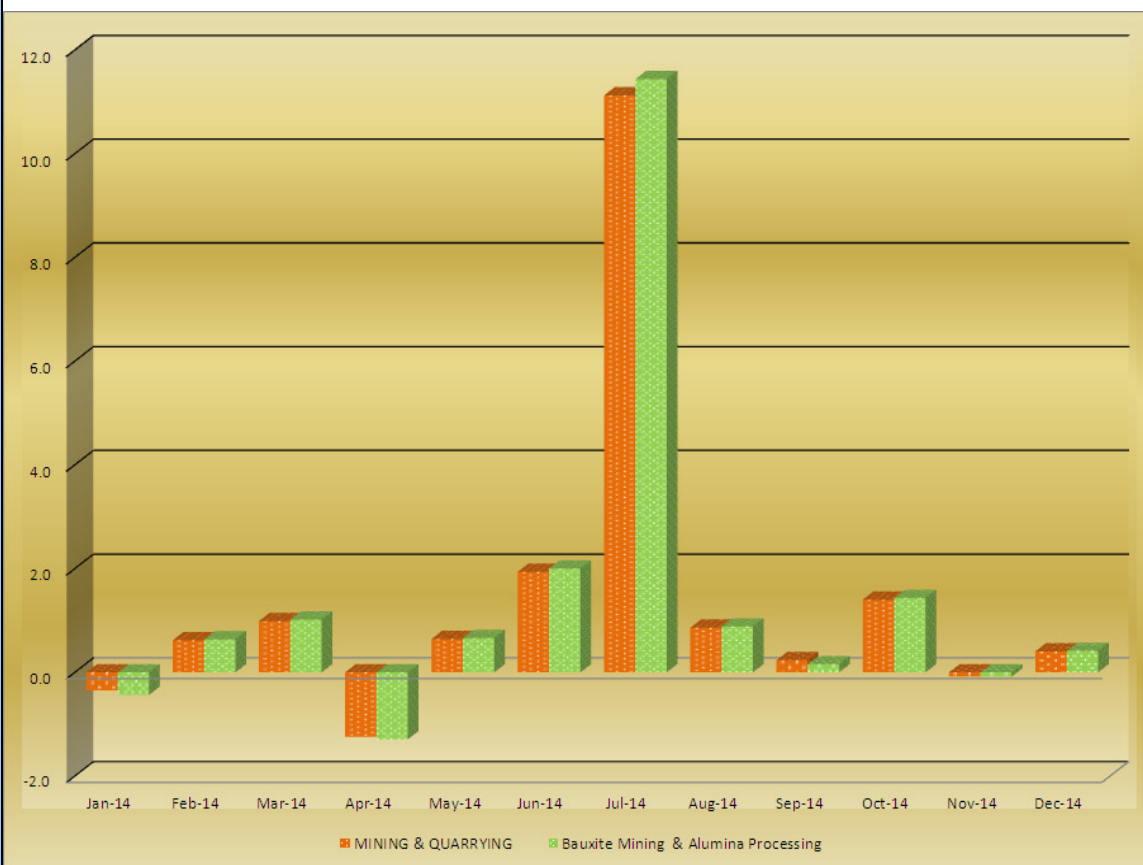


Bauxite Mining & Alumina Processing

The index for the major group 'Bauxite Mining & Alumina Processing' moved from 133.4 in January 2014 to 153.2 for the month of July. This major group ended the year with an index of 157.6. (See Table 1: Producer Price Index by Industry, January-December 2014, pg 20). This movement represented an increase of 18.1 per cent for the calendar year 2014. It should be noted that there were declines recorded in the index for the months of January, April and November. These declines were due to a combination of lower alumina prices and the moderate appreciation of the Jamaican dollar when compared to the United States dollar in November. (See Table 2: Producer Price Index Monthly Percentage Change by Industry January - December 2014, pg 22) .

Figure iii:

**Monthly Percentage Change in the PPI for the
Mining & Quarrying Industry and 'Bauxite Mining & Alumina Processing',
January - December 2014**



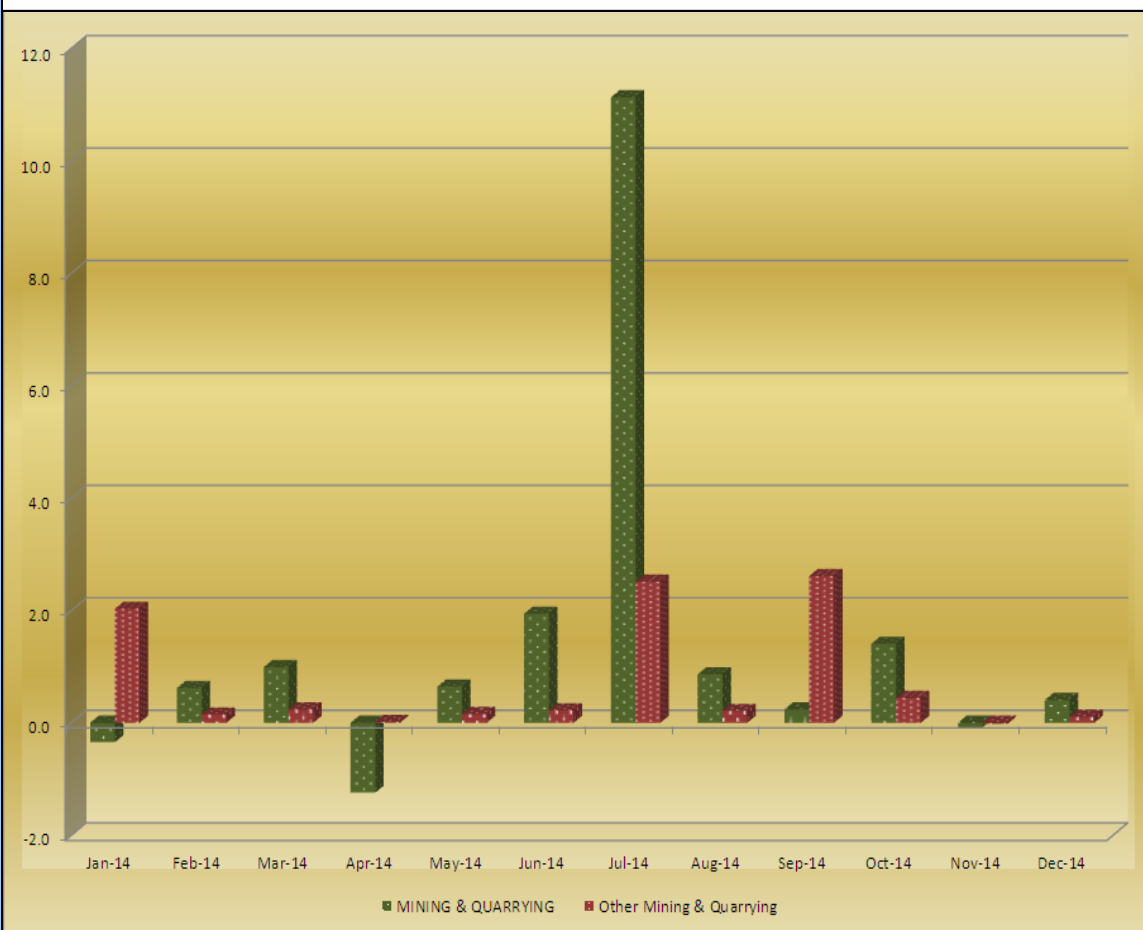
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MINING & QUARRYING	-0.3	0.6	1.0	-1.2	0.6	1.9	11.1	0.9	0.2	1.4	-0.1	0.4
Bauxite Mining & Alumina Processing	-0.4	0.6	1.0	-1.3	0.7	2.0	11.4	0.9	0.2	1.4	-0.1	0.4

Other Mining & Quarrying

The other major group within the industry 'Other Mining & Quarrying' recorded an increase of 6.8 per cent in its index for the calendar year. This major group had positive movements in its index throughout the year. The highest movements recorded were for the months July and September, when the index increased by 2.5 per cent and 2.6 per cent respectively. These increases were as a result of higher wages and overhead costs. Negligible movements were however recorded for the months, April and November. (See Table 2: Producer Price Index Monthly Percentage Change by Industry January - December 2014, pg 22).

Figure iv:

**Monthly Percentage Change in the PPI for
the Mining & Quarrying Industry and 'Other Mining & Quarrying',
January - December 2014**



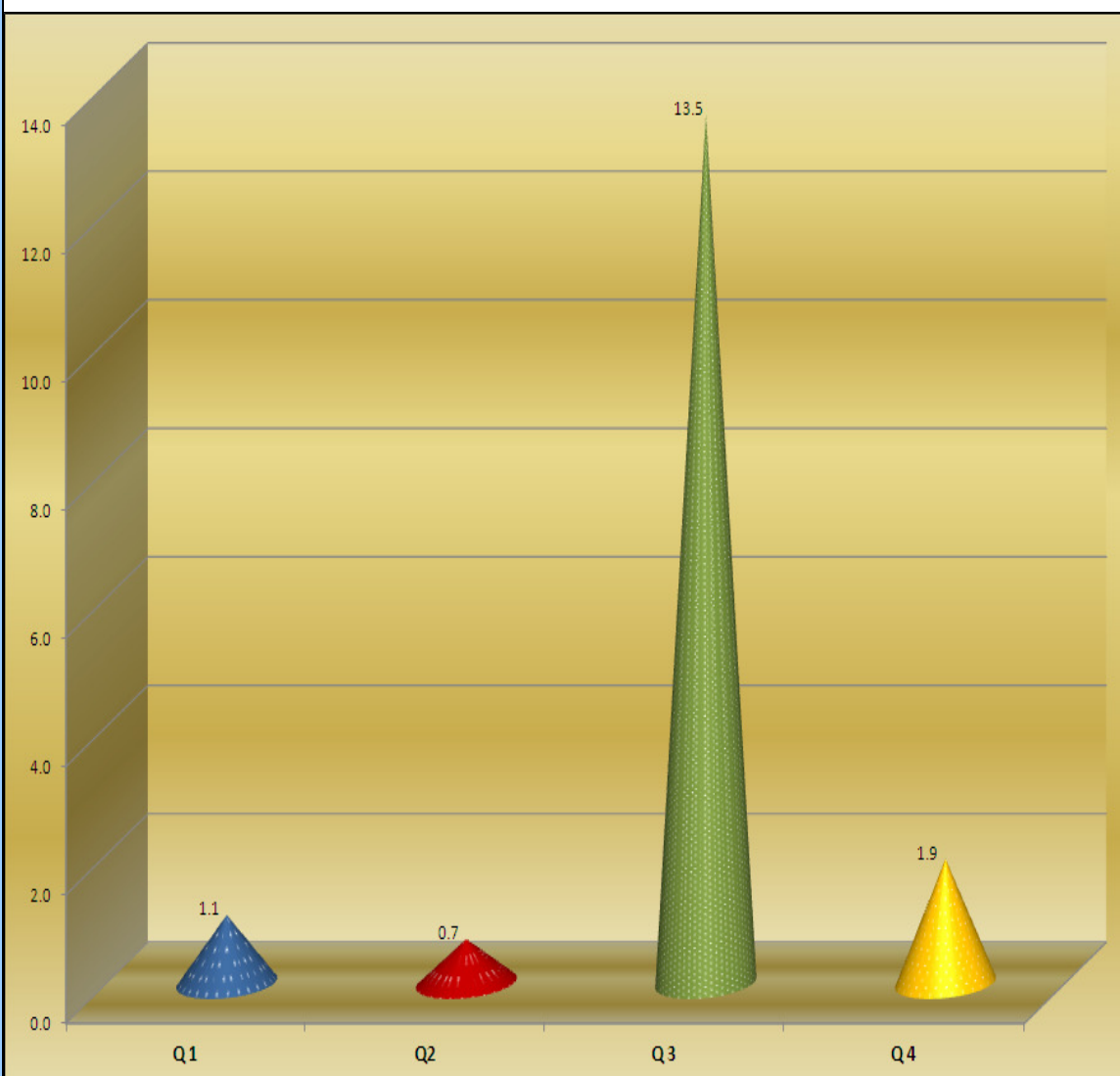
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MINING & QUARRYING	-0.3	0.6	1.0	-1.2	0.6	1.9	11.1	0.9	0.2	1.4	-0.1	0.4
Other Mining & Quarrying	2.0	0.1	0.2	0.0	0.2	0.2	2.5	0.2	2.6	0.4	0.0	0.1

QUARTERLY MOVEMENTS

The average quarterly movements in the index for the Mining & Quarrying industry showed the highest movement in the third quarter in 2014 when compared to the second quarter, with an increase of 13.5 per cent. This was due to an increase in the price of alumina. The lowest movement was recorded for the second quarter with an increase of 0.7 per cent. Other movements recorded in 2014, were a 1.1 per cent upward movement for the first quarter and a 1.9 per cent increase recorded for the fourth quarter. (See Table 3: Quarterly PPI by Industry January-December 2014, pg 24).

Figure v:

Quarterly PPI for the Mining & Quarrying Industry
Q1 - Q4 2014





POINT - TO - POINT MOVEMENTS

The highest point-to-point movements were registered during the third quarter. The period July 2014 to July 2013 recorded a double digit increase of 23.8 per cent. The following periods August 2013 to August 2014 and September 2013 to September 2014 recorded the highest movements for the year with 24.6 per cent and 24.0 per cent respectively. (See Table 4: **Producer Price Index Point-to-Point Percentage Change by Industry, January-December 2013 & 2014, pg 26**). There were single digit increases for the first five months ranging from a low of 6.4 per cent for March 2013 to March 2014 to a high of 9.8 per cent for May 2013 to May 2014.

FISCAL YEAR - TO - DATE MOVEMENTS

For the first nine months of the 2014/2015 fiscal year (**April 2014-December 2014**), the Mining & Quarrying industry reflected a double digit increase in its index of 17.3 per cent. This was as a result of relatively higher prices for alumina throughout the period. The movement in the index for the major group 'Bauxite Mining & Alumina Processing' which also had a double digit increase in its index of 17.7 per cent, was the primary contributing factor to the industry's overall movement. The other major group within the industry 'Other Mining & Quarrying' recorded a 6.4 per cent increase in its index for the fiscal year. (See Table 5: **Producer Price Index Fiscal Year-to-Date Percentage Change by Industry, April-December 2014, pg 28**).

MAIN FINDINGS Cont'd

MANUFACTURING

The index for the Manufacturing industry advanced by 2.0 per cent for the calendar year 2014. This increase was 5.1 percentage point lower than the 7.1 per cent increase that was recorded for the industry in the previous year. This lower percentage increase was due mainly to the second highest weighted major group 'Refined Petroleum Products' registering a decline in its index of 23.4 per cent for the year 2014. The heaviest weighted major group 'Food, Beverages & Tobacco' recorded an 8.0 per cent increase in its index; this following a 5.8 per cent increase in 2013. (See Table ii: Percentage Change in the PPI for the Manufacturing Industry, 2014 & 2013).

Table ii

Percentage Change in the PPI for the Manufacturing Industry, 2014 & 2013

Industry/Major Groups	Percentage Change between		
	Jan and Dec* 2014	Jan and Dec* 2013	Mean Annual Change+ 2014/2013
MANUFACTURING	2.0	7.1	17.0
Food, Beverages & Tobacco	8.0	5.8	17.3
Textile, Wearing Apparel & Leather Products	1.2	12.2	18.0
Wood, Wood Products & Furniture	4.6	9.1	13.0
Paper & Paper Products	5.1	5.3	9.7
Chemicals & Chemical Products	4.6	1.9	9.8
Refined Petroleum Products	-23.4	13.4	16.9
Rubber & Plastic Products	19.5	3.3	28.1
Other Non-Metallic Mineral Products	5.1	7.6	32.4
Fabricated Metal Products	6.2	10.8	23.1
Other Manufacturing n.e.c	6.4	3.6	-0.5

*This represents the percentage change that results when the index for December is compared with the January index.

+This is the percentage change that results when the average (arithmetic mean) monthly index for 2014 is compared with the average monthly index for 2013.

Food, Beverages and Tobacco

The movement in the index for the major group 'Food, Beverages & Tobacco' significantly impacts the Manufacturing industry as it carries the highest weight in this industry. This major group registered an increase of 8.0 per cent for the period under review. It had the largest overall effect on the inflationary trend experienced by local producers in the Manufacturing industry. (See Table iii below).

Table iii:

Percentage Change in the PPI for the Manufacturing Industry and 'Food, Beverages & Tobacco' 2014 & 2013

Industry Groups	Percentage Change between		
	Jan and Dec* 2014	Jan and Dec* 2013	Mean Annual Change+ 2014/2013
MANUFACTURING	2.0	7.1	17.0
Food, Beverages & Tobacco	8.0	5.8	17.3
<i>Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats</i>	6.1	6.8	15.0
<i>Meats & Meats Products and Fish & Fish Products</i>	7.5	7.2	16.7
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	2.4	5.2	15.9
<i>Manufacture of Dairy Products</i>	9.9	6.1	25.7
<i>Manufacture of Grain Mill Products, Starches and Starch Products</i>	4.1	6.2	21.7
<i>Manufacture of Other Food Products</i>	12.1	3.9	16.1
<i>Bakery Products</i>	13.8	0.8	13.7
<i>Sugar, Cocoa, Coffee, Chocolate & Sugar Confectionery</i>	7.1	5.5	15.6
<i>Seasoning, Spices, Sauces and Condiments</i>	18.6	14.1	28.5
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	5.3	12.4	21.7
<i>Manufacture of Beverages and Tobacco</i>	6.5	7.0	15.0

* This represents the percentage change that results when the index for December is compared with the January index.

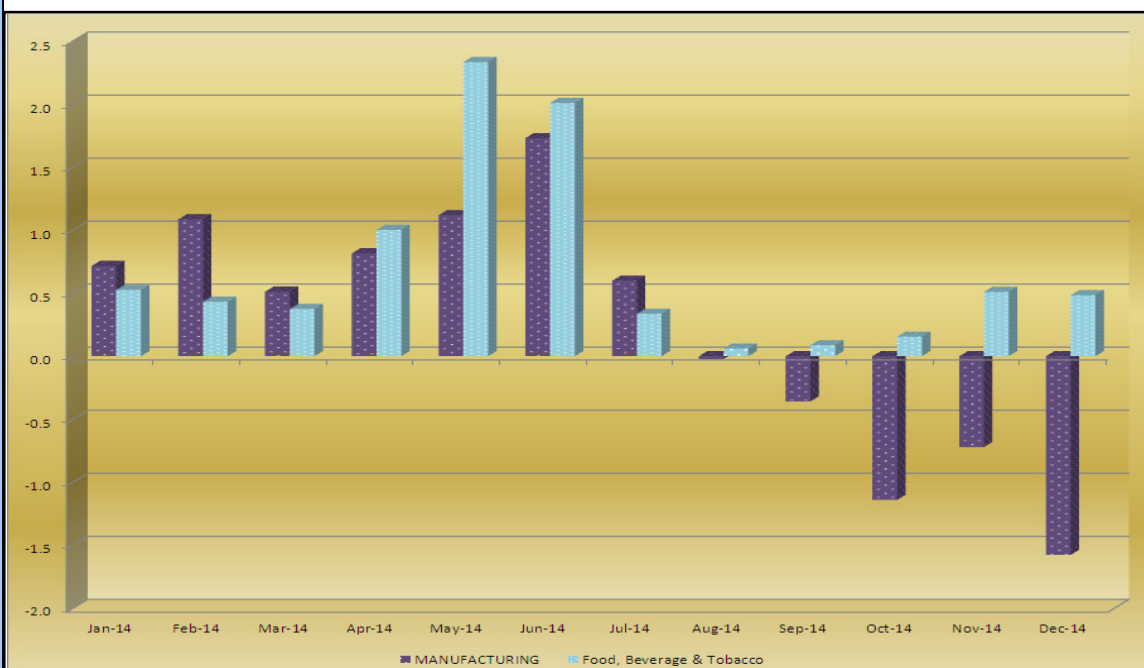
+This is the percentage change that results when the average (arithmetic mean) monthly index for 2014 is compared with the average (arithmetic mean) monthly index for 2013.

The two highest weighted groups within the major group: 'Manufacture of Other Food Products' and 'Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats Products', mainly contributed to the overall upward movement in the index. The group 'Manufacture of Other Food Products' recorded a 12.1 per cent increase in its index. This movement was mainly influenced by the 18.6 per cent increase in the sub-group '*Seasoning, Spices, Sauces and Condiments*'. The sub-groups movement was as a result of higher cost of raw materials; packaging and ingredients, as well as higher overhead costs. (See Table iii: Percentage Change in the PPI for the Manufacturing Industry and 'Food, Beverages & Tobacco' 2014 & 2013, pg 11).

The other group 'Production Processing & Preserving of Meats, Fish Vegetable, Oils & Fats' moved up by 6.1 per cent. This was however, 0.7 percentage point lower than the 6.8 per cent increase that was recorded for the previous year. The sub-group '*Meat & Meat Products and Fish & Fish Products*' which increased by 7.5 per cent, contributed mainly to the movement. The upward movement was due mainly to the increase in the cost of utilities, raw materials such as meat products and the devaluation of the Jamaican dollar against the United States dollar. (See Table iii: Percentage Change in the PPI for the Manufacturing Industry and 'Food, Beverages & Tobacco' 2014 & 2013, pg 11).

Figure vi:

Monthly Percentage Change in the PPI for the Manufacturing Industry and 'Food, Beverages & Tobacco', January - December 2014



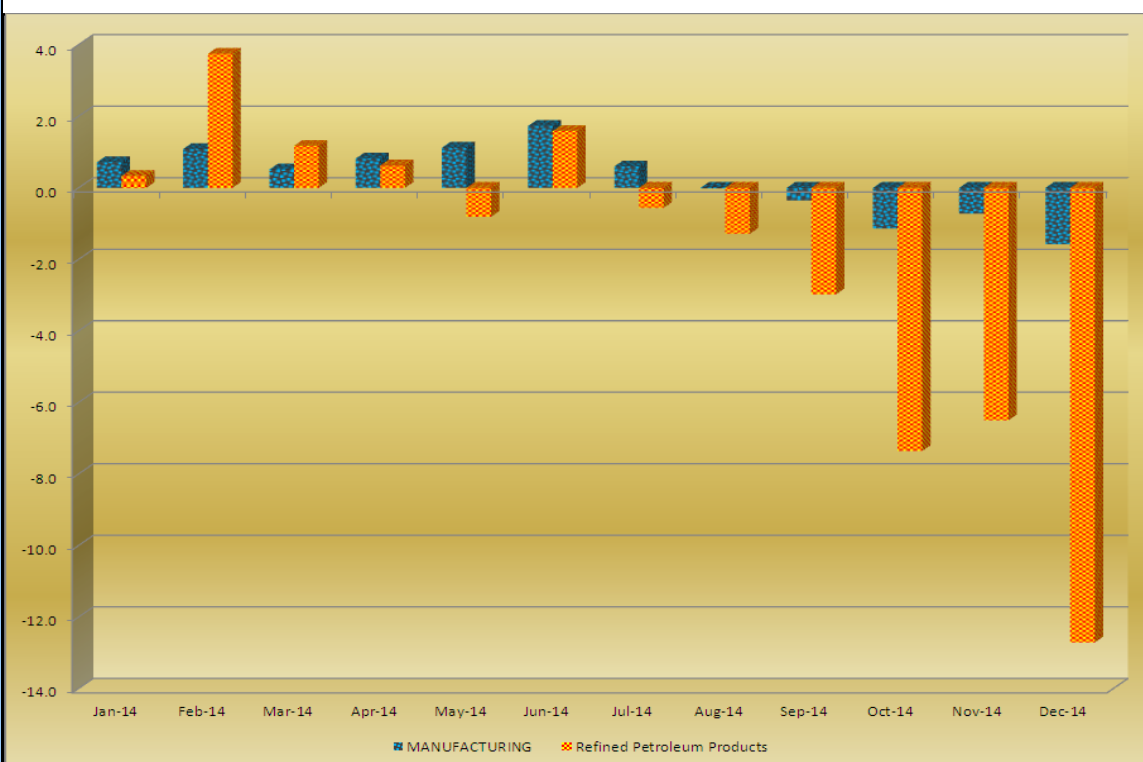
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MANUFACTURING	0.7	1.1	0.5	0.8	1.1	1.7	0.6	0.0	-0.4	-1.1	-0.7	-1.6
Food, Beverages & Tobacco	0.5	0.4	0.4	1.0	2.3	2.0	0.3	0.1	0.1	0.2	0.5	0.5

Refined Petroleum Products

The major group 'Refined Petroleum Products', the second highest weighted major group in the Manufacturing industry was the only major group to record a decline in its index. For the year under review, its index fell by 23.4 per cent. This is the largest fall for the major group since the start of the Producer Price Index in 2005. This movement in the index resulted from the changes in the price of crude oil internationally. The West Texas Intermediate (WTI) monthly prices moved from approximately US\$95.00 per barrel in January 2014, peaked in June when a barrel of oil was priced at US\$105.79 but ended the year with a five year low price of US\$59.29. This decline was due to an over-supply of the product internationally, weak economic activity, increased efficiency and a growing switch from oil to other fuels. The month of July, when the index fell by 0.6 per cent, commenced the steady decline in the major group's index. It ended the year with the largest decline of 12.7 per cent. During the calendar year under review, the major group only recorded five months of increases. (See Table 2: PPI Monthly Percentage Change by Industry, January-December 2014, pg 22).

Figure vii:

**Monthly Producer Price Index for the Manufacturing Industry and
'Refined Petroleum Products', January - December 2014**



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MANUFACTURING	0.7	1.1	0.5	0.8	1.1	1.7	0.6	0.0	-0.4	-1.1	-0.7	-1.6
Refined Petroleum Products	0.3	3.7	1.2	0.6	-0.8	1.6	-0.6	-1.3	-3.0	-7.4	-6.5	-12.7

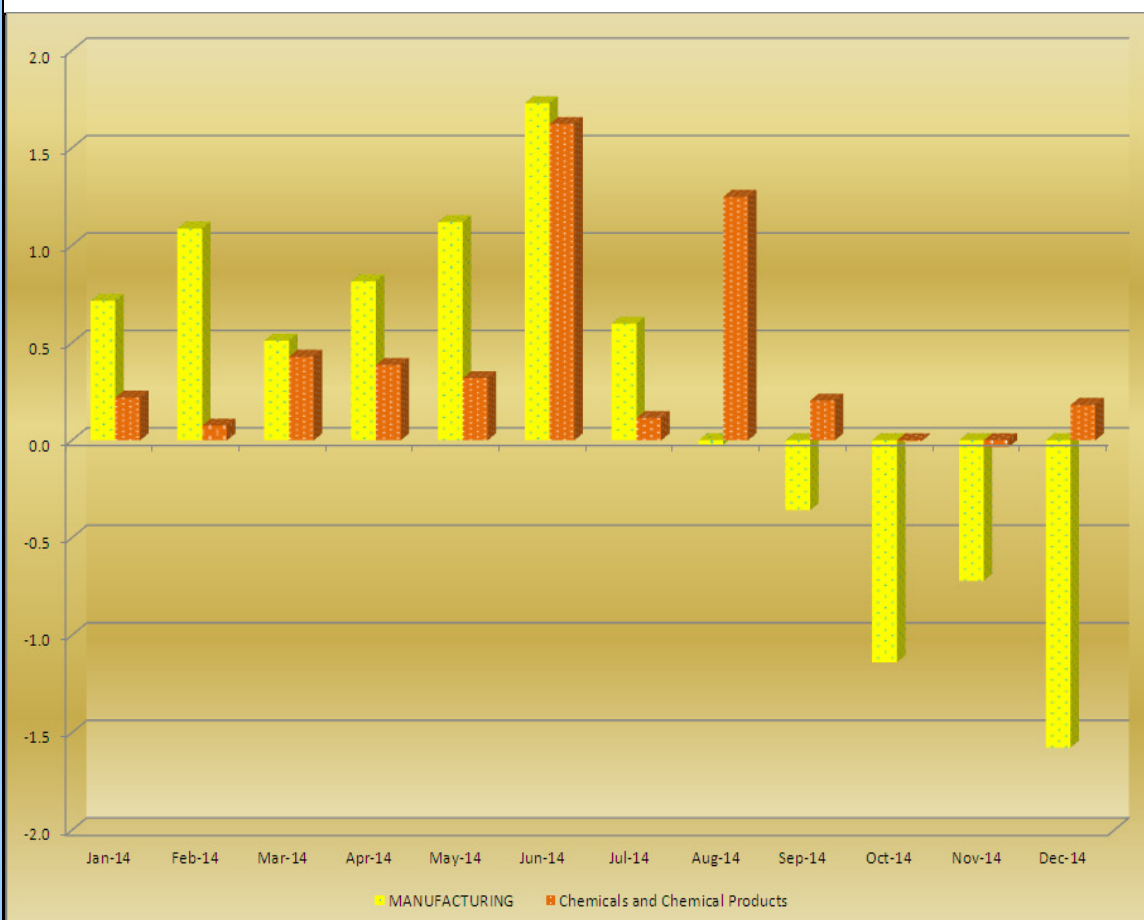
Chemicals and Chemical Products

The major group 'Chemicals and Chemical Products' recorded an average annual index of 166.3 in 2014, 4.6 per cent above the 163.8 recorded in 2013. The highest monthly increase occurred during the month of June when the index rose by 1.6 per cent. August was the only other month to record an increase above 1.0 per cent, with an upward movement of 1.2 per cent. (See Table 2: Producer Price Index Monthly Percentage Change by Industry, January-December 2014, pg 22). These increases were attributable to higher costs of inputs in the production process. For the months of October and November, the index registered negligible movements.



Figure viii:

Monthly Producer Price Index for the Manufacturing Industry and 'Chemicals & Chemical Products', January - December 2014



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MANUFACTURING	0.7	1.1	0.5	0.8	1.1	1.7	0.6	0.0	-0.4	-1.1	-0.7	-1.6
Chemicals and Chemical Products	0.2	0.1	0.4	0.4	0.3	1.6	0.1	1.2	0.2	0.0	0.0	0.2

Other Major Groups in Manufacturing

The remaining major groups in the Manufacturing industry all recorded positive movements in their index for the year 2014. The major group '**Other Non-Metallic Mineral Products**' moved up by 5.1 per cent in its index, increasing at a lower rate when compared to last year when the index rose by 7.6 per cent. (See Table ii: Percentage Change in the PPI for the Manufacturing Industry, 2014 & 2013). The increase in the price of cement, twice during the year, the devaluation of the Jamaican dollar and higher costs of aggregates contributed to the major group's increase.

'**Paper and Paper Products**' also showed an increase in its index of 5.1 per cent, 0.2 percentage point below the 5.3 per cent recorded in 2013. This movement was attributed to higher raw materials, overhead costs and the depreciation of the Jamaican dollar during the year. There was an upward movement of 6.2 per cent for the major group '**Fabricated Metal Products excl. Machinery & Equipment**'. The highest monthly increase recorded for this major group was in January when the index rose by 5.8 per cent. Producers paid higher prices for raw materials that they imported.

The index for '**Wood, Wood Products and Furniture**' rose by 4.6 per cent for the year 2014. Two months recorded increases; July 3.3 per cent and September 1.3 per cent. These increases were due to the higher cost of raw materials. The '**Other Manufacturing n.e.c**' index moved up by 6.4 per cent in 2014. Increases were noted for five months of the year, the remaining months showed negligible movements. The highest movement was in August when a 2.8 per cent increase was recorded, this was as a result of the devaluation of the Jamaican dollar for that month.

'**Rubber & Plastic Products**' showed the largest percentage point increase of all the major groups when comparing its index for 2014 with 2013. The index recorded an increase of 19.5 per cent in 2014 compared to the 3.3 per cent registered in 2013. The largest increase was in the month of February when the index moved up by 9.7 per cent. Higher overhead expenses and the effect of the exchange rate on imported raw materials contributed to this increase.

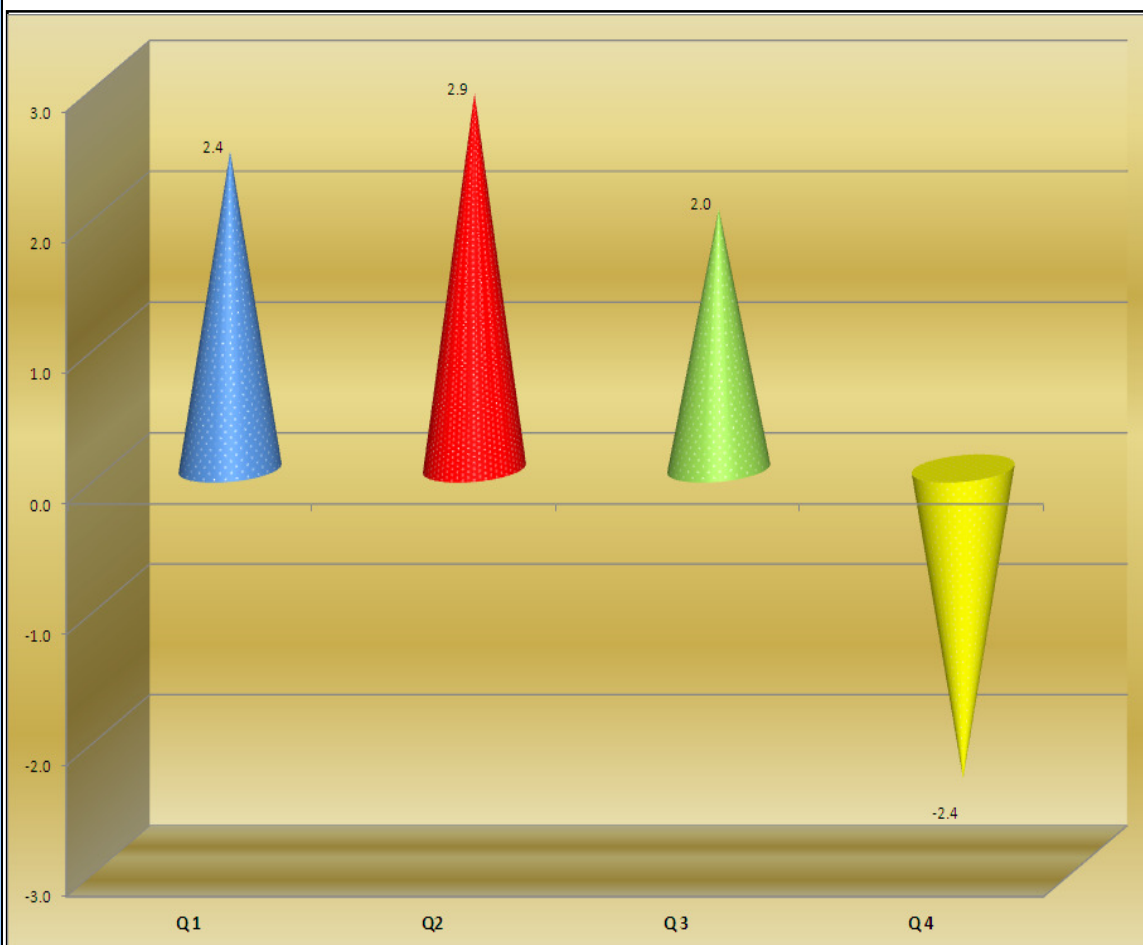
An upward movement of 1.2 per cent was recorded in the index for the major group '**Textile, Wearing Apparel and Leather Products**'. This was the smallest percentage point increase in a major group's index for 2014. In the comparable period in 2013, the index advanced by 12.2 per cent. This movement in 2014 was as a result of declines in the major group's index for two months; February, 1.6 per cent and August, 1.5 per cent. These declines were due to competition in the market and more efficient use of raw materials in the manufacturing of these products. (See Table 2: Producer Price Index Monthly Percentage Change by Industry, January-December 2014, pg 22).

QUARTERLY MOVEMENTS

The highest quarterly movement in the index for the Manufacturing industry for 2014 occurred in the second quarter when a 2.9 per cent increase was recorded. This was the result of a 3.7 per cent upward movement in the index for the major group 'Food, Beverages & Tobacco' and a 2.6 per cent increase for 'Refined Petroleum Products'. The first quarter for the period under review showed a 2.4 per cent rise in the index. This movement was due mainly to the major group 'Refined Petroleum Products', which recorded an increase of 5.4 per cent. (See Table 3: Quarterly Producer Price Index by Industry, January-December 2014, pg 24). The first quarter movement was however tempered by the 1.4 per cent increase recorded for the major 'Food, Beverages and Tobacco'. The lowest movement was registered for the fourth quarter of 2014 when the index fell by 2.4 per cent. This was again due to the movement in the major group 'Refined Petroleum Products' which recorded a decline in its index of 17.1 per cent for the year.

Figure ix:

Quarterly Producer Price Index for the Manufacturing Industry Q¹ - Q⁴ 2014





POINT - TO - POINT MOVEMENTS

The lowest point-to-point movement for the Manufacturing industry occurred for the period December 2013 to December 2014 when the index moved up by 2.7 per cent. (See Table 4: Producer Price Index Point-to-Point Percentage Change by Industry, January-December 2014 & 2013, pg 26). Double digit point-to-point movements were recorded for three month period of 2014. These movements were 10.3 per cent (June 2013 - June 2014), 10.5 per cent (July 2013 - July 2014) and 10.0 per cent (August 2013 - August 2014). (See Table 4: Producer Price Index Point-to-Point Percentage Change by Industry, January-December 2014 & 2013, pg 26). These movements were the result of significant movements in the major groups 'Food, Beverages and Tobacco', Refined Petroleum Products' and to a lesser extent the movement in the major group 'Other Non-Metallic Products'.

FISCAL YEAR - TO - DATE MOVEMENTS

Output prices for producers in the Manufacturing industry for the first nine months (April 2014 - December 2014) of the fiscal year recorded a decline in its index of 0.4 per cent. (See Table 5: Producer Price Index Fiscal Year-to-Date Percentage Change by Industry, April -December 2014, pg 28). The main contributor to this decline was 'Refined Petroleum Products'; the index for this major group fell by 27.4 per cent. The movement was however tempered by the index for the highest weighted major group 'Food, Beverages and Tobacco' which recorded a 6.1 per cent increase.

Figure x:

Average Monthly Exchange Rate for 2014

January	US\$1.00	=	J\$105.86
February	US\$1.00	=	J\$106.53
March	US\$1.00	=	J\$107.62
April	US\$1.00	=	J\$107.69
May	US\$1.00	=	J\$108.40
June	US\$1.00	=	J\$110.57
July	US\$1.00	=	J\$111.39
August	US\$1.00	=	J\$112.38
September	US\$1.00	=	J\$112.55
October	US\$1.00	=	J\$112.54
November	US\$1.00	=	J\$112.45
December	US\$1.00	=	J\$112.92

N.B: The exchange rate used for the Producer Price Index is an average of the buying and selling price for the month.

Monthly Average Jamaican dollar (J\$) against the United States dollar (US\$) for 2014

Source: BOJ Website



MAIN TABLES

Producer Price Index by Industry

Table 1

INDUSTRY	Annual Average	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
MINING & QUARRYING	146.1	134.4	135.3	136.6	134.9	135.8	138.4
Bauxite Mining & Alumina Processing	145.3	133.4	134.3	135.6	133.9	134.8	137.5
Other Mining & Quarrying	162.0	157.3	157.5	157.9	157.9	158.2	158.5
MANUFACTURING	169.6	163.9	165.7	166.5	167.9	169.7	172.7
Food, Beverages & Tobacco	169.1	161.6	162.2	162.9	164.5	168.3	171.7
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	157.7	154.1	154.1	154.2	154.2	156.7	157.3
<i>Meat & Meat products and Fish & Fish Products</i>	157.3	153.0	153.0	153.0	153.0	156.1	156.8
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	167.6	165.1	165.3	166.7	166.7	166.9	167.4
Manufacture of Dairy Products	192.7	180.7	185.8	186.5	189.1	191.8	193.1
Manufacture of Grain Mill Products, Starches and Starch Products	176.0	170.3	170.3	170.3	176.3	179.5	179.5
Manufacture of Other Food Products	170.2	159.3	159.6	160.7	161.4	167.3	175.0
<i>Bakery Products</i>	160.1	148.5	148.6	148.7	149.1	156.3	166.6
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	193.6	185.4	186.2	188.4	190.9	191.8	194.4
<i>Seasoning, Spices, Sauces and Condiments</i>	168.2	153.9	154.1	159.8	159.8	168.2	171.0
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	175.5	170.6	171.1	172.6	172.7	174.4	176.1
Manufacture of Beverages and Tobacco	162.7	155.9	156.7	157.7	158.9	162.1	165.4
Textile, Wearing Apparel and Leather Products	148.7	147.5	145.1	148.3	148.3	148.7	149.8
Wood, Wood Products and Furniture	146.3	143.3	143.3	143.3	143.3	143.3	143.3
Paper and Paper Products	133.5	130.0	130.0	130.2	131.5	131.5	132.6
Chemicals and Chemical Products	166.3	162.2	162.3	163.0	163.6	164.1	166.8
Refined Petroleum Products	179.6	180.3	187.1	189.3	190.4	188.9	191.9
Rubber & Plastic Products	129.3	112.6	123.5	124.6	126.2	126.3	130.9
Other Non-Metallic Mineral Products*	171.8	166.7	166.7	167.0	169.4	169.4	169.4
Fabricated Metal Products excl. Machinery & Equipment	159.1	153.7	153.9	154.6	154.6	154.7	159.7
Other Manufacturing n.e.c.	128.2	125.0	125.4	125.4	125.4	125.4	125.4

* Other Non-Metallic Mineral Products include cement and concrete.
n.e.c. = Not elsewhere classified.

January–December 2014 (Base 2008 = 100)

Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Annual Average	INDUSTRY
153.8	155.1	155.5	157.7	157.5	158.2	146.1	MINING & QUARRYING
153.2	154.6	154.8	157.0	156.9	157.6	145.3	Bauxite Mining & Alumina Processing
162.5	162.8	167.1	167.8	167.8	168.0	162.0	Other Mining & Quarrying
173.7	173.7	173.0	171.1	169.8	167.2	169.6	MANUFACTURING
172.3	172.4	172.5	172.8	173.7	174.5	169.1	Food, Beverages & Tobacco
157.9	159.0	159.6	159.6	162.0	163.6	157.7	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
157.5	158.8	159.6	159.6	162.5	164.5	157.3	<i>Meat & Meat products and Fish & Fish Products</i>
168.2	169.0	169.1	169.1	169.1	169.2	167.6	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
196.8	196.3	195.5	198.8	199.2	198.5	192.7	Manufacture of Dairy Products
179.5	177.4	177.4	177.4	177.4	177.4	176.0	Manufacture of Grain Mill Products, Starches and Starch Products
175.3	175.8	176.0	176.0	177.0	178.7	170.2	Manufacture of Other Food Products
166.7	166.7	166.8	166.8	167.0	169.0	160.1	<i>Bakery Products</i>
195.4	197.9	198.1	198.1	198.0	198.5	193.6	<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>
171.3	171.6	171.7	171.7	182.4	182.5	168.2	<i>Seasoning, Spices, Sauces and Condiments</i>
176.7	177.6	178.0	178.0	178.0	179.7	175.5	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>
165.6	165.8	165.9	165.9	165.9	166.0	162.7	Manufacture of Beverages and Tobacco
151.3	148.9	149.0	149.0	149.0	149.2	148.7	Textile, Wearing Apparel and Leather Products
148.1	148.1	150.0	150.0	150.0	150.0	146.3	Wood, Wood Products and Furniture
135.8	135.9	135.9	135.9	136.6	136.6	133.5	Paper and Paper Products
167.0	169.1	169.4	169.4	169.4	169.7	166.3	Chemicals and Chemical Products
190.8	188.4	182.7	169.3	158.3	138.2	179.6	Refined Petroleum Products
134.5	134.5	134.6	134.6	134.5	134.6	129.3	Rubber & Plastic Products
175.5	175.5	175.5	175.5	175.2	175.2	171.8	Other Non-Metallic Mineral Products*
162.9	163.1	163.1	163.1	163.1	163.2	159.1	Fabricated Metal Products excl. Machinery & Equipment
126.0	129.6	132.6	132.6	133.0	133.0	128.2	Other Manufacturing n.e.c.

Producer Price Index Monthly Percentage Change by Industry

Table 2

INDUSTRY	Monthly Average	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
MINING & QUARRYING	1.4	-0.3	0.6	1.0	-1.2	0.6	1.9
Bauxite Mining & Alumina Processing	1.4	-0.4	0.6	1.0	-1.3	0.7	2.0
Other Mining & Quarrying	0.7	2.0	0.1	0.2	0.0	0.2	0.2
MANUFACTURING	0.2	0.7	1.1	0.5	0.8	1.1	1.7
Food, Beverages & Tobacco	0.7	0.5	0.4	0.4	1.0	2.3	2.0
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	0.6	0.9	0.0	0.0	0.0	1.7	0.4
<i>Meat & Meat products and Fish & Fish Products</i>	0.7	1.1	0.0	0.0	0.0	2.0	0.4
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	0.7	5.7	0.1	0.8	0.0	0.1	0.3
Manufacture of Dairy Products	1.0	3.0	2.8	0.4	1.4	1.4	0.7
Manufacture of Grain Mill Products, Starches and Starch Products	0.3	0.0	0.0	0.0	3.5	1.8	0.0
Manufacture of Other Food Products	1.0	0.1	0.2	0.7	0.4	3.7	4.6
<i>Bakery Products</i>	1.1	-0.1	0.1	0.1	0.2	4.9	6.5
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	0.6	0.6	0.4	1.2	1.3	0.4	1.4
<i>Seasoning, Spices, Sauces and Condiments</i>	1.5	0.2	0.1	3.7	0.0	5.2	1.7
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c.</i>	0.5	0.6	0.3	0.9	0.0	1.0	1.0
Manufacture of Beverages and Tobacco	0.5	0.1	0.5	0.6	0.8	2.0	2.1
Textile, Wearing Apparel and Leather Products	0.1	0.6	-1.6	2.2	0.0	0.2	0.7
Wood, Wood Products and Furniture	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Paper and Paper Products	0.4	0.0	0.0	0.2	1.0	0.0	0.9
Chemicals and Chemical Products	0.4	0.2	0.1	0.4	0.4	0.3	1.6
Refined Petroleum Products	-2.1	0.3	3.7	1.2	0.6	-0.8	1.6
Rubber & Plastic Products	1.5	0.0	9.7	0.8	1.3	0.0	3.7
Other Non-Metallic Mineral Products*	0.7	3.0	0.0	0.1	1.5	0.0	0.0
Fabricated Metal Products excl. Machinery & Equipment	1.0	5.8	0.1	0.4	0.0	0.1	3.2
Other Manufacturing n.e.c.	0.5	0.0	0.3	0.0	0.0	0.0	0.0

* Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

January–December 2014 (Base 2008 = 100)

Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Monthly Average	INDUSTRY
11.1	0.9	0.2	1.4	-0.1	0.4	1.4	MINING & QUARRYING
11.4	0.9	0.2	1.4	-0.1	0.4	1.4	Bauxite Mining & Alumina Processing
2.5	0.2	2.6	0.4	0.0	0.1	0.7	Other Mining & Quarrying
0.6	0.0	-0.4	-1.1	-0.7	-1.6	0.2	MANUFACTURING
0.3	0.1	0.1	0.2	0.5	0.5	0.7	Food, Beverages & Tobacco
0.4	0.7	0.4	0.0	1.5	1.0	0.6	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
0.5	0.8	0.5	0.0	1.8	1.2	0.7	<i>Meat & Meat products and Fish & Fish Products</i>
0.5	0.5	0.0	0.0	0.0	0.1	0.7	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
2.0	-0.3	-0.4	1.7	0.2	-0.4	1.0	Manufacture of Dairy Products
0.0	-1.2	0.0	0.0	0.0	0.0	0.3	Manufacture of Grain Mill Products, Starches and Starch Products
0.2	0.3	0.1	0.0	0.6	0.9	1.0	Manufacture of Other Food Products
0.1	0.0	0.1	0.0	0.1	1.2	1.1	<i>Bakery Products</i>
0.5	1.3	0.1	0.0	-0.1	0.3	0.6	<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>
0.2	0.2	0.0	0.0	6.2	0.1	1.5	<i>Seasoning, Spices, Sauces and Condiments</i>
0.4	0.5	0.2	0.0	0.0	1.0	0.5	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>
0.1	0.1	0.0	0.0	0.0	0.1	0.5	Manufacture of Beverages and Tobacco
1.0	-1.5	0.1	0.0	0.0	0.2	0.1	Textile, Wearing Apparel and Leather Products
3.3	0.0	1.3	0.0	0.0	0.0	0.4	Wood, Wood Products and Furniture
2.4	0.1	0.0	0.0	0.5	0.0	0.4	Paper and Paper Products
0.1	1.2	0.2	0.0	0.0	0.2	0.4	Chemicals and Chemical Products
-0.6	-1.3	-3.0	-7.4	-6.5	-12.7	-2.1	Refined Petroleum Products
2.7	0.1	0.0	0.0	0.0	0.0	1.5	Rubber & Plastic Products
3.6	0.0	0.0	0.0	-0.2	0.0	0.7	Other Non-Metallic Mineral Products*
2.0	0.1	0.0	0.0	0.0	0.1	1.0	Fabricated Metal Products excl. Machinery & Equipment
0.5	2.8	2.3	0.0	0.3	0.0	0.5	Other Manufacturing n.e.c.

Quarterly Producer Price Index by Industry

Table 3

INDUSTRY	Q1	Q2	Q3	Q4
	Jan-Mar-14	Apr-Jun-14	Jul-Sep-14	Oct-Dec-14
MINING & QUARRYING	135.4	136.4	154.8	157.8
Bauxite Mining & Alumina Processing	134.5	135.4	154.2	157.2
Other Mining & Quarrying	157.6	158.2	164.1	167.9
MANUFACTURING	165.3	170.1	173.5	169.4
Food, Beverages & Tobacco	162.2	168.2	172.4	173.7
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	154.1	156.1	158.8	161.7
<i>Meat & Meat products and Fish & Fish Products</i>	153.0	155.3	158.7	162.2
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	165.7	167.0	168.8	169.1
Manufacture of Dairy Products	184.3	191.3	196.2	198.8
Manufacture of Grain Mill Products, Starches and Starch Products	170.3	178.4	178.1	177.4
Manufacture of Other Food Products	159.9	167.9	175.7	177.2
<i>Bakery Products</i>	148.6	157.3	166.7	167.6
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	186.6	192.4	197.1	198.2
<i>Seasoning, Spices, Sauces and Condiments</i>	156.0	166.3	171.5	178.9
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	171.5	174.4	177.5	178.6
Manufacture of Beverages and Tobacco	156.8	162.2	165.8	165.9
Textile, Wearing Apparel and Leather Products	147.0	148.9	149.7	149.1
Wood, Wood Products and Furniture	143.3	143.3	148.7	150.0
Paper and Paper Products	130.1	131.8	135.8	136.3
Chemicals and Chemical Products	162.5	164.9	168.5	169.5
Refined Petroleum Products	185.5	190.4	187.3	155.3
Rubber & Plastic Products	120.2	127.8	134.5	134.6
Other Non-Metallic Mineral Products*	166.8	169.4	175.5	175.3
Fabricated Metal Products excl. Machinery & Equipment	154.1	156.3	163.0	163.2
Other Manufacturing n.e.c.	125.3	125.4	129.4	132.8

* Other Non-Metallic Mineral Products include cement and concrete.

NOTE: # This represents average (arithmetic mean) index of three (3) months.

January–December 2014 (Base 2008 = 100)

Q1	Q2	Q3	Q4	INDUSTRY
1.1	0.7	13.5	1.9	MINING & QUARRYING
1.0	0.7	13.9	1.9	Bauxite Mining & Alumina Processing
2.8	0.4	3.7	2.3	Other Mining & Quarrying
2.4	2.9	2.0	-2.4	MANUFACTURING
1.4	3.7	2.5	0.7	Food, Beverages & Tobacco
1.3	1.3	1.8	1.8	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
1.6	1.5	2.2	2.2	<i>Meat & Meat products and Fish & Fish Products</i>
6.1	0.8	1.1	0.2	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
6.6	3.8	2.6	1.3	Manufacture of Dairy Products
0.5	4.8	-0.2	-0.4	Manufacture of Grain Mill Products, Starches and Starch Products
0.8	5.0	4.7	0.9	Manufacture of Other Food Products
0.0	5.9	6.0	0.5	<i>Bakery Products</i>
2.2	3.1	2.5	0.5	<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>
1.7	6.7	3.1	4.3	<i>Seasoning, Spices, Sauces and Condiments</i>
1.5	1.7	1.8	0.6	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>
0.9	3.4	2.2	0.1	Manufacture of Beverages and Tobacco
0.7	1.3	0.5	-0.5	Textile, Wearing Apparel and Leather Products
0.0	0.0	3.8	0.8	Wood, Wood Products and Furniture
0.8	1.4	3.0	0.4	Paper and Paper Products
1.1	1.5	2.2	0.6	Chemicals and Chemical Products
5.4	2.6	-1.6	-17.1	Refined Petroleum Products
7.0	6.3	5.3	0.0	Rubber & Plastic Products
4.2	1.6	3.6	-0.1	Other Non-Metallic Mineral Products*
6.6	1.5	4.3	0.1	Fabricated Metal Products excl. Machinery & Equipment
1.0	0.1	3.2	2.7	Other Manufacturing n.e.c.

Producer Price Index Point-to-Point Percentage Change by Industry

Table 4

INDUSTRY	Jan-13 to Jan-14	Feb-13 to Feb-14	Mar-13 to Mar-14	Apr-13 to Apr-14	May-13 to May-14	Jun-13 to Jun-14
MINING & QUARRYING	9.4	7.8	6.4	8.7	9.8	10.3
Bauxite Mining & Alumina Processing	9.5	7.8	6.4	8.8	9.9	10.4
Other Mining & Quarrying	6.6	6.2	5.9	5.4	5.7	5.5
MANUFACTURING	7.8	7.1	7.3	8.0	8.7	10.3
Food, Beverages & Tobacco	6.4	6.4	6.3	6.9	9.0	10.7
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	7.8	6.3	5.0	4.4	5.4	5.7
<i>Meat & Meat products and Fish & Fish Products</i>	8.4	7.2	5.5	4.8	6.6	7.1
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	11.2	8.2	9.4	9.2	7.0	7.3
Manufacture of Dairy Products	9.3	11.0	15.5	17.1	18.0	18.1
Manufacture of Grain Mill Products, Starches and Starch Products	6.2	5.8	5.0	8.7	10.8	10.7
Manufacture of Other Food Products	4.0	5.3	4.9	4.8	8.4	12.5
<i>Bakery Products</i>	0.7	1.6	1.5	1.7	6.2	12.4
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	6.2	10.4	9.9	9.9	10.7	11.0
<i>Seasoning, Spices, Sauces and Condiments</i>	14.3	13.9	11.9	11.4	13.9	15.4
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	13.0	11.8	10.8	9.0	12.3	11.7
Manufacture of Beverages and Tobacco	7.1	6.6	6.8	7.1	8.8	10.1
Textile, Wearing Apparel and Leather Products	12.9	9.5	10.2	8.9	9.4	9.1
Wood, Wood Products and Furniture	9.1	8.2	8.0	7.9	7.3	7.2
Paper and Paper Products	5.3	5.3	3.3	4.3	4.3	5.2
Chemicals and Chemical Products	2.1	-1.2	-3.3	-3.2	-5.7	-2.6
Refined Petroleum Products	13.8	10.8	14.7	16.4	17.4	18.2
Rubber & Plastic Products	3.4	13.2	13.7	15.1	13.6	17.7
Other Non-Metallic Mineral Products*	10.9	10.9	10.8	12.4	9.5	9.5
Fabricated Metal Products excl. Machinery & Equipment	17.3	16.9	13.6	9.5	9.2	12.4
Other Manufacturing n.e.c.	3.6	4.0	4.0	3.1	3.1	3.1

* Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

January–December 2013 & 2014 (Base 2008 = 100)

Jul-13 to Jul-14	Aug-13 to Aug-14	Sep-13 to Sep-14	Oct-13 to Oct-14	Nov-13 to Nov-14	Dec-13 to Dec-14	INDUSTRY
23.8	24.6	24.0	18.5	17.4	17.3	MINING & QUARRYING
24.4	25.2	24.5	18.8	17.7	17.6	Bauxite Mining & Alumina Processing
7.9	8.0	10.7	10.6	9.0	8.9	Other Mining & Quarrying
10.5	10.0	8.9	6.9	5.1	2.7	MANUFACTURING
10.4	10.0	9.7	8.7	8.2	8.6	Food, Beverages & Tobacco
6.1	6.3	5.9	5.8	6.0	7.1	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
7.6	7.8	7.3	7.1	7.4	8.7	<i>Meat & Meat products and Fish & Fish Products</i>
7.8	8.3	8.3	8.3	8.2	8.3	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
19.8	18.9	16.9	18.1	13.8	13.2	Manufacture of Dairy Products
10.7	9.4	9.4	5.3	4.6	4.1	Manufacture of Grain Mill Products, Starches and Starch Products
12.2	12.5	12.3	11.4	11.4	12.3	Manufacture of Other Food Products
12.6	12.6	12.5	12.4	12.4	13.7	<i>Bakery Products</i>
10.7	11.9	11.5	10.0	7.9	7.8	<i>Sugar, Cocoa, Coffee, Chocolate & Sugar Confectionery</i>
12.7	12.9	12.7	12.1	18.9	18.8	<i>Seasoning, Spices, Sauces and Condiments</i>
11.5	11.9	11.3	6.1	5.2	5.9	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>
8.4	7.3	7.2	7.0	6.7	6.7	Manufacture of Beverages and Tobacco
9.4	4.4	3.9	2.6	2.0	1.7	Textile, Wearing Apparel and Leather Products
10.7	6.2	4.9	4.7	4.7	4.6	Wood, Wood Products and Furniture
6.4	6.5	6.0	6.0	5.9	5.1	Paper and Paper Products
1.1	8.2	8.4	6.5	5.0	4.9	Chemicals and Chemical Products
15.0	10.2	4.9	-2.8	-9.1	-23.1	Refined Petroleum Products
20.8	20.3	20.3	20.1	19.5	19.5	Rubber & Plastic Products
12.8	12.0	12.0	12.0	8.4	8.3	Other Non-Metallic Mineral Products*
14.4	14.5	14.4	14.0	12.4	12.4	Fabricated Metal Products excl. Machinery & Equipment
3.6	6.5	8.6	8.6	6.4	6.4	Other Manufacturing n.e.c.

Producer Price Index Fiscal Year-to-Date Percentage Change by Industry

Table 5

INDUSTRY	Apr-14 to May-14	Apr-14 to Jun-14	Apr-14 to Jul-14	Apr-14 to Aug-14
MINING & QUARRYING	0.6	2.6	14.0	15.0
Bauxite Mining & Alumina Processing	0.7	2.7	14.4	15.4
Other Mining & Quarrying	0.2	0.4	2.9	3.1
MANUFACTURING	1.1	2.9	3.5	3.5
Food, Beverages & Tobacco	2.3	4.4	4.7	4.8
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	1.7	2.0	2.4	3.1
<i>Meat & Meat products and Fish & Fish Products</i>	2.0	2.5	3.0	3.8
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	0.1	0.5	0.9	1.4
Manufacture of Dairy Products	1.4	2.1	4.1	3.8
Manufacture of Grain Mill Products, Starches and Starch Products	1.8	1.8	1.8	0.6
Manufacture of Other Food Products	3.7	8.4	8.6	9.0
<i>Bakery Products</i>	4.9	11.7	11.8	11.8
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	0.4	1.8	2.4	3.7
<i>Seasoning, Spices, Sauces and Condiments</i>	5.2	7.0	7.2	7.4
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	1.0	2.0	2.4	2.9
Manufacture of Beverages and Tobacco	2.0	4.1	4.2	4.4
Textile, Wearing Apparel and Leather Products	0.2	0.9	2.0	0.4
Wood, Wood Products and Furniture	0.0	0.0	3.3	3.3
Paper and Paper Products	0.0	0.9	3.3	3.4
Chemicals and Chemical Products	0.3	1.9	2.1	3.3
Refined Petroleum Products	-0.8	0.8	0.2	-1.1
Rubber & Plastic Products	0.0	3.7	6.5	6.6
Other Non-Metallic Mineral Products*	0.0	0.0	3.6	3.6
Fabricated Metal Products excl. Machinery & Equipment	0.1	3.3	5.4	5.5
Other Manufacturing n.e.c.	0.0	0.0	0.5	3.3

* Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

April - December 2014 (Base 2008 = 100)

Apr-14 to Sep-14	Apr-14 to Oct-14	Apr-14 to Nov-14	Apr-14 to Dec-14	INDUSTRY
15.3	16.9	16.8	17.3	MINING & QUARRYING
15.6	17.3	17.2	17.7	Bauxite Mining & Alumina Processing
5.8	6.3	6.2	6.4	Other Mining & Quarrying
3.1	1.9	1.2	-0.4	MANUFACTURING
4.9	5.1	5.6	6.1	Food, Beverages & Tobacco
3.5	3.5	5.1	6.1	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
4.3	4.3	6.2	7.5	<i>Meat & Meat products and Fish & Fish Products</i>
1.4	1.4	1.4	1.5	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
3.4	5.2	5.4	5.0	Manufacture of Dairy Products
0.6	0.6	0.6	0.6	Manufacture of Grain Mill Products, Starches and Starch Products
9.1	9.1	9.7	10.7	Manufacture of Other Food Products
11.9	11.9	12.0	13.4	<i>Bakery Products</i>
3.8	3.8	3.7	4.0	<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>
7.4	7.4	14.1	14.2	<i>Seasoning, Spices, Sauces and Condiments</i>
3.1	3.1	3.1	4.1	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>
4.4	4.4	4.4	4.5	Manufacture of Beverages and Tobacco
0.5	0.4	0.4	0.6	Textile, Wearing Apparel and Leather Products
4.6	4.6	4.6	4.6	Wood, Wood Products and Furniture
3.4	3.4	3.9	3.9	Paper and Paper Products
3.5	3.5	3.5	3.8	Chemicals and Chemical Products
-4.0	-11.1	-16.9	-27.4	Refined Petroleum Products
6.6	6.6	6.6	6.6	Rubber & Plastic Products
3.6	3.6	3.4	3.4	Other Non-Metallic Mineral Products*
5.5	5.5	5.5	5.6	Fabricated Metal Products excl. Machinery & Equipment
5.7	5.7	6.0	6.0	Other Manufacturing n.e.c.

Producer Price Index by Industry

Table 6

INDUSTRY	Annual Average	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
MINING & QUARRYING	127.2	122.9	125.5	128.4	124.1	123.7	125.5
Bauxite Mining & Alumina Processing	126.2	121.9	124.5	127.5	123.1	122.6	124.5
Other Mining & Quarrying	150.6	147.6	148.3	149.2	149.8	149.7	150.3
MANUFACTURING	157.3	152.0	154.6	155.1	155.5	156.1	156.5
Food, Beverages & Tobacco	156.0	151.9	152.5	153.3	153.9	154.5	155.2
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	148.8	143.0	145.0	146.9	147.7	148.7	148.8
<i>Meat & Meat products and Fish & Fish Products</i>	146.8	141.1	142.6	145.0	146.0	146.5	146.5
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	154.6	148.5	152.7	152.3	152.7	155.9	156.0
Manufacture of Dairy Products	166.4	165.4	167.4	161.4	161.5	162.6	163.4
Manufacture of Grain Mill Products, Starches and Starch Products	163.7	160.4	160.9	162.2	162.2	162.0	162.1
Manufacture of Other Food Products	155.6	153.2	151.6	153.2	153.9	154.4	155.6
<i>Bakery Products</i>	147.7	147.5	146.3	146.5	146.6	147.2	148.1
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	176.4	174.6	168.7	171.4	173.7	173.2	175.1
<i>Seasoning, Spices, Sauces and Condiments</i>	147.4	134.7	135.3	142.8	143.4	147.6	148.2
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	159.6	151.0	153.1	155.8	158.4	155.2	157.7
Manufacture of Beverages and Tobacco	151.3	145.5	147.0	147.6	148.4	149.0	150.2
Textile, Wearing Apparel and Leather Products	138.2	130.5	132.0	133.6	134.8	134.6	135.6
Wood, Wood Products and Furniture	136.9	131.3	132.4	132.7	132.8	133.5	133.7
Paper and Paper Products	126.8	123.5	123.5	126.1	126.1	126.1	126.1
Chemicals and Chemical Products	163.8	158.8	164.3	168.6	169.0	174.0	171.3
Refined Petroleum Products	168.2	158.4	168.8	165.0	163.6	161.0	162.3
Rubber & Plastic Products	111.0	109.0	109.1	109.5	109.7	111.1	111.2
Other Non-Metallic Mineral Products*	155.1	150.3	150.3	150.7	150.7	154.7	154.7
Fabricated Metal Products excl. Machinery & Equipment	140.4	131.1	131.6	136.1	141.2	141.8	142.1
Other Manufacturing n.e.c.	122.0	120.6	120.6	120.6	121.6	121.6	121.6

* Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

January–December 2013 (Base 2008 = 100)

Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Annual Average	INDUSTRY
124.3	124.5	125.3	133.0	134.1	134.9	127.2	MINING & QUARRYING
123.2	123.4	124.3	132.1	133.3	134.0	126.2	Bauxite Mining & Alumina Processing
150.7	150.7	151.0	151.7	154.0	154.2	150.6	Other Mining & Quarrying
157.2	157.9	158.9	160.1	161.5	162.7	157.3	MANUFACTURING
156.1	156.7	157.3	159.0	160.5	160.7	156.0	Food, Beverages & Tobacco
148.8	149.5	150.7	150.9	152.7	152.7	148.8	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
146.5	147.4	148.8	149.0	151.3	151.3	146.8	<i>Meat & Meat products and Fish & Fish Products</i>
156.0	156.1	156.1	156.2	156.2	156.3	154.6	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
164.3	165.1	167.2	168.3	175.0	175.4	166.4	Manufacture of Dairy Products
162.1	162.1	162.1	168.5	169.6	170.3	163.7	Manufacture of Grain Mill Products, Starches and Starch Products
156.3	156.3	156.7	158.4	158.9	159.1	155.6	Manufacture of Other Food Products
148.1	148.1	148.3	148.5	148.6	148.7	147.7	<i>Bakery Products</i>
176.6	176.8	177.6	181.7	183.5	184.2	176.4	<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>
152.0	152.0	152.3	153.1	153.4	153.6	147.4	<i>Seasoning, Spices, Sauces and Condiments</i>
158.6	158.7	160.0	167.8	169.1	169.6	159.6	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c.</i>
152.8	154.6	154.7	155.0	155.5	155.7	151.3	Manufacture of Beverages and Tobacco
136.4	142.4	143.1	144.6	145.2	145.6	138.2	Textile, Wearing Apparel and Leather Products
133.8	139.4	143.0	143.2	143.3	143.3	136.9	Wood, Wood Products and Furniture
127.6	127.6	128.2	128.2	129.0	130.0	126.8	Paper and Paper Products
165.2	156.3	156.3	159.1	161.3	161.8	163.8	Chemicals and Chemical Products
166.0	170.9	174.2	174.2	174.2	179.7	168.2	Refined Petroleum Products
111.3	111.8	111.9	112.0	112.6	112.6	111.0	Rubber & Plastic Products
155.6	156.8	156.8	156.8	161.7	161.8	155.1	Other Non-Metallic Mineral Products*
142.4	142.4	142.6	143.1	145.1	145.3	140.4	Fabricated Metal Products excl. Machinery & Equipment
121.6	121.6	122.1	122.1	125.0	125.0	122.0	Other Manufacturing n.e.c.

Producer Price Index Monthly Percentage Change by Industry

Table 7

INDUSTRY	Monthly Average	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
MINING & QUARRYING	1.0	2.6	2.2	2.3	-3.4	-0.4	1.5
Bauxite Mining & Alumina Processing	1.0	2.6	2.2	2.4	-3.5	-0.4	1.5
Other Mining & Quarrying	0.5	2.0	0.5	0.6	0.4	-0.1	0.4
MANUFACTURING	0.8	2.4	1.7	0.3	0.2	0.4	0.3
Food, Beverages & Tobacco	0.6	1.4	0.4	0.5	0.4	0.4	0.5
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	0.6	0.8	1.4	1.3	0.6	0.7	0.0
<i>Meat & Meat products and Fish & Fish Products</i>	0.7	1.0	1.1	1.7	0.7	0.3	0.0
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	0.4	0.1	2.8	-0.2	0.2	2.1	0.0
Manufacture of Dairy Products	0.9	4.3	1.3	-3.6	0.1	0.7	0.5
Manufacture of Grain Mill Products, Starches and Starch Products	0.8	3.1	0.3	0.8	0.0	-0.1	0.0
Manufacture of Other Food Products	0.4	0.5	-1.0	1.0	0.5	0.3	0.8
<i>Bakery Products</i>	0.1	0.3	-0.8	0.1	0.0	0.4	0.7
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	0.6	1.2	-3.4	1.6	1.4	-0.3	1.1
<i>Seasoning, Spices, Sauces and Condiments</i>	1.1	0.3	0.5	5.5	0.5	2.9	0.4
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	1.0	0.7	1.4	1.8	1.7	-2.0	1.6
Manufacture of Beverages and Tobacco	0.6	0.6	1.1	0.4	0.5	0.5	0.8
Textile, Wearing Apparel and Leather Products	1.0	0.4	1.1	1.2	1.0	-0.2	0.8
Wood, Wood Products and Furniture	0.8	0.5	0.9	0.2	0.1	0.5	0.1
Paper and Paper Products	0.5	0.6	0.0	2.1	0.0	0.0	0.0
Chemicals and Chemical Products	0.4	2.5	3.4	2.6	0.2	3.0	-1.6
Refined Petroleum Products	1.4	4.3	6.6	-2.2	-0.9	-1.6	0.9
Rubber & Plastic Products	0.3	0.9	0.1	0.4	0.1	1.4	0.1
Other Non-Metallic Mineral Products*	1.7	12.4	0.0	0.2	0.0	2.7	0.0
Fabricated Metal Products excl. Machinery & Equipment	1.0	1.4	0.4	3.4	3.7	0.4	0.3
Other Manufacturing n.e.c.	0.3	0.0	0.0	0.0	0.8	0.0	0.0

* Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

January–December 2013 (Base 2008 = 100)

Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Monthly Average	INDUSTRY
-1.0	0.2	0.7	6.1	0.9	0.6	1.0	MINING & QUARRYING
-1.0	0.2	0.7	6.3	0.8	0.6	1.0	Bauxite Mining & Alumina Processing
0.3	0.0	0.2	0.5	1.5	0.1	0.5	Other Mining & Quarrying
0.4	0.5	0.7	0.7	0.9	0.7	0.8	MANUFACTURING
0.6	0.4	0.4	1.1	0.9	0.2	0.6	Food, Beverages & Tobacco
0.0	0.5	0.8	0.1	1.2	0.0	0.6	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
0.0	0.6	0.9	0.2	1.5	0.0	0.7	<i>Meat & Meat products and Fish & Fish Products</i>
0.0	0.0	0.0	0.1	0.0	0.0	0.4	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
0.5	0.5	1.3	0.7	4.0	0.2	0.9	Manufacture of Dairy Products
0.0	0.0	0.0	3.9	0.7	0.4	0.8	Manufacture of Grain Mill Products, Starches and Starch Products
0.4	0.0	0.2	1.0	0.3	0.2	0.4	Manufacture of Other Food Products
0.0	0.0	0.1	0.2	0.0	0.1	0.1	<i>Bakery Products</i>
0.8	0.1	0.5	2.3	1.0	0.4	0.6	<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>
2.6	0.0	0.2	0.5	0.2	0.1	1.1	<i>Seasoning, Spices, Sauces and Condiments</i>
0.5	0.1	0.8	4.9	0.8	0.3	1.0	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>
1.7	1.2	0.1	0.2	0.3	0.1	0.6	Manufacture of Beverages and Tobacco
0.6	4.4	0.5	1.0	0.4	0.3	1.0	Textile, Wearing Apparel and Leather Products
0.1	4.2	2.6	0.1	0.1	0.0	0.8	Wood, Wood Products and Furniture
1.2	0.0	0.5	0.0	0.6	0.8	0.5	Paper and Paper Products
-3.5	-5.4	0.0	1.8	1.4	0.3	0.4	Chemicals and Chemical Products
2.2	3.0	1.9	0.0	0.0	3.1	1.4	Refined Petroleum Products
0.1	0.5	0.0	0.1	0.5	0.0	0.3	Rubber & Plastic Products
0.6	0.7	0.0	0.0	3.2	0.1	1.7	Other Non-Metallic Mineral Products*
0.2	0.0	0.1	0.3	1.4	0.1	1.0	Fabricated Metal Products excl. Machinery & Equipment
0.0	0.0	0.4	0.0	2.4	0.0	0.3	Other Manufacturing n.e.c.

Quarterly Producer Price Index by Industry

Table 8

INDUSTRY	Q1	Q2	Q3	Q4
	Jan-Mar-13	Apr-Jun-13	Jul-Sep-13	Oct-Dec-13
MINING & QUARRYING	125.6	124.4	124.7	134.0
Bauxite Mining & Alumina Processing	124.6	123.4	123.6	133.1
Other Mining & Quarrying	148.4	149.9	150.8	153.3
MANUFACTURING	153.9	156.0	158.0	161.4
Food, Beverages & Tobacco	152.6	154.5	156.7	160.1
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	145.0	148.4	149.7	152.1
<i>Meat & Meat products and Fish & Fish Products</i>	142.9	146.3	147.6	150.5
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	151.2	154.9	156.1	156.2
Manufacture of Dairy Products	164.7	162.5	165.5	172.9
Manufacture of Grain Mill Products, Starches and Starch Products	161.2	162.1	162.1	169.5
Manufacture of Other Food Products	152.7	154.6	156.4	158.8
<i>Bakery Products</i>	146.8	147.3	148.1	148.6
<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>	171.5	174.0	177.0	183.2
<i>Seasoning, Spices, Sauces and Condiments</i>	137.6	146.4	152.1	153.4
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	153.3	157.1	159.1	168.8
Manufacture of Beverages and Tobacco	146.7	149.2	154.0	155.4
Textile, Wearing Apparel and Leather Products	132.0	135.0	140.6	145.1
Wood, Wood Products and Furniture	132.1	133.4	138.7	143.3
Paper and Paper Products	124.3	126.1	127.8	129.1
Chemicals and Chemical Products	163.9	171.4	159.3	160.7
Refined Petroleum Products	164.1	162.3	170.4	176.1
Rubber & Plastic Products	109.2	110.7	111.7	112.4
Other Non-Metallic Mineral Products*	150.5	153.4	156.4	160.1
Fabricated Metal Products excl. Machinery & Equipment	132.9	141.7	142.5	144.5
Other Manufacturing n.e.c.	120.6	121.6	121.8	124.0

* Other Non-Metallic Mineral Products include cement and concrete.

NOTE: # This represents average (arithmetic mean) index of three (3) months.

January–December 2013 (Base 2008 = 100)

Q1	Q2	Q3	Q4	INDUSTRY
6.0	-0.9	0.2	7.5	MINING & QUARRYING
6.2	-1.0	0.2	7.7	Bauxite Mining & Alumina Processing
2.8	1.1	0.6	1.7	Other Mining & Quarrying
3.8	1.4	1.3	2.2	MANUFACTURING
2.5	1.3	1.4	2.1	Food, Beverages & Tobacco
2.4	2.4	0.8	1.6	Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats
2.4	2.4	0.9	2.0	<i>Meat & Meat products and Fish & Fish Products</i>
2.6	2.4	0.8	0.1	<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>
4.9	-1.4	1.9	4.5	Manufacture of Dairy Products
4.8	0.6	0.0	4.6	Manufacture of Grain Mill Products, Starches and Starch Products
1.1	1.3	1.2	1.5	Manufacture of Other Food Products
0.7	0.4	0.6	0.3	<i>Bakery Products</i>
0.3	1.4	1.7	3.5	<i>Sugar, Cocoa, Coffee, Chocolate, & Sugar Confectionery</i>
3.0	6.4	3.9	0.8	<i>Seasoning, Spices, Sauces and Condiments</i>
3.1	2.5	1.3	6.1	<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>
1.9	1.7	3.2	0.9	Manufacture of Beverages and Tobacco
2.5	2.3	4.2	3.2	Textile, Wearing Apparel and Leather Products
2.2	0.9	4.0	3.3	Wood, Wood Products and Furniture
1.5	1.4	1.4	1.0	Paper and Paper Products
5.9	4.6	-7.1	0.9	Chemicals and Chemical Products
5.6	-1.1	5.0	3.3	Refined Petroleum Products
3.7	1.4	0.9	0.6	Rubber & Plastic Products
12.5	1.9	2.0	2.4	Other Non-Metallic Mineral Products*
2.9	6.6	0.5	1.4	Fabricated Metal Products excl. Machinery & Equipment
0.2	0.8	0.1	1.9	Other Manufacturing n.e.c.

**Table 9:**

PPI Weighting Structure
Mining & Quarrying and Manufacturing Industries

INDUSTRY	PERCENTAGE 2008 WEIGHTS
MINING & QUARRYING	100.0
Bauxite Mining and Alumina Processing	96.5
Other Mining and Quarrying	3.5
MANUFACTURING	100.0
Food, Beverages and Tobacco	53.0
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	13.9
<i>Meat & Meat Products and Fish and Fish Products</i>	9.4
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	4.5
Manufacture of Dairy Products	4.9
Manufacture of Grain Mill Products, Starches and Starch Products	8.4
Manufacture of Other Food Products	15.4
<i>Bakery Products</i>	10.1
<i>Sugar, Cocoa, Coffee, Chocolate & Sugar Confectionery</i>	3.2
<i>Seasoning, Spices, Sauces and Condiments</i>	0.7
<i>Macaroni, Noodles, Couscous & Other Food Products n.e.c</i>	1.4
Manufacture of Beverages and Tobacco	10.4
Textiles, Wearing Apparel and Leather Products	0.8
Wood, Wood Products and Furniture	2.7
Paper, Paper Products, Printing and Publishing	3.9
Chemicals and Chemical Products	9.4
Refined Petroleum Products	17.4
Rubber & Plastic Products	2.1
Other Non-Metallic Mineral Products*	5.0
Fabricated Metal Products excl. Machinery and Equipment	3.5
Other Manufacturing n.e.c.	2.2



TECHNICAL NOTES

Base Year

The base year is the point in time used as a reference period for comparison with other time periods. The values of the base period provide the weights for the price index. Re-basing the index periodically is necessary to ensure that changes in production and consumption patterns within the Jamaican economy are captured. The base period used for the PPI was changed from 2005 to 2008. The year 2008 was chosen as the new base year, as the product group weights were compiled from the National Accounts estimates and at the time when the compilation process began this was the year when the most final National Accounts estimates were available.

The revision of the classification system resulted in the shift of two product groups from the Manufacturing industry to the agriculture industry namely:

Sample Size

Although the sample design and sampling techniques remained similar to that used in the previous index compilation, the sample size for the new series has changed. The sample is selected from the total number of large establishments (establishments employing 10 or more persons) engaged in mining & quarrying and manufacturing. The new PPI sample size is 128 establishments and has over 400 products.

Updates of the sampled establishments are carried out on a regular basis. At the end of each year, the PPI sample is updated by adding new establishments and new products to the PPI calculation worksheet. The sample is also improved by removing establishments from the worksheet when they go out of business. Such activities are accompanied by the appropriate adjustments to the weighting structure.

Scope of Index

The PPI is output¹ based and is estimated from the basic price of selected products, that is, the per unit revenue received by the producer from production. The current PPI series measures price movements in the Mining & Quarrying and Manufacturing industries.



The index is calculated with the application of a modified Laspeyeres formula which combines:-

- (a) Price relatives²
- (b) Weights³ derived from the base year

-
1. An Output PPI is a measure of the change in the prices of finished goods and services that are sold on the domestic market or exported. The prices of finished goods are monitored because they are the best measure of what purchasers will actually have to pay.
 2. A price relative is the ratio of the price of an individual product in one period to the price of that same product in some other period.
 3. Weights are values that are used to determine the impact of a particular price change on the overall index.

The modified Laspeyeres formula is given as:-

$$I_m = \frac{\sum_{i=1}^n v_{0i} \frac{P_{ti}}{P_{0i}}}{\sum_{i=1}^n v_{0i}} * 100$$

Where:

I_m is the calculated value of the index

$\sum v_{0i}$ is the total value of all product weights (unit value)

P_{ti} = price of the i^{th} product in the current period

P_{0i} = price of the i^{th} product in the base period

V_{0i} = value of the i^{th} product in the base period

Sample Design

The sample design incorporates stratification by industry and size (employment, sales etc.) and differential sampling across the various strata. Selection of the establishments and products from their respective industries for the Producer Prices survey followed a two stage sampling procedure. The first stage involved the selection of the establishments from related product groups within the respective industry. At the product group level, related individual products, mostly within different establishments, contribute to the total weight of the group, a contribution which depends on the sale of the particular product. At the second stage, the identification of the relevant products from the selected establishments is undertaken. Insufficient establishments within some strata restricted sample selection and consequently limited the level at which details could be published by industry.

Weighting Structure

Weights determine the impact of price changes on the overall index and are key elements in the construction of the PPI. The calculation of the PPI depends on the relative weight of the products and their corresponding price movements. Without weights, the price changes for all commodities in the PPI basket would be given equal importance and this would not be a true reflection of the impact that these changes have in the market place.

Weights are calculated at every level. From the 'Major Group' to 'Establishment' level, the weights are derived from the national accounts gross output estimates, where the price index can be defined as the price component of relative change in the value aggregates. At the 'Product' level however, the weights are based on the products' contribution to the total sales of the establishments. This data are primarily obtained from the establishments. Products are further classified as domestic or exports based on the market in which they are sold.

The example for Manufacturing in *Table i* below illustrates the levels at which weights are applied:

Table i

Level	Group Example	Group Contribution to Level
INDUSTRY	MANUFACTURING	100%
Major Group	Food, Beverages & Tobacco	53.0% out of 100%
Group	Beverages (alcoholic/non-alcoholic) & tobacco	10.4% out of 53.0%
Sub-Group	Non-alcoholic Beverages	4.5% out of 10.4%
Product Group	Carbonated Drinks	2.2% out of 4.5%
Establishment	Company A. Ltd.	1.1% out of 2.2%
Product (in estab.)	10 oz. bottle (Fizzy Pop)	0.5% out of 1.1%

Sampling Technique

A non-probability sampling approach (purposive sampling) was followed in the selection of the establishments and products for the PPI. Sample selection was based on the availability and representativeness of the establishments and products. Probability sampling, an approach which ensures that all elements in the population have an equal opportunity of being included in the sample was not considered for the PPI survey because the application of such a technique would not have provided an adequate number of establishments for each industry group.



Sample Design

The sample design incorporated stratification by industry and size (employment, sales etc) and differential sampling across the various strata. Selection of the establishments and products from their respective industries for the PPI survey followed a two stage sampling procedure. The first stage involved the selection of the establishments from related product groups within the respective industry and the second stage involved the identification of the relevant products from the selected establishments.

Insufficient establishments within some strata restricted sample selection and consequently limited the level at which details could be published by industry.

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Sampling Frame

An essential requirement for most forms of sample selection is the existence of a sampling frame from which the sampled elements can be selected. STATIN maintains a Business Registry of establishments employing 10 or more persons. This registry organizes these establishments into industries based on their main economic activity.

Ideally the sample frame should be a complete list of all eligible economic units that are producing within the economy. Establishments employing less than ten persons form part of a large group of highly dynamic units that are not adequately covered in the business frame. Their rapidly changing demographic characteristics and sometimes short or variable life cycle pose special challenges to the maintenance of a current and comprehensive database. It is for this reason that the business frame from which the sample is drawn is derived from the list of large establishments.



Specification Pricing

It is necessary to compute a pure price change in the calculation of the PPI. The most appropriate pricing methodology which maintains pure price change is product specification pricing. This methodology ensures that all relevant technical and other characteristics of a product (model, weight, brand, size of packaging, product code, etc.) are maintained while tracking movements in price. If the product's specifications or quality is changed over time, quality adjustments are made, so that the effects of these changes are incorporated in the index.

Chain Index

The PPI compiled by STATIN is a chain index. In a chain index, each link consists of an index in which prices in each period are compared with those in the previous one. The resulting short-term indices are then chained together to obtain the long term index. The PPI compiled by STATIN is a chain index utilizing yearly links.

Annual chaining also facilitates the introduction of new products on a regular basis, and by extension the removal of those products which have become obsolete or whose contribution to overall production in an establishment has become negligible. If an item becomes permanently missing, a replacement item can be linked into the index as part of the ongoing index calculation by including the item in the monthly index as soon as prices for two successive months are obtained. Similarly, if new products have to be linked into the index, this will require prices for the present and preceding months. The regular use of chaining also ensures that individual indices on all levels reflect the dynamics in the industry over time.

In the simple example where an item has been replaced by an updated product, that is, a new 12 ounce bottle of lotion replacing a 10 ounce bottle of the old product, a chain index is calculated using the formula:-

$$I_{0:t} = I_{0:k} I_{k:t}$$

Where:

0 = the reference period (used as base)

t = the current period

k = the overlapping period



$I^{0:k}$ = Index expressed as a ratio of the price of the old product in the overlapping period to that of the price of the old product in the reference period ($k/0$).

$I^{k:t}$ = Index expressed as a ratio of the price of the updated product in the current period to that of the price of the updated product in the overlapping period (t/k).

The multiplication of $I^{0:k}$ and $I^{k:t}$ creates an index that is linked to the ongoing index, that is,

$I^{0:t}$ = Index expressed as a ratio of the price in the current period to that of the price in the reference period ($t/0$).

Confidentiality

Data supplied for the PPI are confidential and protected under the Statistics Act 1984, Paragraph 17³.

Revision Policy

Revisions will be carried out to incorporate the most current information to facilitate improvements to the quality of the index.

The first published index will be preliminary and indices will be subject to two (2) subsequent revisions after their original release.

3.The Statistics Act stipulates that data should be aggregated, arranged and published in a manner that will not identify particulars relating to any individual person or business.

GLOSSARY OF PPI CONCEPTS

BASE PERIOD

This is the point in time used as a reference period for comparison with other time periods. The base period used for this PPI is 2008. The values of the base period provide the weights for a price index.

CHAIN INDEX

This is an index number that expresses the value for a given period as percentage of the value for some previous period. This is distinct from an index for which the base period remains unchanged during the life of the index (fixed base index).

COVERAGE

This represents the set of price transactions that the index actually measures.

DISCOUNT

This represents a deduction from the list price of a good or a service that is available to specific customers under specific conditions. Examples include cash discounts, volume discounts and prompt payments discounts.

ESTABLISHMENT

An establishment is defined as an economic unit, generally at a single physical location, where business is conducted or industrial operations are performed.

INDUSTRY

This is a general term used to describe a group of establishments engaged in similar types of business activity, e.g. mining and quarrying, manufacturing, electricity, gas and water, etc. If a company participates in multiple business activities, it is usually considered to be in the industry in which most of its revenues are derived.

INFLATION

Inflation is the overall general upward movement of the prices of goods and services in an economy. Continuously rising prices is interpreted as a decline in the purchasing power of money. Inflation is usually measured by the CPI and PPI. It is one of the most important economic concepts. On the other hand, a general decline in prices is called deflation.

ITEM

Item refers to any product used in the calculation of the PPI.





LASPEYRES PRICE INDEX

This is a weighted index that shows the ratio of expenditure in the current period to expenditure in the base period (that is required for the purchase of an identical item).

A Laspeyres price index is computed by taking the ratio of the total cost of purchasing a specified group of commodities at current prices to the cost of that same group at base period prices and multiplying by a 100. The index answers the question "How much more or less does it cost now to purchase the same item as in the base period?"

OUTPUT

These are the goods or services produced within an establishment that become available for use outside the establishment, including any goods and services produced for its own final use.

PRICE

Average Price

This is a simple arithmetic average of a number of transaction prices. The price of a product is likely to vary within a month; hence to generate an average price, all the prices for the month are added and divided by the number of transactions for that month.

Producer's Price

The producer's price is the amount received by the producer from the purchaser for a unit of good or service produced as output. It excludes all deductible tax, supplier's retail and wholesale margins and separately invoiced transport and insurance charges.

PRICE INDEX

A price index is a measure that summarizes the movements in the prices of many products from one period to another. Movements are measured with respect to the base period, when the index is set at 100.

PRICE RELATIVE

A price relative is the ratio of the price of an individual product in one period to the price of that same product in some other period.

PRODUCER PRICE INDEX (PPI)

This is an index designed to measure the average change in the price of goods and services either as they leave the place of production (Output PPI) or as they enter the production process (Input PPI). This index can be based on either output or input prices.



Output PPI

An output PPI is a measure of the change in the prices of goods and services sold on the domestic market or exported. The finished goods data are usually most closely watched because they are the best measure of what purchasers will actually have to pay.

Input PPI

An input PPI measures the change in the prices of goods and services bought as intermediate inputs by domestic producers. Intermediate inputs are inputs into the production process of an establishment that are produced elsewhere in the economy or are imported.

PRODUCT

A product is a good or service derived from the production process. It can be used for various purposes such as:-

- inputs in the production of other goods and services
- as final consumption
- for investment.

PRODUCTION

This is a process in which labour and assets are used to transform inputs of goods and services into outputs of other goods and services.

PRODUCT SPECIFICATION

This is a detailed list of the characteristics that identify an individual sampled product. The purpose of detailing the characteristics is to ensure that a price is collected for a standardized product over time. The characteristics listed cover the product name, serial number, description, packaging, etc. and transaction details such as the size of shipment, payment terms, delivery details, etc.

PRODUCTION VOLUME INDEX (PVI)

The Production Volume Index is the ratio of the volume of commodities produced within a specified group of industries in a given time period to the volume produced in the same group of industries in a specified base period.

PURCHASER'S PRICE

This is the amount paid by the purchaser in order to take delivery of a unit of good or service at the time and place required by the purchaser. This includes trade and transport margins and value added tax.



“PURE” PRICE CHANGE

This represents the change in the price of a good or service whose characteristics do not change over time. When some characteristics do change, that is, a change in quality occurs, the “pure” price change is the price change remaining after eliminating the contribution of the change in quality to the observed price change.

If a characteristic such as quality changes, then the “pure” price changes.

REPRESENTATIVE PRODUCT (ITEM)

A representative product is one selected for pricing either because it accounts for a significant proportion of the total revenue or because the price change for that product is representative of price changes for all other products.

UNIT OF MEASURE

This is the imperial or metric measurement of a unit of a product based on its packaging for sale to dealers.

WEIGHTS

A weight is a number or value attached to an observation or item that assigns to it a specific degree of importance relative to the importance of others in the set to which it belongs. Weights constitute a set of numbers between zero and one that sum to unity and are used when calculating averages. They determine the impact of a particular price change on the overall index.



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