

PRODUCER PRICE INDEX

Statistical Institute of Jamaica

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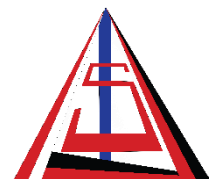
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PERCENTAGE CHANGE FOR MINING & QUARRYING INDUSTRY: 2021 - 2022

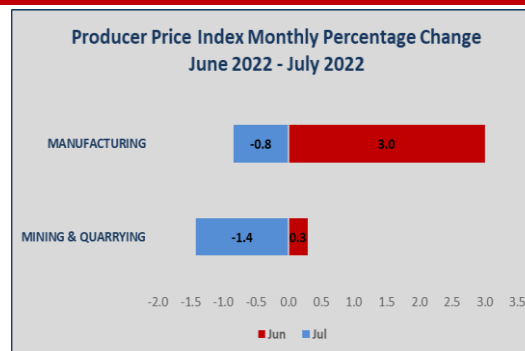
MONTH	YEAR	(%)
JULY	2022	-1.4
JUNE	2022	+0.3
MAY	2022	+0.6
APRIL	2022	-17.1
March	2022	+0.7
February	2022	+0.5
January	2022	+7.4
December	2021	+2.8
November	2021	+1.4
October	2021	-2.4
September	2021	+0.3
August	2021	+2.3
July	2021	+13.2

PERCENTAGE CHANGE FOR MANUFACTURING INDUSTRY: 2021 - 2022

MONTH	YEAR	(%)
JULY	2022	-0.8
JUNE	2022	+3.0 ^r
MAY	2022	+2.6
APRIL	2022	+1.6
March	2022	+2.6
February	2022	+3.3
January	2022	+2.1
December	2021	+0.2
November	2021	+1.1
October	2021	+2.5
September	2021	+0.3
August	2021	+0.5
July	2021	+1.8

HIGHLIGHTS: JULY 2022

Output prices for producers in July 2022 declined by 1.4 per cent for the Mining & Quarrying industry. This was primarily attributed to the 1.5 per cent fall in the index for the major group 'Bauxite Mining & Alumina Processing'.



Producer prices for the Manufacturing industry fell by 0.8 per cent over the review period. The major group that mainly influenced the movement in the industry was 'Refined Petroleum Products', with a decline of 4.5 per cent in its index. The decrease in the industry's index was, however, tempered by increases in the index for the major groups, 'Food, Beverages & Tobacco' (0.2%) and 'Wood, Wood Products and Furniture' (3.1%) (Table II).

POINT-TO-POINT

The Producer Price Index (PPI) for July 2021 – July 2022 for the Mining & Quarrying industry increased by 5.9 per cent, influenced by the 5.8 per cent rise in the index for the major group 'Bauxite Mining & Alumina Processing'. Additionally, the PPI for the point-to-point period for the Manufacturing industry recorded an increase of 20.8 per cent. This increase was mainly due to upward movements in the index for the major groups, 'Refined Petroleum Products' (53.9%) and 'Food, Beverages & Tobacco' (15.5%) (Table II).

In calculating the PPI for the current period, the average exchange rate for the previous month is used. The assumption is that producers would **not** have purchased their raw materials in the current month. The exchange rate is used to convert prices that are quoted in US dollars.

MINING & QUARRYING

For the review period, the PPI for the **Mining & Quarrying** industry fell by 1.4 per cent. The index for the major group '*Bauxite Mining & Alumina Processing*', which declined by 1.5 per cent, was the main contributory factor influencing the industry's movement. A fall of 0.1 per cent was recorded in the index for the major group '*Other Mining and Quarrying*'. The decline in the industry was impacted mainly by the appreciation of the Jamaican dollar against the United States dollar.

MANUFACTURING

The **Manufacturing** industry's index recorded its first decline, since the start of the 2022 calendar year, of 0.8 per cent. The main contributor to this downward movement was a 4.5 per cent decrease in the index for the major group '*Refined Petroleum Products*'. However, the industry's movement was tempered by a 0.2 per cent increase in the index for the major group '*Food, Beverages & Tobacco*' and a 3.1 per cent rise in the '*Wood, Wood Products and Furniture*' major group's index (**Table II**).

FOOD, BEVERAGES & TOBACCO

The increase in the index for this major group was mainly due to upward movements in the groups:

- '*Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats*', with an increase of 0.9 per cent in its index. This was due mainly to the upward movement of 4.9 per cent for the sub-group '*Fruits & Vegetables and Animal & Vegetable Oils & Fats*' as a result of higher import prices for cooking oil.
- '*Manufacture of Dairy Products*' with a rise of 0.3 per cent in its index, attributed to increased overhead costs.

However, the index for the group '*Manufacture of Beverages*' fell by 0.1 per cent, due to the appreciation of the Jamaican dollar vis-à-vis the United States dollar.

OTHER MAJOR GROUPS IN THE MANUFACTURING INDUSTRY

The fall in international oil prices, which led to a decrease in local fuel prices, resulted in a 4.5 per cent downward movement in the index for the major group '*Refined Petroleum Products*'.

The index for the major groups: '*Chemicals and Chemical Products*', '*Rubber & Plastic Products*' and '*Fabricated Metal Products excl. Machinery & Equipment*', each registered a decrease in their index of 0.1 per cent. The '*Textile, Wearing Apparel and Leather Products*' major group's index also fell by 0.5 per cent. These declines were due mainly to the appreciation of the Jamaican dollar vis-à-vis the United States dollar.

Conversely, the index for the major group '*Wood, Wood Products & Furniture*' recorded its second highest increase for the year of 3.1 per cent. This upward movement was a result of higher overheads and increased production costs.

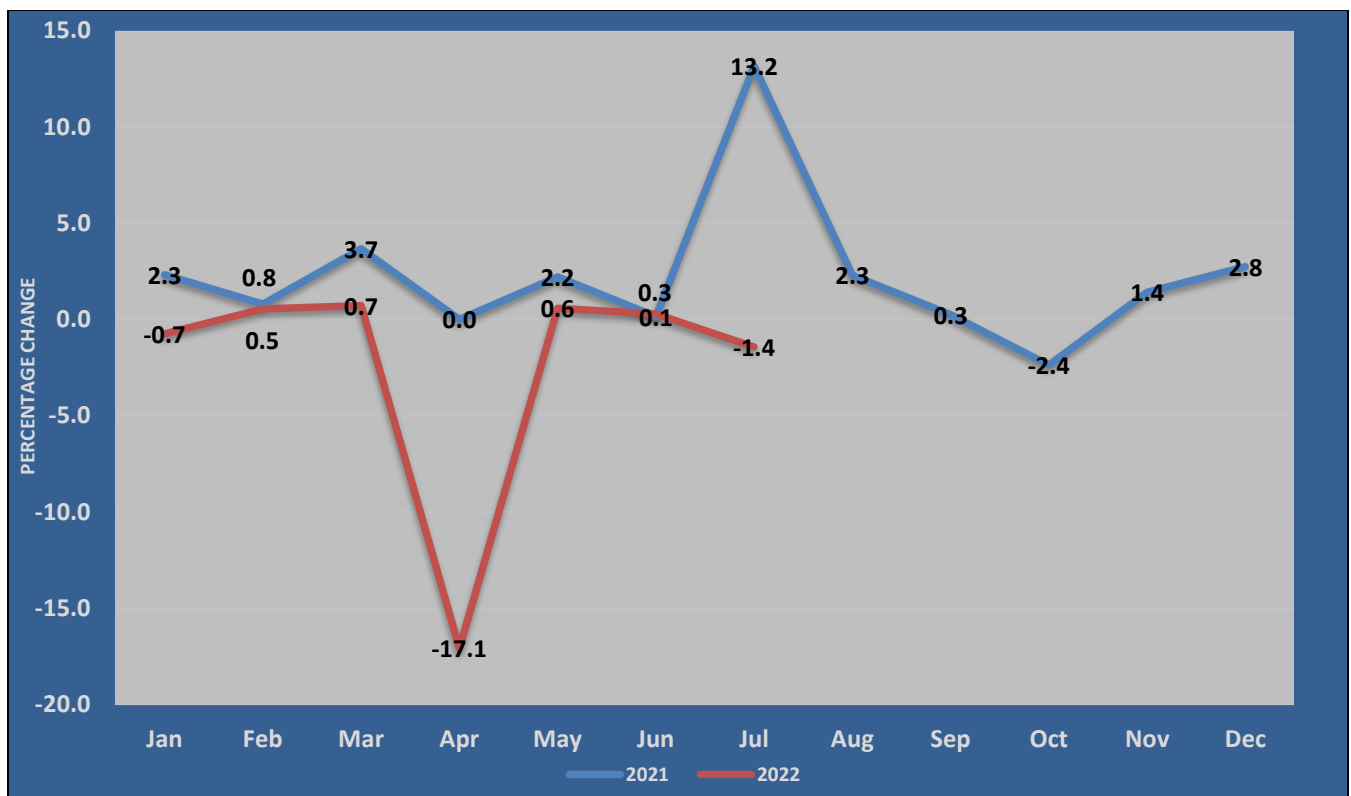


FIGURE II. MONTHLY PERCENTAGE CHANGE IN THE PPI FOR MINING & QUARRYING, JULY 2021 – JULY 2022



FIGURE III. MONTHLY PERCENTAGE CHANGE IN THE PPI FOR MANUFACTURING, JULY 2021 – JULY 2022

Table I. MONTHLY PRODUCER PRICE INDEX BY INDUSTRY, MAY – JULY 2022

INDUSTRY	Months		
	Jul-22	Jun-22	May-22
MINING & QUARRYING	194.3	197.1	196.6
Bauxite Mining & Alumina Processing	191.0	193.8	193.4
Other Mining & Quarrying	264.9	265.2	259.3
MANUFACTURING	275.6	277.9^r	269.8^r
Food, Beverages & Tobacco	263.9	263.3^r	255.7^r
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	285.0	282.4	274.8
<i>Meat & Meat products and Fish & Fish Products</i>	286.3	286.3	276.8
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	273.5	260.8	260.8
Manufacture of Dairy Products	246.7	245.9	242.0
Manufacture of Grain Mill Products, Starches and Starch Products	341.7	341.7	317.8
Manufacture of Other Food Products	258.4	258.4 ^r	253.4 ^r
<i>Bakery Products</i>	234.7	234.8 ^r	228.4
<i>Sugar, Cocoa, Coffee, Chocolate & Sugar Confectionery</i>	296.6	295.9	295.5
<i>Seasoning, Spices, Sauces, and Condiments</i>	277.3	278.6 ^r	271.7 ^r
<i>Macaroni, Noodles, Couscous & Other Food Products, n.e.c</i>	296.8	296.8	296.8
Manufacture of Beverages and Tobacco	202.6	202.7	200.0
Textile, Wearing Apparel and Leather Products	217.8	218.9	218.7
Wood, Wood Products and Furniture	266.7	258.7	258.7
Paper and Paper Products	169.2	169.2^r	165.0
Chemicals and Chemical Products	237.4	237.6	238.3
Refined Petroleum Products	317.5	332.4	317.8
Rubber & Plastic Products	171.3	171.4	171.4
Other Non-Metallic Mineral Products¹	252.7	252.7	232.2
Fabricated Metal Products excl. Machinery & Equipment	218.9	219.1	219.1
Other Manufacturing n.e.c.	234.5	234.5	234.5

¹ Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

r= These figures have been revised

Table II. PERCENTAGE CHANGE IN THE PRODUCER PRICE INDEX BY INDUSTRY, MAY - JULY 2022

INDUSTRY	Percentage Change					
	Month-to-Month			Point-to-Point		
	Jul-22	Jun-22	May-22	Jul-21 to Jul-22	Jun-21 to Jun-22	May-21 to May-22
MINING & QUARRYING	-1.4	0.3	0.6	5.9	22.0	21.8
Bauxite Mining & Alumina Processing	-1.5	0.2	0.6	5.8	22.4	22.3
Other Mining & Quarrying	-0.1	2.3	0.1	3.6	3.6	1.4
MANUFACTURING	-0.8	3.0^r	2.6	20.8	23.9^r	23.6
Food, Beverages & Tobacco	0.2	3.0^r	2.2^r	15.5	16.5^r	16.7^r
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	0.9	2.8	1.3	24.5	26.8	32.4
<i>Meat & Meat products and Fish & Fish Products</i>	0.0	3.4	1.6	25.9	26.5	30.0
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	4.9	0.0	0.1	19.3	28.1	42.7
Manufacture of Dairy Products	0.3	1.6	0.0	5.3	5.0	3.3
Manufacture of Grain Mill Products, Starches and Starch Products	0.0	7.5	9.0	32.7	36.2	30.8
Manufacture of Other Food Products	0.0	2.0 ^r	0.8 ^r	11.5	11.6 ^r	12.5 ^r
<i>Bakery Products</i>	0.0	2.8	0.5	13.3	13.3	14.8
<i>Sugar, Cocoa, Coffee, Chocolate & Sugar Confectionery</i>	0.2	0.1	1.8	5.9	5.7	5.7
<i>Seasoning, Spices, Sauces, and Condiments</i>	-0.5	2.5 ^r	2.3 ^r	10.9	12.6 ^r	11.8 ^r
<i>Macaroni, Noodles, Couscous & Other Food Products, n.e.c.</i>	0.0	0.0	0.0	11.8	11.9	11.9
Manufacture of Beverages and Tobacco	-0.1	1.4	0.6	3.4	3.4	2.5
Textile, Wearing Apparel and Leather Products	-0.5	0.1	6.1	9.2	9.5	9.5
Wood, Wood Products and Furniture	3.1	0.0	0.0	7.4	4.2	4.2
Paper and Paper Products	0.0	2.6^r	0.0	3.7	3.7^r	1.8
Chemicals and Chemical Products	-0.1	-0.3	1.9	10.4	11.2	11.5
Refined Petroleum Products	-4.5	4.6	6.0	53.9	69.3	69.4
Rubber & Plastic Products	-0.1	0.0	0.0	2.4	2.7	2.7
Other Non-Metallic Mineral Products²	0.0	8.8	0.0	24.1	24.1	14.2
Fabricated Metal Products excl. Machinery & Equipment	-0.1	0.0	0.0	0.5	0.5	0.5
Other Manufacturing n.e.c.	0.0	0.0	0.0	24.3	26.7	35.3

² Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

r= These figures have been revised

Table III. PERCENTAGE CHANGE IN THE PRODUCER PRICE INDEX BY INDUSTRY FOR THE, 2022/2023 FISCAL YEAR-TO-DATE

INDUSTRY	Fiscal Year-To-Date	
	Apr-22 to Jul-22	Apr-21 to Jun-22
MINING & QUARRYING	-0.5	0.9
Bauxite Mining & Alumina Processing	-0.7	0.8
Other Mining & Quarrying	2.3	2.4
MANUFACTURING	4.8	5.7^r
Food, Beverages & Tobacco	5.4	5.2^r
Production, Processing & Preserving of Meats, Fish, Vegetables, Oils and Fats	5.1	4.1
<i>Meat & Meat products and Fish & Fish Products</i>	5.1	5.1
<i>Fruits & Vegetables and Animal & Vegetable Oils & Fats</i>	5.0	0.1
Manufacture of Dairy Products	1.9	1.6
Manufacture of Grain Mill Products, Starches and Starch Products	17.1	17.1
Manufacture of Other Food Products	2.8	2.8 ^r
<i>Bakery Products</i>	3.2	3.2
<i>Sugar, Cocoa, Coffee, Chocolate & Sugar Confectionery</i>	2.2	2.0
<i>Seasoning, Spices, Sauces, and Condiments</i>	4.4	4.9 ^r
<i>Macaroni, Noodles, Couscous & Other Food Products, n.e.c</i>	0.0	0.0
Manufacture of Beverages and Tobacco	1.9	1.9
Textile, Wearing Apparel and Leather Products	5.7	6.2
Wood, Wood Products and Furniture	3.1	0.0
Paper and Paper Products	2.6	2.6^r
Chemicals and Chemical Products	1.6	1.6
Refined Petroleum Products	5.9	10.9
Rubber & Plastic Products	0.0	0.0
Other Non-Metallic Mineral Products³	8.8	8.8
Fabricated Metal Products excl. Machinery & Equipment	-0.1	0.0
Other Manufacturing n.e.c.	0.0	0.0

³ Other Non-Metallic Mineral Products include cement and concrete.

n.e.c. = Not elsewhere classified.

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GLOSSARY OF IMPORTANT PPI TERMS

BASE PERIOD

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

INDUSTRY

An industry consists of a group of establishments engaged in the same or similar kinds of economic activity, e.g., mining and quarrying, manufacturing, etc.

INFLATION

Inflation is the overall general upward movement of the prices of goods and services in an economy.

PRODUCER'S PRICE

The amount the producer receives 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.

PRODUCER PRICE INDEX (PPI)

An index designed to measure the average change in the price of goods and services either as they leave the place of production or as they enter the production process. This index can be based on either output or input prices.

OUTPUT PPI

An output PPI, (as is computed for Jamaica), is a measure of the change in the prices of finished goods and services that are either sold on the domestic market or exported. The prices of finished goods are monitored because they are the best measure of what purchasers will have to pay.

'PURE' PRICE CHANGE

This represents the change in the price of a good or service whose characteristics do not change over time.

WEIGHTS

Weights are a set of numbers between zero and one that sums to unity and are used when calculating averages. It is the value assigned to each item that is indicative of its relative importance when combined with all other items. It is used to represent the impact of a particular price change on the overall index.

Further Information on the PPI can be obtained from the STATIN brochure "*Producer Price Index, A Tool for Economic Analysis.*" Monthly PPI data are available in the Producer Price Index Monthly Bulletin and on the STATIN website at www.statinja.gov.jm. Information on the entire PPI series, including revisions, are available from STATIN's Library.



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