

PRODUCER PRICE INDEX - MANUFACTURING (PPI-M)

4th Quarter 2020

(Base year: 2013 =100)

1. Introduction

The Producer Price Index for the Manufacturing sector (PPI-M) measures pure price changes in the effective prices received by producers for that part of their output, which is sold on the domestic market (in Mauritian rupees) and therefore excludes Export Oriented Enterprises.

This issue of the Economic and Social Indicators (ESI) presents a series of monthly PPI-M for the period January 2020 to December 2020 and quarterly indices from the first quarter of 2019 to the fourth quarter of 2020. The weights for the PPI-M have been derived from the results of the 2013 Census of Economic Activities.

Indices prior to January 2020 are posted on Statistics Mauritius website in the historical series of manufacturing statistics:

https://statsmauritius.govmu.org/Pages/Statistics/By_Subject/Indices/SB_Indices.aspx

The methodology used for the computation of PPI-M is annexed.

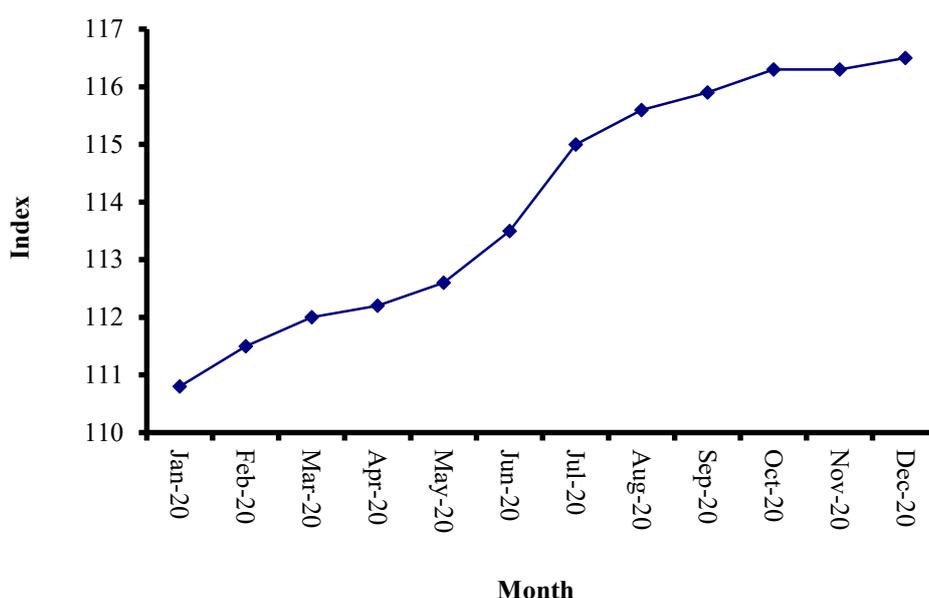
2. Changes during fourth quarter 2020

2.1 Manufacturing Sector

The Producer Price Index for the manufacturing sector registered an increase of 0.6 point (+0.5%) from 115.9 in September 2020 to 116.5 in December 2020. The main reason for the net increase was higher prices of “Food products and beverages” (+0.6%), “Other transport equipment” (+7.3%) and “Basic metals” (+8.3%), partly offset by a decrease in the prices of “Printing and reproduction of recorded media” (-1.5%).

On a monthly basis, the PPI-M increased by 0.4 point (+0.3%) in October, remained unchanged at 116.3 in November and increased by 0.2 point (+0.2%) in December (Table 1a).

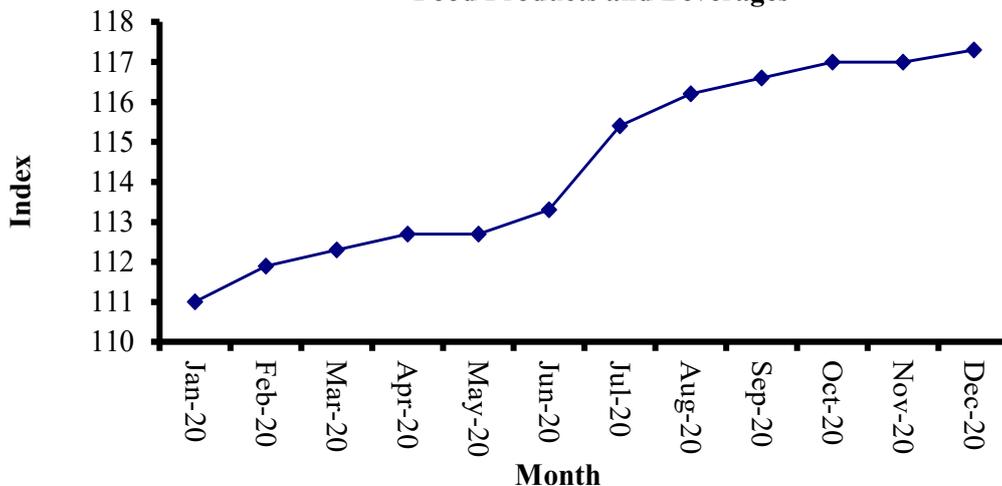
Fig 1: Overall monthly indices: January 2020 - December 2020
Manufacturing Sector



2.2 Manufacture of Food Products and Beverages

The Producer Price Index for “Food products and beverages”, which accounts for 55.2% of the total weight, registered a net increase of 0.7 point (+0.6%) from 116.6 in September 2020 to 117.3 in December 2020. This increase was mainly attributable to higher prices of “Vegetable and animal oils and fats” (+8.2%), “Animal feed” (+4.4%), “Other food products n.e.c” (+1.9%) of which “Spices, sauces, condiments and other food products n.e.c” (+1.9%), “Malt liquors and malt including non-alcoholic beer” (+0.9%) and “Wines” (+3.2%), partly offset by decreases in the prices of “Processing and preserving of meat” (-1.3%) and “Grain mill products” (-1.4%).

**Fig 2: Monthly indices: January 2020 - December 2020
Food Products and Beverages**



On a monthly basis, the index for this activity group increased by 0.4 point (+0.3%) in October, remained unchanged at 117.0 in November and increased by 0.3 point (+0.3%) in December.

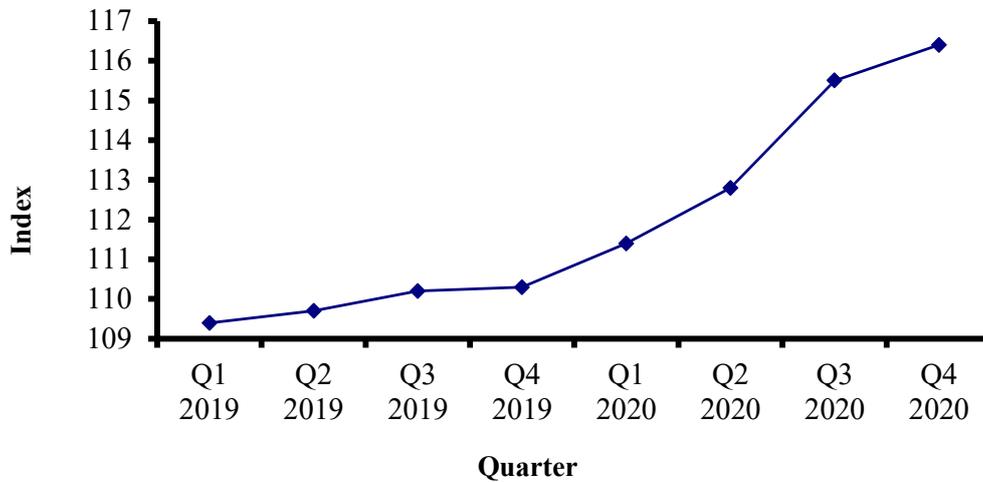
3. Change in quarterly PPI-M

3.1 Manufacturing Sector

The average PPI-M for the fourth quarter of 2020 stood at 116.4, i.e. an increase of 0.9 point (+0.8%) from 115.5 in the third quarter of 2020. This increase was mainly attributable to higher prices of “Food products and beverages” (+0.9%), “Other transport equipment” (+4.4%), “Basic metals” (+5.8%) and “Other non-metallic mineral products” (+0.9%), partly offset by a decrease in the prices of “Chemicals and chemical products” (-0.1%) (Table 2a).

Compared to the corresponding quarter of 2019, the average PPI-M for the fourth quarter of 2020 increased by 6.1 points (+5.5%), mainly explained by higher prices of “Food products and beverages” (+6.0%).

**Fig 3: Overall quarterly indices:
1st Quarter 2019 to 4th Quarter 2020
Manufacturing Sector**

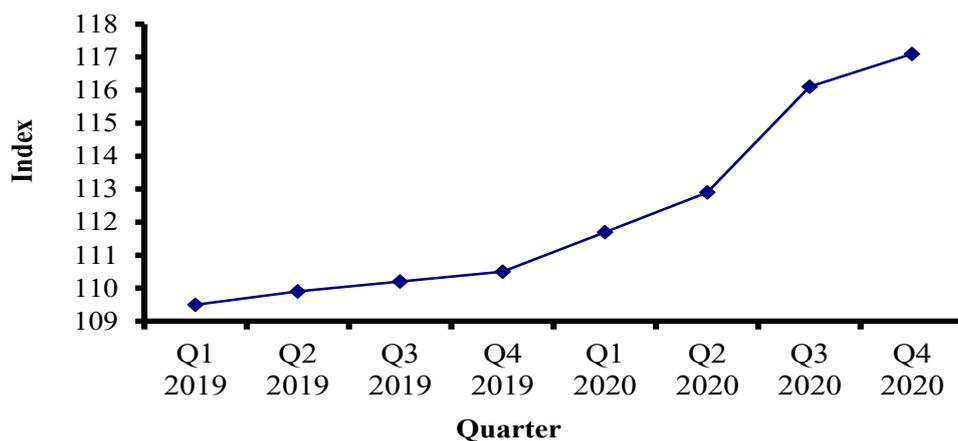


3.2 Manufacture of Food Products and Beverages

Compared to the previous quarter, the index for “Food products and beverages” increased by 1.0 point (+0.9%) in the fourth quarter of 2020. The index for “Food products” increased by 1.0 point (+0.9%), mainly explained by higher prices of “Vegetable and animal oils and fats” (+6.8%), “Other food products n.e.c” (+2.4%) of which “Spices, sauces, condiments and other food products n.e.c” (+2.5%), and “Animal feed” (+2.0%), partly offset by a decrease in the prices of “Grain mill products” (-0.4%). The index for “Beverages” increased by 1.3 points (+1.0%) mainly as a result of higher prices of “Malt liquors and malt including non alcoholic beer” (+1.1%), and “Wines” (+5.7%).

Compared to the fourth quarter of 2019, the index for “Food products and beverages” increased by 6.6 points (+6.0%). The index for “Food products” increased by 6.5 points (+6.2%), mainly due to higher prices of “Other food products n.e.c” (+12.8%) of which “Spices, sauces, condiments and other food products n.e.c” (+14.8%), “Grain mill products” (+9.1%), “Processing and preserving of meat” (+3.9%), “Bakery products” (+4.0%) of which “Bread/Pastries and cakes” (+3.6%), and “Vegetable and animal oils and fats” (+13.4%). The index for “Beverages” increased by 7.0 points (+5.7%) due to higher prices of “Malt liquors and malt including non alcoholic beer” (+8.2%), “Soft drinks, mineral waters and other bottled waters” (+8.6%).

**Fig 4: Quarterly indices:
1st Quarter 2019 to 4th Quarter 2020
Food Products and Beverages**



4. Yearly Index

The average yearly index for the manufacturing sector as a whole was 114.0 in 2020, i.e. 4.1 points (+3.7%) higher than the figure of 109.9 in 2019. The index for the “Manufacture of food products and beverages” was 114.5 in 2020 compared to 110.0 in 2019, showing an increase of 4.5 points (+4.1%). The index for the “Manufacture of chemicals and chemical products” stood at 112.6 in 2020, higher by 1.6 points (+1.4%) compared to 111.0 in 2019. The index for “Manufacture of rubber and plastic products” was 111.2 in 2020 compared to 111.3 in 2019, i.e. a decrease of 0.1 point (-0.1%).

Fig 5: Yearly indices: 2011 - 2020

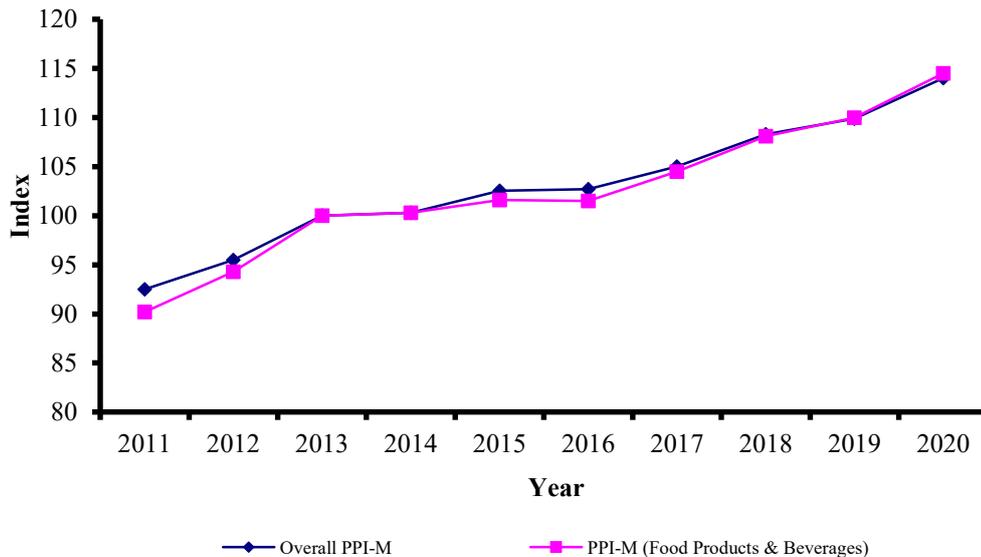


Figure 5 shows that the yearly indices for the manufacturing sector as a whole and that for “Manufacture of food products and beverages” increased from 2011 to 2013. In the year 2014, the indices remained nearly constant and then picked up slightly in 2015 which remained nearly unaltered in 2016 and then increased steadily from 2017 to 2020.

Statistics Mauritius

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Table 1(a) - Monthly indices of the Manufacturing Sector by industry group, January 2020 - December 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Percentage changes from | | |
|--------------|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|------------------|------------------|
| | | | | | | | | | | | | | | | Sep 20 to Oct 20 | Oct 20 to Nov 20 | Nov 20 to Dec 20 |
| 10-33 | Total manufacturing | 1000 | 110.8 | 111.5 | 112.0 | 112.2 | 112.6 | 113.5 | 115.0 | 115.6 | 115.9 | 116.3 | 116.3 | 116.5 | 0.3 | 0.0 | 0.2 |
| 10/11 | Food products and beverages | 552 | 111.0 | 111.9 | 112.3 | 112.7 | 112.7 | 113.3 | 115.4 | 116.2 | 116.6 | 117.0 | 117.0 | 117.3 | 0.3 | 0.0 | 0.3 |
| 13 | Textiles | 6 | 106.8 | 106.8 | 106.8 | 106.8 | 106.8 | 106.8 | 106.8 | 106.8 | 106.8 | 108.0 | 108.0 | 108.0 | 1.1 | 0.0 | 0.0 |
| 14 | Wearing apparel | 34 | 123.6 | 123.6 | 123.6 | 123.6 | 123.6 | 123.6 | 131.8 | 131.8 | 131.8 | 132.5 | 132.5 | 132.5 | 0.5 | 0.0 | 0.0 |
| 15 | Leather and related products | 3 | 138.9 | 139.7 | 139.7 | 139.7 | 139.7 | 139.7 | 145.2 | 145.2 | 145.2 | 145.2 | 145.2 | 145.2 | 0.0 | 0.0 | 0.0 |
| 16/17 | Wood and products of wood & cork; articles of straw and plaiting materials/ Paper and paper products | 16 | 110.9 | 110.9 | 111.4 | 112.3 | 112.6 | 114.3 | 114.5 | 115.3 | 115.3 | 115.3 | 115.3 | 115.3 | 0.0 | 0.0 | 0.0 |
| 18 | Printing and reproduction of recorded media | 28 | 88.9 | 88.9 | 89.0 | 89.0 | 100.3 | 96.7 | 96.2 | 96.6 | 96.5 | 97.1 | 97.5 | 95.1 | 0.6 | 0.4 | -2.5 |
| 20 | Chemicals and chemical products | 69 | 111.7 | 111.8 | 112.0 | 112.0 | 112.1 | 112.2 | 113.4 | 113.1 | 113.1 | 113.1 | 113.1 | 113.1 | 0.0 | 0.0 | 0.0 |
| 22 | Rubber and plastic products | 31 | 111.2 | 111.2 | 111.2 | 111.2 | 111.2 | 111.2 | 111.2 | 111.2 | 111.2 | 111.2 | 111.3 | 111.3 | 0.0 | 0.1 | 0.0 |
| 23 | Other non-metallic mineral products | 52 | 117.9 | 119.8 | 123.7 | 123.7 | 123.7 | 123.9 | 123.9 | 123.9 | 125.6 | 125.6 | 125.6 | 125.6 | 0.0 | 0.0 | 0.0 |
| 24 | Basic metals | 11 | 99.4 | 99.4 | 99.4 | 99.4 | 99.4 | 99.7 | 99.7 | 99.8 | 99.9 | 104.2 | 104.5 | 108.2 | 4.3 | 0.3 | 3.5 |
| 25 | Fabricated metal products | 76 | 108.3 | 108.3 | 108.3 | 108.3 | 108.3 | 108.3 | 108.9 | 109.1 | 109.1 | 109.2 | 109.2 | 109.2 | 0.1 | 0.0 | 0.0 |
| 27 | Electrical equipment | 2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 0.0 | 0.0 | 0.0 |
| 28 | Machinery and equipment, n.e.c | 9 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 0.0 | 0.0 | 0.0 |
| 29 | Motor vehicles, trailers and semi-trailers | 5 | 149.5 | 154.3 | 154.3 | 154.3 | 154.3 | 154.3 | 144.0 | 144.0 | 144.0 | 144.0 | 144.0 | 144.0 | 0.0 | 0.0 | 0.0 |
| 30 | Other transport equipment | 16 | 110.7 | 110.5 | 113.5 | 115.5 | 116.5 | 119.2 | 119.4 | 127.8 | 124.4 | 126.0 | 128.3 | 133.5 | 1.3 | 1.8 | 4.1 |
| 31 | Furniture | 65 | 110.9 | 111.0 | 111.0 | 111.0 | 111.0 | 111.2 | 111.4 | 111.4 | 111.6 | 111.6 | 111.6 | 111.6 | 0.0 | 0.0 | 0.0 |
| 32 | Other products | 25 | 108.4 | 108.9 | 108.9 | 108.9 | 108.9 | 132.6 | 132.6 | 132.6 | 132.6 | 132.6 | 132.6 | 132.6 | 0.0 | 0.0 | 0.0 |

Table 1(b) - Monthly indices for Manufacture of Food Products & Beverages by industry group, January 2020 - December 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Percentage changes from | | |
|----------------|---|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|------------------|------------------|
| | | | | | | | | | | | | | | | Sep 20 to Oct 20 | Oct 20 to Nov 20 | Nov 20 to Dec 20 |
| 10-11 | Total food products & beverages | 552 | 111.0 | 111.9 | 112.3 | 112.7 | 112.7 | 113.3 | 115.4 | 116.2 | 116.6 | 117.0 | 117.0 | 117.3 | 0.3 | 0.0 | 0.3 |
| 101-108 | Food products | 374 | 105.5 | 106.5 | 107.0 | 107.6 | 107.7 | 107.7 | 109.4 | 110.6 | 110.8 | 111.1 | 111.1 | 111.6 | 0.3 | 0.0 | 0.5 |
| 1010 | Processing and preserving of meat | 97 | 111.7 | 112.2 | 112.2 | 112.2 | 112.2 | 112.2 | 113.5 | 116.1 | 116.1 | 116.1 | 115.1 | 114.6 | 0.0 | -0.9 | -0.4 |
| 1020 | Processing and preserving of fish, crustaceans & molluscs | 3 | 112.4 | 112.4 | 112.4 | 116.2 | 121.5 | 121.5 | 121.5 | 121.5 | 121.5 | 121.5 | 121.5 | 121.5 | 0.0 | 0.0 | 0.0 |
| 1030 | Processing and preserving of fruits and vegetables | 10 | 113.6 | 113.6 | 114.2 | 114.7 | 114.7 | 116.8 | 118.3 | 121.1 | 121.9 | 121.9 | 121.9 | 121.9 | 0.0 | 0.0 | 0.0 |
| 1040 | Vegetable and animal oils and fats | 30 | 80.7 | 82.8 | 82.8 | 82.8 | 82.8 | 82.8 | 82.8 | 82.8 | 85.8 | 87.9 | 87.9 | 92.8 | 2.4 | 0.0 | 5.6 |
| 1050 | Dairy products | 16 | 115.8 | 115.8 | 115.8 | 115.8 | 115.8 | 115.8 | 121.7 | 123.8 | 123.8 | 123.8 | 123.9 | 123.9 | 0.0 | 0.1 | 0.0 |
| 1061 | Grain mill products | 54 | 92.0 | 93.6 | 96.8 | 99.9 | 100.3 | 100.1 | 99.7 | 100.3 | 100.6 | 100.0 | 100.1 | 99.2 | -0.6 | 0.1 | -0.9 |
| 1071 | Bakery products | 72 | 114.1 | 116.5 | 116.6 | 116.7 | 116.7 | 116.7 | 118.3 | 118.7 | 118.7 | 118.7 | 118.7 | 118.7 | 0.0 | 0.0 | 0.0 |
| 10711/10712 | <i>Bread/Pastries and cakes</i> | 69 | 113.3 | 115.9 | 115.9 | 115.9 | 115.9 | 115.9 | 117.0 | 117.4 | 117.4 | 117.4 | 117.4 | 117.4 | 0.0 | 0.0 | 0.0 |
| 10713 | <i>Biscuits and other dry bakery products</i> | 3 | 118.3 | 118.3 | 121.4 | 124.4 | 124.4 | 124.6 | 126.1 | 126.1 | 126.1 | 126.1 | 126.1 | 126.1 | 0.0 | 0.0 | 0.0 |
| 1074 | Macaroni, noodles, couscous and similar farinaceous products | 11 | 105.7 | 105.7 | 105.7 | 105.7 | 105.7 | 106.2 | 106.3 | 106.3 | 106.3 | 106.3 | 106.3 | 106.3 | 0.0 | 0.0 | 0.0 |
| 1075 | Prepared meals and dishes | 2 | 124.6 | 124.6 | 126.8 | 127.6 | 127.6 | 127.6 | 127.6 | 133.8 | 133.8 | 133.8 | 133.8 | 133.8 | 0.0 | 0.0 | 0.0 |
| 1079 | Other food products n.e.c | 34 | 120.9 | 121.3 | 121.5 | 121.5 | 121.5 | 121.5 | 130.0 | 132.0 | 132.0 | 134.1 | 134.5 | 134.5 | 1.6 | 0.3 | 0.0 |
| 10791 | <i>Tea</i> | 5 | 130.1 | 130.1 | 131.6 | 131.6 | 131.6 | 131.6 | 131.6 | 131.6 | 131.6 | 131.6 | 134.4 | 134.4 | 0.0 | 2.1 | 0.0 |
| 10793/10799 | <i>Spices, sauces, condiments and other food products n.e.c</i> | 29 | 119.2 | 119.7 | 119.7 | 119.7 | 119.7 | 119.7 | 129.7 | 132.0 | 132.0 | 134.6 | 134.5 | 134.5 | 2.0 | -0.1 | 0.0 |
| 1080 | Animal feed | 45 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 93.4 | 96.3 | 0.0 | 1.3 | 3.1 |
| 110 | Beverages | 178 | 122.5 | 123.4 | 123.4 | 123.4 | 123.4 | 124.9 | 128.0 | 128.0 | 128.5 | 129.4 | 129.5 | 129.5 | 0.7 | 0.1 | 0.0 |
| 1101 | Distilled potable alcoholic beverages | 65 | 131.6 | 134.1 | 134.1 | 134.1 | 134.1 | 134.1 | 134.1 | 134.1 | 134.1 | 134.1 | 134.1 | 134.1 | 0.0 | 0.0 | 0.0 |
| 1102 | Wines | 13 | 133.7 | 133.7 | 133.7 | 133.7 | 133.7 | 133.7 | 133.7 | 133.7 | 138.7 | 143.1 | 143.1 | 143.1 | 3.2 | 0.0 | 0.0 |
| 1103 | Malt liquors and malt including non alcoholic beer | 73 | 115.9 | 115.9 | 115.9 | 115.9 | 115.9 | 118.0 | 123.8 | 123.8 | 124.3 | 125.4 | 125.4 | 125.4 | 0.9 | 0.0 | 0.0 |
| 1104 | Soft drinks, mineral waters and other bottled waters | 27 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 117.4 | 121.8 | 121.8 | 121.8 | 122.6 | 122.8 | 122.8 | 0.7 | 0.2 | 0.0 |

Table 1(c) - Monthly indices for Manufacture of Chemicals and Chemical Products & Rubber and Plastic Products by industry group, January 2020 - December 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | Percentage changes from | | |
|-----------|--|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------------|------------------|------------------|
| | | | | | | | | | | | | | | | Sep 20 to Oct 20 | Oct 20 to Nov 20 | Nov 20 to Dec 20 |
| | | | | | | | | | | | | | | | 20 | 20 | 20 |
| 20 | Chemicals and chemical products | 69 | 111.7 | 111.8 | 112.0 | 112.0 | 112.1 | 112.2 | 113.4 | 113.1 | 113.1 | 113.1 | 113.1 | 113.1 | 0.0 | 0.0 | 0.0 |
| 2011 | Basic chemicals | 9 | 107.8 | 108.5 | 108.5 | 108.5 | 109.1 | 109.6 | 106.7 | 104.4 | 104.4 | 104.4 | 104.4 | 104.4 | 0.0 | 0.0 | 0.0 |
| 2012 | Manufacture of fertilizers and nitrogen compounds | 8 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 0.0 | 0.0 | 0.0 |
| 2022 | Paints, varnishes and similar coatings, printing ink and mastics | 26 | 117.5 | 117.5 | 117.5 | 117.5 | 117.5 | 117.5 | 118.7 | 118.7 | 118.7 | 118.7 | 118.7 | 118.7 | 0.0 | 0.0 | 0.0 |
| 2023 | Soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations | 26 | 114.4 | 114.6 | 115.0 | 115.0 | 115.0 | 115.3 | 118.2 | 118.2 | 118.2 | 118.2 | 118.2 | 118.2 | 0.0 | 0.0 | 0.0 |
| 22 | Rubber and plastic products | 31 | 111.2 | 111.3 | 111.3 | 0.0 | 0.1 | 0.0 |
| 2211 | Rubber tyres and tubes, retreading and rebuilding of rubber tyres | 5 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 | 0.0 | 0.0 | 0.0 |
| 2220 | Plastic products | 26 | 112.6 | 112.5 | 112.5 | 112.5 | 112.5 | 112.5 | 112.5 | 112.5 | 112.5 | 112.6 | 112.7 | 112.7 | 0.1 | 0.1 | 0.0 |

Table 2(a) - Quarterly & yearly indices of the Manufacturing sector by industry group, 1st Quarter 2019 - 4th Quarter 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | 2019 | | | | | 2020 | | | | |
|--------------|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | Year Average | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | Year Average |
| 10-33 | Total manufacturing | 1000 | 109.4 | 109.7 | 110.2 | 110.3 | 109.9 | 111.4 | 112.8 | 115.5 | 116.4 | 114.0 |
| 10/11 | Food products and beverages | 552 | 109.5 | 109.9 | 110.2 | 110.5 | 110.0 | 111.7 | 112.9 | 116.1 | 117.1 | 114.5 |
| 13 | Textiles | 6 | 103.2 | 104.4 | 106.8 | 106.8 | 105.3 | 106.8 | 106.8 | 106.8 | 108.0 | 107.1 |
| 14 | Wearing apparel | 34 | 120.9 | 121.9 | 123.6 | 123.6 | 122.5 | 123.6 | 123.6 | 131.8 | 132.5 | 127.9 |
| 15 | Leather and related products | 3 | 136.1 | 136.1 | 136.1 | 136.1 | 136.1 | 139.4 | 139.7 | 145.2 | 145.2 | 142.4 |
| 16/17 | Wood and products of wood & cork; articles of straw and plaiting materials/ Paper and paper products | 16 | 108.9 | 108.9 | 108.9 | 109.6 | 109.1 | 111.1 | 113.1 | 115.0 | 115.3 | 113.6 |
| 18 | Printing and reproduction of recorded media | 28 | 90.7 | 90.6 | 89.9 | 88.6 | 90.0 | 88.9 | 95.3 | 96.4 | 96.6 | 94.3 |
| 20 | Chemicals and chemical products | 69 | 110.7 | 110.2 | 111.4 | 111.5 | 111.0 | 111.8 | 112.1 | 113.2 | 113.1 | 112.6 |
| 22 | Rubber and plastic products | 31 | 111.1 | 111.1 | 111.4 | 111.4 | 111.3 | 111.2 | 111.2 | 111.2 | 111.3 | 111.2 |
| 23 | Other non-metallic mineral products | 52 | 116.8 | 116.8 | 117.3 | 117.4 | 117.1 | 120.5 | 123.8 | 124.5 | 125.6 | 123.6 |
| 24 | Basic metals | 11 | 102.2 | 101.5 | 100.2 | 99.6 | 100.9 | 99.4 | 99.5 | 99.8 | 105.6 | 101.1 |
| 25 | Fabricated metal products | 76 | 108.2 | 108.2 | 108.2 | 108.2 | 108.2 | 108.3 | 108.3 | 109.0 | 109.2 | 108.7 |
| 27 | Electrical equipment | 2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 | 98.2 |
| 28 | Machinery and equipment, n.e.c | 9 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 | 88.4 |
| 29 | Motor vehicles, trailers and semi- trailers | 5 | 128.9 | 128.9 | 128.9 | 128.9 | 128.9 | 152.7 | 154.3 | 144.0 | 144.0 | 148.8 |
| 30 | Other transport equipment | 16 | 108.8 | 109.3 | 111.3 | 111.4 | 110.2 | 111.6 | 117.1 | 123.9 | 129.3 | 120.5 |
| 31 | Furniture | 65 | 110.7 | 110.7 | 110.7 | 110.8 | 110.7 | 111.0 | 111.1 | 111.5 | 111.6 | 111.3 |
| 32 | Other products | 25 | 98.7 | 101.4 | 106.9 | 106.9 | 103.5 | 108.7 | 116.8 | 132.6 | 132.6 | 122.7 |

Table 2(b) - Quarterly & yearly indices for the Manufacturing of Food Products & Beverages by industry group, 1st Quarter 2019 - 4th Quarter 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | 2019 | | | | | 2020 | | | | |
|-----------------|---|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | Year Average | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | Year Average |
| 10-11 | Total food products & beverages | 552 | 109.5 | 109.9 | 110.2 | 110.5 | 110.0 | 111.7 | 112.9 | 116.1 | 117.1 | 114.5 |
| 101-108 | Food products | 374 | 103.5 | 104.0 | 104.3 | 104.8 | 104.2 | 106.3 | 107.7 | 110.3 | 111.3 | 108.9 |
| 1010 | Processing and preserving of meat | 97 | 110.4 | 110.4 | 110.2 | 111.0 | 110.5 | 112.0 | 112.2 | 115.2 | 115.3 | 113.7 |
| 1020 | Processing and preserving of fish, crustaceans & molluscs | 3 | 112.4 | 112.4 | 112.4 | 112.4 | 112.4 | 112.4 | 119.7 | 121.5 | 121.5 | 118.8 |
| 1030 | Processing and preserving of fruits and vegetables | 10 | 112.2 | 113.6 | 113.6 | 113.6 | 113.3 | 113.8 | 115.4 | 120.4 | 121.9 | 117.9 |
| 1040 | Vegetable and animal oils and fats | 30 | 84.0 | 78.2 | 78.2 | 78.9 | 79.8 | 82.1 | 82.8 | 83.8 | 89.5 | 84.6 |
| 1050 | Dairy products | 16 | 109.6 | 109.6 | 109.6 | 113.2 | 110.5 | 115.8 | 115.8 | 123.1 | 123.9 | 119.7 |
| 1061 | Grain mill products | 54 | 83.9 | 88.8 | 90.8 | 91.5 | 88.8 | 94.1 | 100.1 | 100.2 | 99.8 | 98.6 |
| 1071 | Bakery products | 72 | 114.1 | 114.1 | 114.1 | 114.1 | 114.1 | 115.7 | 116.7 | 118.6 | 118.7 | 117.4 |
| 10711/ 10712 | <i>Bread/Pastries and cakes</i> | <i>69</i> | <i>113.3</i> | <i>113.3</i> | <i>113.3</i> | <i>113.3</i> | <i>113.3</i> | <i>115.0</i> | <i>115.9</i> | <i>117.3</i> | <i>117.4</i> | <i>116.4</i> |
| 10713 | <i>Biscuits and other dry bakery products</i> | <i>3</i> | <i>119.0</i> | <i>118.3</i> | <i>118.3</i> | <i>118.3</i> | <i>118.5</i> | <i>119.3</i> | <i>124.5</i> | <i>126.1</i> | <i>126.1</i> | <i>124.0</i> |
| 1074 | Macaroni, noodles, couscous and similar farinaceous products | 11 | 105.5 | 105.5 | 105.5 | 105.5 | 105.5 | 105.7 | 105.9 | 106.3 | 106.3 | 106.1 |
| 1075 | Prepared meals and dishes | 2 | 124.2 | 124.6 | 124.6 | 124.6 | 124.5 | 125.3 | 127.6 | 131.7 | 133.8 | 129.6 |
| 1079 | Other food products n.e.c | 34 | 116.8 | 119.0 | 119.2 | 119.2 | 118.6 | 121.2 | 121.5 | 131.3 | 134.4 | 127.1 |
| 10791 | <i>Tea</i> | <i>5</i> | <i>120.0</i> | <i>130.1</i> | <i>130.1</i> | <i>130.1</i> | <i>127.6</i> | <i>130.6</i> | <i>131.6</i> | <i>131.6</i> | <i>133.5</i> | <i>131.8</i> |
| 10793/ 10799 | <i>Spices, sauces, condiments and other food products n.e.c</i> | <i>29</i> | <i>116.3</i> | <i>117.0</i> | <i>117.1</i> | <i>117.2</i> | <i>116.9</i> | <i>119.5</i> | <i>119.7</i> | <i>131.2</i> | <i>134.5</i> | <i>126.2</i> |
| 1080 | Animal feed | 45 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 92.2 | 94.0 | 92.7 |
| 110 | Beverages | 178 | 122.0 | 122.1 | 122.5 | 122.5 | 122.3 | 123.1 | 123.9 | 128.2 | 129.5 | 126.2 |
| 1101 | Distilled potable alcoholic beverages | 65 | 131.6 | 131.6 | 131.6 | 131.6 | 131.6 | 133.3 | 134.1 | 134.1 | 134.1 | 133.9 |
| 1102 | Wines | 13 | 133.7 | 133.7 | 133.7 | 133.7 | 133.7 | 133.7 | 133.7 | 135.4 | 143.1 | 136.5 |
| 1103 | Malt liquors and malt including non alcoholic beer | 73 | 114.8 | 115.0 | 115.9 | 115.9 | 115.4 | 115.9 | 116.6 | 124.0 | 125.4 | 120.5 |
| 1104 | Soft drinks, mineral waters and other bottled waters | 27 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 113.0 | 114.5 | 121.8 | 122.7 | 118.0 |

Table 2(c) - Quarterly & yearly indices for the Manufacture of Chemicals and Chemical Products & Rubber and Plastic products, by industry group, 1st Quarter 2019 - 4th Quarter 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | 2019 | | | | | 2020 | | | | |
|-----------|--|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | Year Average | 1st Qr. | 2nd Qr. | 3rd Qr. | 4th Qr. | Year Average |
| 20 | Chemicals and chemical products | 69 | 110.7 | 110.2 | 111.4 | 111.5 | 111.0 | 111.8 | 112.1 | 113.2 | 113.1 | 112.6 |
| 2011 | Basic chemicals | 9 | 113.5 | 108.6 | 107.8 | 107.8 | 109.4 | 108.3 | 109.1 | 105.2 | 104.4 | 106.8 |
| 2012 | Manufacture of fertilizers and nitrogen compounds | 8 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 | 89.0 |
| 2022 | Paints, varnishes and similar coatings, printing ink and mastics | 26 | 115.6 | 115.6 | 117.5 | 117.5 | 116.6 | 117.5 | 117.5 | 118.7 | 118.7 | 118.1 |
| 2023 | Soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations | 26 | 111.8 | 112.1 | 113.6 | 114.0 | 112.9 | 114.7 | 115.1 | 118.2 | 118.2 | 116.6 |
| 22 | Rubber and plastic products | 31 | 111.1 | 111.1 | 111.4 | 111.4 | 111.3 | 111.2 | 111.2 | 111.2 | 111.3 | 111.2 |
| 2211 | Rubber tyres and tubes, retreading and rebuilding of rubber tyres | 5 | 101.9 | 101.9 | 103.9 | 104.0 | 102.9 | 104.0 | 104.0 | 104.0 | 104.0 | 104.0 |
| 2220 | Plastic products | 26 | 112.9 | 112.9 | 112.9 | 112.9 | 112.9 | 112.5 | 112.5 | 112.5 | 112.7 | 112.6 |

Table 3(a) - Quarterly percentage change of the Manufacturing Sector by industry group, 1st Quarter 2019 - 4th Quarter 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | Percentage changes from previous quarter | | | | Percentage changes from corresponding quarter of previous year | | | |
|--------------|--|-------------|--|------------------------------|------------------------------|------------------------------|--|------------------------------|------------------------------|------------------------------|
| | | | 4th Qr 19 to 1st Qr 20 | 1st Qr 20 to 2nd Qr 20 | 2nd Qr 20 to 3rd Qr 20 | 3rd Qr 20 to 4th Qr 20 | 1st Qr 19 to 1st Qr 20 | 2nd Qr 19 to 2nd Qr 20 | 3rd Qr 19 to 3rd Qr 20 | 4th Qr 19 to 4th Qr 20 |
| 10-33 | Total manufacturing | 1000 | + 1.0 | + 1.3 | + 2.4 | + 0.8 | + 1.8 | + 2.8 | + 4.8 | + 5.5 |
| 10/11 | Food products and beverages | 552 | + 1.1 | + 1.1 | + 2.8 | + 0.9 | + 2.0 | + 2.7 | + 5.4 | + 6.0 |
| 13 | Textiles | 6 | 0.0 | 0.0 | 0.0 | + 1.1 | + 3.5 | + 2.3 | 0.0 | + 1.1 |
| 14 | Wearing apparel | 34 | 0.0 | 0.0 | + 6.6 | + 0.5 | + 2.2 | + 1.4 | + 6.6 | + 7.2 |
| 15 | Leather and related products | 3 | + 2.4 | + 0.2 | + 3.9 | 0.0 | + 2.4 | + 2.6 | + 6.7 | + 6.7 |
| 16/17 | Wood and products of wood & cork; articles of straw and plaiting materials/ Paper and paper products | 16 | + 1.4 | + 1.8 | + 1.7 | + 0.3 | + 2.0 | + 3.9 | + 5.6 | + 5.2 |
| 18 | Printing and reproduction of recorded media | 28 | + 0.3 | + 7.2 | + 1.2 | + 0.2 | - 2.0 | + 5.2 | + 7.2 | + 9.0 |
| 20 | Chemicals and chemical products | 69 | + 0.3 | + 0.3 | + 1.0 | - 0.1 | + 1.0 | + 1.7 | + 1.6 | + 1.4 |
| 22 | Rubber and plastic products | 31 | -0.2 | 0.0 | 0.0 | + 0.1 | + 0.1 | + 0.1 | - 0.2 | - 0.1 |
| 23 | Other non-metallic mineral products | 52 | + 2.6 | + 2.7 | + 0.6 | + 0.9 | + 3.2 | + 6.0 | + 6.1 | + 7.0 |
| 24 | Basic metals | 11 | - 0.2 | + 0.1 | + 0.3 | + 5.8 | - 2.7 | - 2.0 | - 0.4 | + 6.0 |
| 25 | Fabricated metal products | 76 | + 0.1 | 0.0 | + 0.6 | + 0.2 | + 0.1 | + 0.1 | + 0.7 | + 0.9 |
| 27 | Electrical equipment | 2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 28 | Machinery and equipment, n.e.c | 9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 29 | Motor vehicles, trailers and semi-trailers | 5 | + 18.5 | + 1.0 | - 6.7 | 0.0 | + 18.5 | + 19.7 | + 11.7 | + 11.7 |
| 30 | Other transport equipment | 16 | + 0.2 | + 4.9 | + 5.8 | + 4.4 | + 2.6 | + 7.1 | + 11.3 | + 16.1 |
| 31 | Furniture | 65 | + 0.2 | + 0.1 | + 0.4 | + 0.1 | + 0.3 | + 0.4 | + 0.7 | + 0.7 |
| 32 | Other products | 25 | + 1.7 | + 7.5 | + 13.5 | 0.0 | + 10.1 | + 15.2 | + 24.0 | + 24.0 |

Table 3(b) - Quarterly percentage change for Manufacture of Food Products & Beverages by industry group, 1st Quarter 2019 - 4th Quarter 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | Percentage changes from previous quarter | | | | Percentage changes from corresponding quarter of previous year | | | |
|-----------------|---|------------|--|------------------------------|------------------------------|------------------------------|--|------------------------------|------------------------------|------------------------------|
| | | | 4th Qr 19 to 1st Qr 20 | 1st Qr 20 to 2nd Qr 20 | 2nd Qr 20 to 3rd Qr 20 | 3rd Qr 20 to 4th Qr 20 | 1st Qr 19 to 1st Qr 20 | 2nd Qr 19 to 2nd Qr 20 | 3rd Qr 19 to 3rd Qr 20 | 4th Qr 19 to 4th Qr 20 |
| 10-11 | Total food products & beverages | 552 | + 1.1 | + 1.1 | + 2.8 | + 0.9 | + 2.0 | + 2.7 | + 5.4 | + 6.0 |
| 101-108 | Food products | 374 | + 1.4 | + 1.3 | + 2.4 | + 0.9 | + 2.7 | + 3.6 | + 5.8 | + 6.2 |
| 1010 | Processing and preserving of meat | 97 | + 0.9 | + 0.2 | + 2.7 | + 0.1 | + 1.4 | + 1.6 | + 4.5 | + 3.9 |
| 1020 | Processing and preserving of fish, crustaceans & molluscs | 3 | 0.0 | + 6.5 | + 1.5 | 0.0 | 0.0 | + 6.5 | + 8.1 | + 8.1 |
| 1030 | Processing and preserving of fruits and vegetables | 10 | + 0.2 | + 1.4 | + 4.3 | + 1.2 | + 1.4 | + 1.6 | + 6.0 | + 7.3 |
| 1040 | Vegetable and animal oils and fats | 30 | + 4.1 | + 0.9 | + 1.2 | + 6.8 | - 2.3 | + 5.9 | + 7.2 | + 13.4 |
| 1050 | Dairy products | 16 | + 2.3 | 0.0 | + 6.3 | + 0.6 | + 5.7 | + 5.7 | + 12.3 | + 9.5 |
| 1061 | Grain mill products | 54 | + 2.8 | + 6.4 | + 0.1 | - 0.4 | + 12.2 | + 12.7 | + 10.4 | + 9.1 |
| 1071 | Bakery products | 72 | + 1.4 | + 0.9 | + 1.6 | + 0.1 | + 1.4 | + 2.3 | + 3.9 | + 4.0 |
| 10711/ 10712 | <i>Bread/Pastries and cakes</i> | 69 | + 1.5 | + 0.8 | + 1.2 | + 0.1 | + 1.5 | + 2.3 | + 3.5 | + 3.6 |
| 10713 | <i>Biscuits and other dry bakery products</i> | 3 | + 0.8 | + 4.4 | + 1.3 | 0.0 | + 0.3 | + 5.2 | + 6.6 | + 6.6 |
| 1074 | Macaroni, noodles, couscous and similar farinaceous products | 11 | + 0.2 | + 0.2 | + 0.4 | 0.0 | + 0.2 | + 0.4 | + 0.8 | + 0.8 |
| 1075 | Prepared meals and dishes | 2 | + 0.6 | + 1.8 | + 3.2 | + 1.6 | + 0.9 | + 2.4 | + 5.7 | + 7.4 |
| 1079 | Other food products n.e.c | 34 | + 1.7 | + 0.2 | + 8.1 | + 2.4 | + 3.8 | + 2.1 | + 10.2 | + 12.8 |
| 10791 | <i>Tea</i> | 5 | + 0.4 | + 0.8 | 0.0 | + 1.4 | + 8.8 | + 1.2 | + 1.2 | + 2.6 |
| 10793/ 10799 | <i>Spices, sauces, condiments and other food products n.e.c</i> | 29 | + 2.0 | + 0.2 | + 9.6 | + 2.5 | + 2.8 | + 2.3 | + 12.0 | + 14.8 |
| 1080 | Animal feed | 45 | 0.0 | 0.0 | 0.0 | + 2.0 | 0.0 | 0.0 | 0.0 | + 2.0 |
| 110 | Beverages | 178 | + 0.5 | + 0.6 | + 3.5 | + 1.0 | + 0.9 | + 1.5 | + 4.7 | + 5.7 |
| 1101 | Distilled potable alcoholic beverages | 65 | + 1.3 | + 0.6 | 0.0 | 0.0 | + 1.3 | + 1.9 | + 1.9 | + 1.9 |
| 1102 | Wines | 13 | 0.0 | 0.0 | + 1.3 | + 5.7 | 0.0 | 0.0 | + 1.3 | + 7.0 |
| 1103 | Malt liquors and malt including non alcoholic beer | 73 | 0.0 | + 0.6 | + 6.3 | + 1.1 | + 1.0 | + 1.4 | + 7.0 | + 8.2 |
| 1104 | Soft drinks, mineral waters and other bottled waters | 27 | 0.0 | + 1.3 | + 6.4 | + 0.7 | 0.0 | + 1.3 | + 7.8 | + 8.6 |

Table 3(c) - Quarterly percentage change for Manufacture of Chemicals and Chemical Products & Rubber and Plastic Products by industry group, 1st Quarter 2019 - 4th Quarter 2020

Base period: Year 2013=100

| NSIC | Industry group | Weight | Percentage changes from previous quarter | | | | Percentage changes from corresponding quarter of previous year | | | |
|-----------|--|-----------|--|------------------------------|------------------------------|------------------------------|--|------------------------------|------------------------------|------------------------------|
| | | | 4th Qr 19 to 1st Qr 20 | 1st Qr 20 to 2nd Qr 20 | 2nd Qr 20 to 3rd Qr 20 | 3rd Qr 20 to 4th Qr 20 | 1st Qr 19 to 1st Qr 20 | 2nd Qr 19 to 2nd Qr 20 | 3rd Qr 19 to 3rd Qr 20 | 4th Qr 19 to 4th Qr 20 |
| 20 | Chemicals and chemical products | 69 | + 0.3 | + 0.3 | + 1.0 | - 0.1 | + 1.0 | + 1.7 | + 1.6 | + 1.4 |
| 2011 | Basic chemicals | 9 | + 0.5 | + 0.7 | - 3.6 | - 0.8 | - 4.6 | + 0.5 | - 2.4 | - 3.2 |
| 2012 | Manufacture of fertilizers and nitrogen compounds | 8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2022 | Paints, varnishes and similar coatings, printing ink and mastics | 26 | 0.0 | 0.0 | + 1.0 | 0.0 | + 1.6 | + 1.6 | + 1.0 | + 1.0 |
| 2023 | Soap and detergents, cleaning and polishing preparations, perfumes and toilet preparations | 26 | + 0.6 | + 0.3 | + 2.7 | 0.0 | + 2.6 | + 2.7 | + 4.0 | + 3.7 |
| 22 | Rubber and plastic products | 31 | -0.2 | 0.0 | 0.0 | + 0.1 | + 0.1 | + 0.1 | - 0.2 | - 0.1 |
| 2211 | Rubber tyres and tubes, retreading and rebuilding of rubber tyres | 5 | 0.0 | 0.0 | 0.0 | 0.0 | + 2.1 | + 2.1 | + 0.1 | 0.0 |
| 2220 | Plastic products | 26 | -0.4 | 0.0 | 0.0 | + 0.2 | -0.4 | -0.4 | -0.4 | - 0.2 |

Producer Price Index – Manufacturing (PPI-M)

Methodology for the computation of the PPI-M

1. Definition

The Producer Price Index (PPI-M) measures changes in the effective prices received by producers in the manufacturing sector for that part of their output, which is sold on the domestic market. It reflects the price trends of a fixed basket of goods representative of the output of Non Export Oriented Enterprises (Non EOE).

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 large and small 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 (weight in the overall index is not significant)
- (c) Division 21: Manufacture of basic pharmaceutical products and pharmaceutical preparations (weight in the overall index is not significant and change of products is too dynamic)
- (d) Division 26: Manufacture of computers, electronic and optical products (weight in the overall index is not significant and change of products is too dynamic)
- (e) Division 33: Repair and installation of machinery and equipment (weight in the overall index is not significant and change of products is too dynamic)

The activities covered by the index represent around 97% of the gross output generated by the Non-EOE manufacturing sector during year 2013.

3. Frame

A list of all large establishments (engaging 10 or more persons) falling under the scope of the PPI-M was obtained from the 2013 Census of Economic Activities (CEA 2013). For small establishments (engaging less than 10 persons), the list of respondents at the CEA 2013 was used.

4. Selection of establishments (producers)

A sample of 126 large establishments was selected from the list of large manufacturing establishments. Those establishments were the most important ones in terms of Gross Output (GO) in their respective 5-digit sub-class.

Small establishments selected for price collection were those engaged in the manufacture of wearing apparel, fabricated metal products and furniture as these activities were the most important ones performed by small manufacturing establishments.

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

5. Selection of products to be priced

Some 400 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.

6. Price collection

Prices collected refer to the prices received by producers for the sale of their products on the local market. The prices exclude all taxes on products, namely excise duty and value added tax (VAT).

As from July 2013, prices are collected on a monthly basis and provisional monthly indices are compiled. The overall PPI-M on a monthly basis is published according to SDDS requirements.

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.

7. Updating of weights

7.1 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 and 2007, based on the results of the 2002 and 2007 rounds of the Census of Economic Activities.

The current basket of goods has been updated based on the results of the 2013 Census of Economic Activities and the index is computed with year 2013 as base period.

8. 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

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

P_{oi} = Price for product i for the base period (2013)

The PPI-M is calculated at the 5-digit sub-class level of the NSIC Rev.2 by the above formula. The lowest level indices are determined as a geometric average of the price relatives of the basic observations. Indices at the division level (2-digit code) are then derived as a weighted average of the indices of the products falling within each division. Finally, the overall index is obtained as a weighted average of the division indices.

9. 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.

10. Missing prices

In case of temporarily missing prices for products, the change in the prices are assumed to be following the same trend as the average price in the 5-digit sub-class or of a higher level.

11. 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.

12. Treatment of quality change

The index is a measure of only “PURE” price changes and should as far as possible 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.

13. Reliability of the PPI-M

The statistical accuracy of the PPI-M depends heavily on the quality of information provided by the selected establishments (respondents). This office places great emphasis on the need for reporting effective selling prices, i.e. prices after discounts and other price deductions rather than the list or catalogue prices.

Standard editing procedures are used to validate the accuracy and reliability of the data. Collected prices are validated during the field work and inconsistencies discussed with the respondents and corrected.

Further computer checks are made at office level when compiling the indices. Comparison is also made with the CPI and with the import/export price indices. Systematic analyzes of the source data are made in the context of weight and base year revisions that occur every five years.