

Producer Price Index – Manufacturing (PPI-M)

Methodology for the computation of the PPI-M

1. Definition

The Producer Price Index - Manufacturing measures changes in the effective prices received by producers in the manufacturing sector for those representative goods manufactured in the Republic of Mauritius.

As from July 2026, in line with the concepts and recommendations by the ‘IMF Producer Price Index Manual: Theory and Practice’, the coverage of the PPI-M has been extended to include manufacturing establishments in both the Non-Export Oriented Enterprises (Non-EOE) and Export Oriented Enterprises (EOE) sectors. Previously, the PPI-M covered only the output of non-EOE manufacturing establishments sold on the domestic market. This extension broadens the scope of the PPI-M to cover manufacturing output destined for both the domestic and export markets, thereby providing a more comprehensive measure of producer price movements in the manufacturing sector.

The concepts and definitions of the PPI-M largely follow the guidelines provided in the “IMF Producer Price Index Manual Theory and Practice”.

2. Scope

The PPI-M covers both small and large manufacturing establishments falling within divisions 10 to 33 of the National Standard Industrial Classification Rev.2 (NSIC Rev.2), which is an adapted version of the International Standard Industrial Classification (ISIC) Rev.4. The establishments are classified under 24 divisions, 71 groups, 137 classes and 240 sub-classes.

The following divisions have been excluded for reasons given in brackets:

- a) Division 12: Manufacture of tobacco products (no longer manufactured in Mauritius)
- b) Division 19: Manufacture of coke and refined petroleum products (not applicable for Mauritius)
- c) Division 21: Manufacture of basic pharmaceutical products and pharmaceutical preparations (weight in the overall index is not significant)
- d) Division 28: Manufacture of machinery and equipment n.e.c. (weight in the overall index is not significant)
- e) Division 30: Manufacture of other transport equipment (weight in the overall index is not significant)

However, Division 33: Repair and installation of machinery and equipment, has gained slight importance in terms of its relative importance, in the current basket.

The activities covered by the index represent around 98% of the gross output generated by the Non-EOE and EOE manufacturing sector.

3. Weight reference period

The weights of the current basket of goods have been updated based on the results of the 2023 Census of Economic Activities implying that the weight reference for the current PPI-M is from January to December 2023. The updated weight structure reflects the extended coverage of the manufacturing sector to include both Non-EOE and EOE manufacturing firms.

The Non-EOE and EOE sectors account for approximately 67% and 33%, respectively, of the total PPI-M weight.

4. Frame

A list of all large (engaging 10 or more persons) and small (engaging less than 10 persons) establishments falling under the scope of the PPI-M was obtained from the 2023 Census of Economic Activities (CEA 2023).

5. Selection of outlets (producers)

A sample of 162 large and 53 small establishments was selected based on the results of the Census of Economic Activities 2023. Of the 162 large manufacturing establishments covered, 130 are classified as Non-EOE and 32 as EOE. All 53 small establishments are classified as Non-EOE. Consequently, of the 215 manufacturing establishments covered overall, 183 are Non-EOE and 32 are EOE.

Those establishments were the most important ones in terms of Gross Output (GO) in their respective 5-digit sub-class.

Output of the selected establishments represented around 60% of the total GO generated by all establishments falling within the scope of the PPI-M.

6. Selection of products to be priced

Some 695 products have been selected for pricing. These are the most important ones in terms of contribution to the gross output or turnover of the selected establishments.

7. Price collection

Monthly prices are collected and they refer to actual transaction prices received by producers for the sale of their products on both the domestic and export markets. Prices exclude all taxes on products, namely excise duty and value added tax (VAT) and also transport, freight, insurance and other charges incurred beyond the factory gate. Prices quoted in foreign currencies are converted into Mauritian rupees using a consistent exchange rate.

As far as possible, the same products and terms of sale are maintained over time to ensure that the index reflects actual price changes.

For revised monthly and quarterly indices at division level and in some specific cases at even lower level, the selected establishments are visited on a quarterly basis and prices of the selected products are collected for each month of the reference quarter.

8. Updating of weights

8.1 *Historical background*

Statistics Mauritius first published a Producers Price Index limited to the “Manufacturing of food products, beverages and tobacco” in March 1994 with 1993 as base period (1993 = 100). The index was revised in June 2002 to cover all relevant industry groups of the former Non-EPZ manufacturing sector, based on the results of the 1997 Census of Economic Activities. The base period was 1998. The base year was subsequently revised to 2003, 2007, 2013 and 2018 based on the results of the 2002, 2007, 2013 and 2018 rounds of the Census of Economic Activities. It is important to note that throughout these successive revisions, the coverage of the PPI-M remained restricted to Non-Export Oriented Enterprise (Non-EOE) manufacturing establishments.

The current basket of goods has been updated and extended based on the results of the 2023 Census of Economic Activities and the index is computed with the index reference period starting from July 2025 to June 2026.

8.2 *Evolution of weights from 2018 to 2023*

The weights for the current PPI-M have been calculated from the gross output figures derived from the 2023 Census of Economic Activities. Gross output is valued at basic prices, and thus excludes all taxes on products, namely excise duties and value added tax. The weight of a product group represents the share of its gross output out of the total output of the manufacturing sector.

The changes in the weights by division from 2018 to 2023 are given in Table A. For comparability purposes, the 2023 Non-EOE weights have therefore been normalised to sum to 100%.

(a) The following activities have gained more importance in the Non-EOE basket of products:

- (i) Manufacture of food products (from 28.3% to 32.9%);
- (ii) Manufacture of textiles (from 1.4% to 1.5%);
- (iii) Manufacture of paper and paper products (from 2.4% to 3.1%);
- (iv) Manufacture of computer, electronic and optical products (from 0.5% to 0.4%);
- (v) Manufacture of electrical equipment (from 0.2% to 0.3%);
- (vi) Manufacture of motor vehicles, trailers and semi-trailers (from 0.5% to 0.4%);
- (vii) Manufacture of other manufacturing (from 4.7% to 5.2%); and
- (viii) Repair and installation of machinery and equipment, which was not represented in the 2018 basket, accounts for 2.4% of the 2023 Non-EOE basket.

(b) The following activities have decreased in relative importance in the Non-EOE basket:

- (i) Manufacture of beverages (from 16.4% to 14.6%);
- (ii) Manufacture of wearing apparel (from 4.7% to 4.6%);
- (iii) Manufacture of leather and related products (from 0.4% to 0.3%);
- (iv) Manufacture of printing and reproduction of recorded media (from 2.7% to 2.4%);
- (v) Manufacture of chemicals and chemical products (from 8.9% to 6.4%);
- (vi) Manufacture of rubber and plastics products (from 2.8% to 3.0%);
- (vii) Manufacture of other non-metallic mineral products (from 5.0% to 5.5%);
- (viii) Manufacture of basic metals (from 1.1% to 1.5%);
- (ix) Manufacture of fabricated metal products, except machinery (from 7.9% to 8.5%);
- (xii) Manufacture of furniture (from 8.1% to 5.7%).

Table A - Distribution of weights by division, 2018 and 2023

NSIC Division	Description	Weight Structure by coverage			
		2018	2023		
		Non-EOE	Both	EOE	Non-EOE
10	Manufacture of food products	283	300	79	221
11	Manufacture of beverages	164	100	2	98
13	Manufacture of textiles	14	41	31	10
14	Manufacture of wearing apparel	47	198	167	31
15	Manufacture of leather and related products	4	6	4	2
16	Manufacture of wood/wood products/cork, excl. furniture	9	8	-	8
17	Manufacture of paper and paper products	24	27	6	21
18	Manufacture of printing and reproduction of recorded media	27	16	-	16
20	Manufacture of chemicals and chemical	89	44	1	43
22	Manufacture of rubber and plastics products	28	24	4	20
23	Manufacture of other non-metallic mineral	50	40	3	37
24	Manufacture of basic metals	11	10	-	10
25	Manufacture of fabricated metal products, except machinery	79	63	6	57
26	Manufacture of computer, electronic and optical products	5	7	4	3
27	Manufacture of electrical equipment	2	2	-	2
28	Manufacture of machinery and equipment	10	-	-	-
29	Manufacture of motor vehicle, trailers and semi-trailers	5	3	-	3
30	Manufacture of other transport equipment	21	-	-	-
31	Manufacture of furniture	81	38	-	38
32	Manufacture of other manufacturing	47	57	22	35
33	Repair and installation of machinery and equipment	-	16	-	16
	Overall Index	1000	1000	329	671

- Not applicable

9. Index calculation

The PPI-M is computed according to the Laspeyres Formula.

The formula used is given below

$$I_c = \frac{\sum W_i * \left(\frac{P_{ci}}{P_{oi}} \right)}{\sum W_i} * 100$$

Where I_c = Index for current month

W_i = Weight associated with product i (*Year 2023*)

P_{ci} = Price of product i for the current month

P_{oi} = Price for product i for the base period (*July 2025 – June 2026*)

The PPI-M is calculated at the 5-digit sub-class level of the NSIC Rev. 2. At the lowest level, indices are calculated as the geometric average of the price relatives of the basic observations. Higher-level indices are then obtained by aggregating the lower-level indices using their respective weights.

As from July 2026, the PPI-M covers both Non-EOE and EOE manufacturing establishments. Separate indices are compiled for the Non-EOE and EOE components and combined using their respective weights at the relevant level of aggregation.

Division-level indices (2-digit NSIC Rev. 2) are obtained by aggregating the corresponding lower-level indices using their respective weights. The overall PPI-M is then derived by aggregating the division indices using their respective weights.

10. Uses of PPI

- (a) The PPI is a leading indicator of the future status of inflation. Movement of PPI is usually indicative of a similar change of part of the Consumer Price Index (CPI). PPI can also be used in the economic analysis of inflation transmission process.
- (b) It provides specific price deflators for the computation of national accounts at constant prices in order to measure real growth.
- (c) It is helpful in the formulation of contract agreement. It can be used as an escalation clause to protect buyers and sellers against inflation or deflation.
- (d) PPI is also used in econometric models, in forecasting and in inventory accounting.

11. Treatment of missing prices

In case of temporarily missing prices for products, imputation is carried out as per the recommendation of the “IMF Producer Price Index Manual Theory and Practice”.

12. Treatment of product permanently disappeared

Products may disappear permanently for various reasons. The products may disappear from the market because new products have been introduced or the establishments from which the price has been collected have stopped selling the product. When a product disappears permanently, a replacement product of a similar nature will be included in the index.

13. Treatment of quality change

The index is a measure of only “PURE” price changes and should as far as possibly measure the price changes of the same products. Hence, the products must not be affected by quality change. If the change is due to quality, an estimate of the proportion of the change attributed to the quality element is made and adjustment done accordingly.

14. Reliability of the PPI-M

The statistical accuracy of the PPI-M depends largely on the quality of information provided by the selected establishments. Respondents are therefore requested to report the actual output prices received by producers. Collected prices are checked during fieldwork, and any inconsistencies are clarified with respondents. Further validation checks are carried out during index compilation. Price movements are also compared, where appropriate, with other relevant price indices, including the CPI and import/export price indices. Source data are reviewed systematically during weight and base revisions, which are normally undertaken every five years.

15. Comparability with the former series

The revised PPI-M differs from the previous series in terms of coverage, weighting structure, basket of representative products and index reference period. Consequently, the index levels of the revised series are not directly comparable with those of the previous series

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