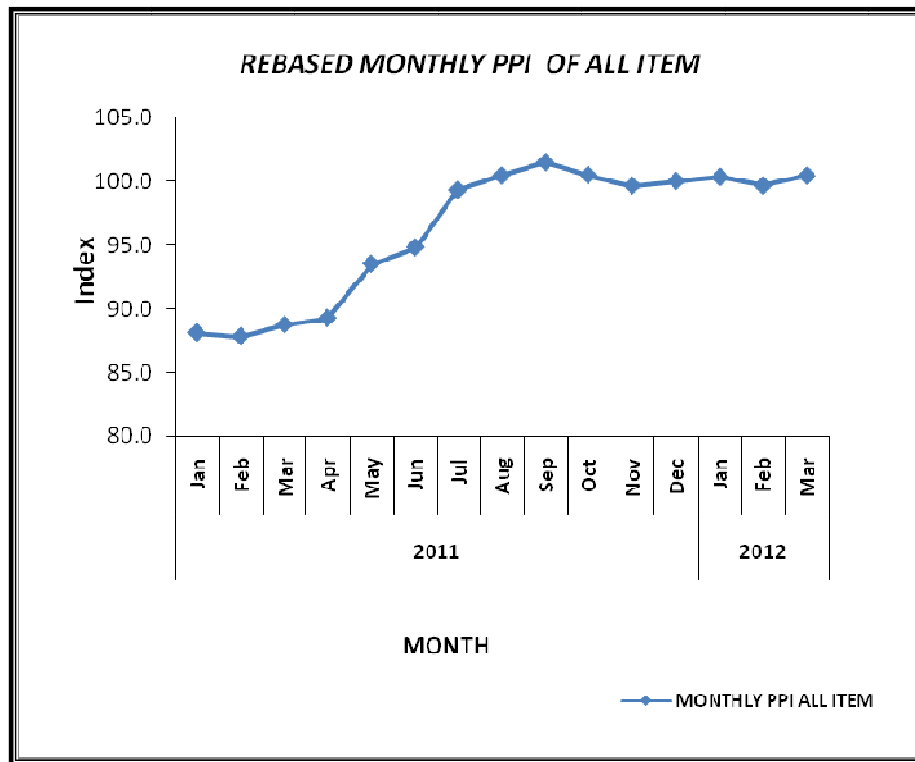


CENTRAL STATISTICAL AGENCY

PRODUCER PRICE INDEX FOR MANUFACTURING (PPI-M)

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



September 2012
Addis Ababa

**REBASING OF
PRODUCER PRICE INDICES
FOR MANUFACTURING/PPI-M/
(2011=100)
JANUARY 2012 TO MARCH 2012**

Central statistical agency

Business statistics directorate

Addis Ababa

September 2012

Important notes

1. The producer price index measures the real output of the manufacturing sector. It is compiled based on a fixed basket of industrial products in the base year.
2. The producer price index has been rebased on to 2011. Rebasing is a five year process for the PPI that updates the weights used to aggregate detailed PPI indices. In this case with some

Constraints it is lagged to seven years/i.e. 2005=100 to 2011=100/.

3. In the previous base year /2005=100/ PPI, there was no ISIC type 1511 /production, processing and preserving of meat and meat products/ but in the new base year /2011=100/ price index it is included. See table A in page 4.

INTERPRETATION

PPI – Total Manufacturing

In the first quarter of 2012, Producer Price Index for Total Manufacturing exhibited an increase of 0.3 percent in January, a decrease of 0.7 in February and a increase of 0.8 in March, compared to the previous month, i.e. as shown in Table 2 and the corresponding figure (Figure 1). Compared to the previous year's same quarter, total Producer Price Indices increased by 13.8, 13.5 and 13.1 percent in January, February and March, respectively. As depicted in Table 3, this increase in producer prices of manufactured products was caused mainly by the rise in producer prices of items food, beverage and tobacco. As compared to previous year's same quarter (first quarter of 2011), Producer Price Index increased by 13.5 percent in the first quarter of 2012 (Table 4).

Figure 1: Monthly Producer Price Indices for all items (compared to the previous month)

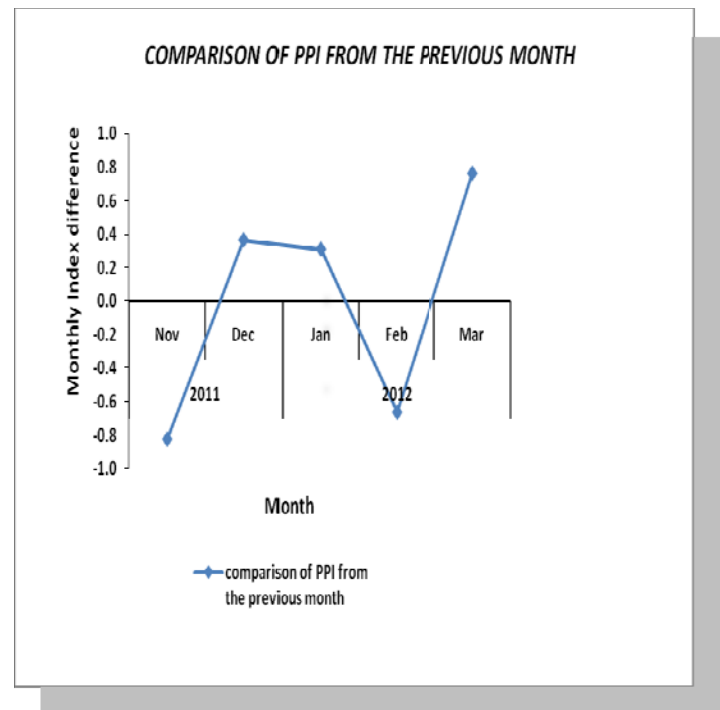
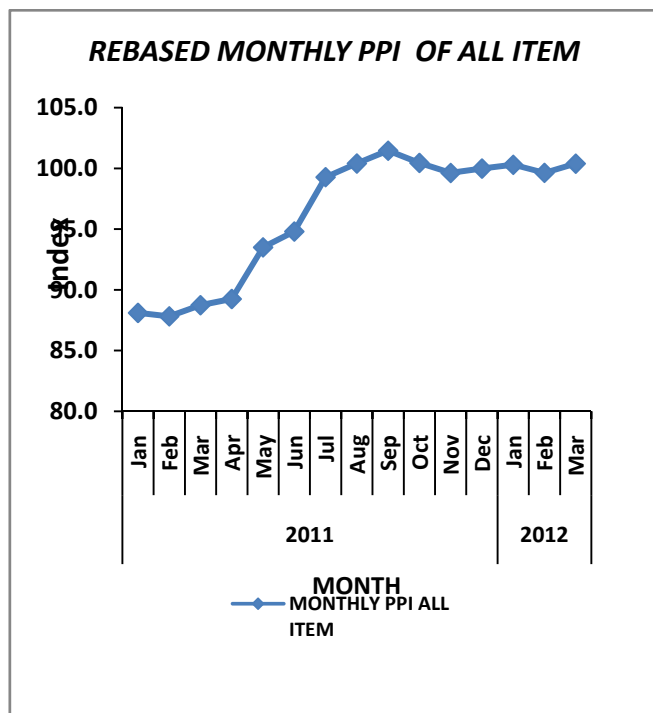


Figure 2: Monthly Producer Price Indices variations for all items



PPI – Food, Beverage and Tobacco

The producer price indices of food, beverage and tobacco stood at 101.3, 98.5 and 100.3 in January, February and March respectively as depicted in Table 1. Compared to the previous month the index exhibited an increase of 2.6 in January, decrease of 2.7 percent in February and an increase of 1.8 percent in March (Table 2). As shown in Table 3, compared to the same quarter in 2011, producer price indices exhibited a hike of around 16.2 percent in January, 14.3 percent in February and 15.5 percent in March. The percentage change in producer price indices revealed that there was a 15.3 percent increase in prices of food, beverage and tobacco products in this quarter compared to the previous year’s same quarter as shown in Table 4.

PPI – Other than Food, Beverage and Tobacco

The monthly producer price indices for manufacturing products other than food, beverage and tobacco products stood at 99.8, 100.2 and 100.4 in January, February and March, respectively as shown in Table 1. Table 2 shows that, producer price indices have decreased by 0.8 percent in January and increased by 0.4 percent in February, and 0.3 percent in March. On the other hand, compared to previous year’s same period, producer price indices exhibited a 12.3 percent, 12.4 percent and 11.4 percent rise in January, February and March respectively (Refer to Table 3). This rise was mainly due to the increase in prices of wearing apparel except fur apparel products. The percentage change in producer price indices between the corresponding quarters also indicated that there was a 12.0 percent increase in prices of products other than food, beverage and tobacco products as shown in Table 4.

Table A : Weights at 2-digit and 4-digit level and included ISIC

2005 ISIC	Industrial division	Weights (2005=100)	2011 ISIC	Industrial division	Weights (2011=100)
15-36	Total Manufacturing-PPI	1000	15-36	Total Manufacturing-PPI	1000
15	Food , Beverage and Tobacco	401	15	Food , Beverage and Tobacco	336
1514	Vegetable and Animal Oils and Fats	10	1511	Production ,processing and preserving of meat and meat product	9
1520	Dairy Products	6	1514	Vegetable and Animal Oils and Fats	15
1531	Grain Mill Products	49	1520	Dairy Products	7
1541	Bakery Products	21	1531	Grain Mill Products	106
1542	Sugar	116	1541	Bakery Products	62
1544	Macaroni and Pasta	17	1542	Sugar	39
1549	Other Food Products	17	1544	Macaroni and Pasta	13
1551	Liquors	8	1549	Other Food Products	11
1553	Beer And Malt	74	1551	Liquors	12
1554	Soft drinks and Mineral Water	50	1553	Beer And Malt	22
1600	Tobacco	34	1554	Soft drinks and Mineral Water	36
17-36	Other than Food, Beverage and Tobacco	599	1600	Tobacco	4
17	Spinning ,Weaving and Finishing of Textiles	87	17-36	Other than Food, Beverage and Tobacco	664
18	Wearing Apparel Except Fur Apparel	9	17	Spinning ,Weaving and Finishing of Textiles	38
19	Leather and Footwear	79	18	Wearing Apparel Except Fur Apparel	23
21-22	Paper , Paper Products and Printing	56	19	Leather and Footwear	48
24	Chemical and Chemical Products	67	21-22	Paper , Paper Products and Printing	64
25	Rubber and Plastic Products	50	24	Chemical and Chemical Products	64
26	Other Non-Metallic Mineral products	107	25	Rubber and Plastic Products	74
27	Basic Iron and Steel	69	26	Other Non-Metallic Mineral products	150
28	Fabricated Metal Products Except Machinery and Equipment	30	27	Basic Iron and Steel	26
34	Bodies for Motor Vehicles ,Trailers and Semi-Trailers	25	28	Fabricated Metal Products Except Machinery and Equipment	76
36	Wood and Furniture	21	34	Bodies for Motor Vehicles ,Trailers and Semi-Trailers	11
			36	Wood and Furniture	90

Table 1: Monthly Producer Price indices for Manufacturing, January 2011 to March 2012

ISIC code	Description	Weight	2011												2012		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
15-36	Total Manufacturing-PPI	1000	88.1	87.8	88.7	89.2	93.5	94.8	99.3	100.4	101.5	100.5	99.6	100.0	100.3	99.6	100.4
15	Food , Beverage and Tobacco	336	87.2	86.2	86.9	90.6	89.9	90.4	94.0	95.3	96.9	102.3	99.4	98.7	101.3	98.5	100.3
1511	Production,processing and preserving of meat and meat product	9	*	*	*	*	*	*	*	*	*	100.0	100.0	100.0	101.3	108.5	108.5
1514	Vegetable and Animal Oils and Fats	15	61.2	61.0	62.5	81.0	81.7	85.7	92.3	92.3	92.0	102.6	98.8	98.6	97.7	97.7	97.1
1520	Dairy Products	7	73.9	73.8	75.9	85.9	85.9	85.9	88.7	90.4	102.4	100.0	100.0	100.0	100.0	100.0	103.0
1531	Grain Mill Products	106	90.8	89.4	87.8	101.7	94.1	92.8	102.7	103.3	103.3	108.3	106.2	103.7	102.9	98.5	98.5
1541	Bakery Products	62	81.5	81.5	81.5	90.4	90.7	88.6	92.9	92.8	92.8	98.4	100.6	100.9	102.1	103.5	105.8
1542	Sugar	39	92.7	89.8	91.8	91.3	91.3	88.7	93.4	93.9	98.2	98.6	100.7	100.7	98.5	98.6	101.4
1544	Macaroni and Pasta	13	72.0	71.6	72.1	86.7	90.1	90.1	89.8	90.5	92.4	99.7	99.3	101.0	98.1	99.4	99.7
1549	Other Food Products	11	68.0	68.0	68.0	70.6	75.0	75.0	82.7	85.2	85.2	100.0	100.1	99.9	114.3	114.3	114.3
1551	Liquors	12	85.2	85.2	85.2	87.2	87.2	87.2	89.3	100.0	100.0	100.0	100.0	100.0	100.1	113.7	113.7
1553	Beer And Malt	22	90.6	90.6	90.6	91.6	91.6	92.3	91.7	94.5	94.5	100.0	100.0	100.0	100.0	100.0	99.9
1554	Soft drinks and Mineral Water	36	94.9	95.0	96.5	96.5	96.5	96.5	98.3	100.4	100.4	100.0	100.0	100.0	98.8	103.6	112.7
1600	Tobacco	4	78.5	80.2	80.2	80.3	80.3	100.0	100.0	100.0	100.0	99.5	100.3	100.3	100.3	100.3	100.3
17-36	Other than Food, Beverage and Tobacco	664	88.8	89.1	90.2	88.2	96.3	98.3	103.4	104.4	105.0	99.5	99.7	100.6	99.8	100.2	100.4
17	Spinning ,Weaving and Finishing of Textiles	38	84.8	85.5	87.4	79.0	105.6	109.2	107.3	107.2	110.7	100.6	99.7	99.7	97.7	99.6	100.8
18	Wearing Apparel Except Fur Apparel	23	62.4	62.4	62.4	72.0	74.4	89.7	90.3	90.3	94.1	95.6	101.6	102.8	96.8	96.8	96.8
19	Leather and Footwear	48	84.1	84.1	84.1	84.7	85.0	88.6	93.7	96.9	98.8	98.8	100.5	100.7	102.4	102.4	104.9
21-22	Paper , Paper Products and Printing	64	91.9	90.9	90.8	93.2	92.7	91.8	100.1	101.7	95.7	99.3	100.9	99.8	101.3	101.3	101.8
24	Chemical and Chemical Products	64	86.0	86.5	87.3	89.6	90.7	93.6	95.6	97.4	98.9	99.5	99.9	100.6	100.7	101.0	101.0
25	Rubber and Plastic Products	74	83.6	83.6	83.6	89.4	91.2	93.1	93.5	93.8	93.6	98.7	100.5	100.7	103.3	103.3	104.5
26	Other Non-Metallic Mineral products	150	95.6	95.7	95.8	94.0	105.8	106.1	119.6	120.7	120.7	101.1	99.6	99.3	93.7	94.5	93.9
27	Basic Iron and Steel	26	96.7	98.2	104.1	97.2	99.5	103.2	104.4	105.6	105.6	100.9	99.3	99.8	97.1	97.3	97.4
28	Fabricated Metal Products Except Machinery and Equipment	76	81.5	81.9	82.2	70.6	74.0	73.3	87.4	87.4	88.0	100.0	99.5	100.3	104.9	106.2	105.8
34	Bodies for Motor Vehicles ,Trailers and Semi-Trailers	11	87.9	87.9	87.9	87.9	93.0	93.0	93.7	93.7	93.7	99.5	99.7	100.7	122.5	122.8	123.0
36	Wood and Furniture	90	85.4	85.4	85.8	86.4	86.8	86.8	88.4	88.9	96.7	98.0	97.8	103.6	99.2	98.7	98.7

* There is no ISIC 1511 in the old series but in the rebased series it is included.

Table 2: Percentage Change In the PPI-M Over Previous Month ,November 2011 to September 2012

ISIC code	Description	Weight	2011		2012		
			Nov	Dec	Jan	Feb	Mar
15-36	Total Manufacturing-PPI	1000	-0.8	0.4	0.3	-0.7	0.8
15	Food , Beverage and Tobacco	336	-2.8	-0.7	2.6	-2.7	1.8
1511	Production,processing and preserving of meat and meat product	9	0.0	0.0	1.3	7.2	0.0
1514	Vegetable and Animal Oils	15	-3.7	-0.3	-0.9	0.0	-0.6
1520	Dairy Products	7	0.0	0.0	0.0	0.0	3.0
1531	Grain Mill Products	106	-1.9	-2.3	-0.8	-4.3	0.0
1541	Bakery Products	62	2.3	0.3	1.1	1.4	2.2
1542	Sugar	39	2.2	0.0	-2.2	0.1	2.8
1544	Macaroni and Pasta	13	-0.4	1.7	-2.8	1.3	0.3
1549	Other Food Products	11	0.1	-0.3	14.4	0.0	0.0
1551	Liquors	12	0.0	0.0	0.1	13.6	0.0
1553	Beer And Malt	22	0.0	0.0	0.0	0.0	-0.1
1554	Soft drinks and Mineral Water	36	0.0	0.0	-1.2	4.9	8.8
1600	Tobacco	4	0.8	0.0	0.0	0.0	0.0
17-36	Other than Food, Beverage and Tobacco	664	0.2	0.9	-0.8	0.4	0.3
17	Spinning ,Weaving and Finishing of Textiles	38	-0.9	-0.1	-2.0	1.9	1.2
18	Wearing Apparel Except Fur Apparel	23	6.4	1.1	-5.8	0.0	0.0
19	Leather and Footwear	48	1.7	0.3	1.7	0.0	2.4
21-22	Paper , Paper Products and Printing	64	1.6	-1.1	1.5	0.0	0.6
24	Chemical and Chemical Products	64	0.4	0.7	0.1	0.3	0.0
25	Rubber and Plastic Products	74	1.9	0.2	2.6	0.0	1.1
26	Other Non-Metallic Mineral products	150	-1.5	-0.2	-5.7	0.8	-0.6
27	Basic Iron and Steel	26	-1.6	0.5	-2.7	0.2	0.1
28	Fabricated Metal Products Except Machinery and Equipment	76	-0.5	0.8	4.6	1.2	-0.5
34	Bodies for Motor Vehicles ,Trailers and Semi-Trailers	11	0.2	1.0	21.6	0.2	0.2
36	Wood and Furniture	90	-0.2	5.9	-4.3	-0.5	0.0

Table 3: Percentage Change In the PPI-M Relative to Same Month of Previous Year First quarter 2011 to First quarter 2012

Base: Forth Quarter 2011 =100

ISIC code	Description	Weight	2011			2012			percentage change (%) from		
			Jan	Feb	Mar	Jan	Feb	Mar	Jan.- 12/Jan.-11	Feb.- 12/Feb.-11	Mar.- 12/Mar.-11
15-36	Total Manufacturing-PPI	1000	88.1	87.8	88.7	100.3	99.6	100.4	13.8	13.5	13.1
15	Food , Beverage and Tobacco	336	87.2	86.2	86.9	101.3	98.5	100.3	16.2	14.3	15.5
1511	Production,processing and preserving of meat and meat product	9	*	*	*	101.3	108.5	108.5	*	*	*
1514	Vegetable and Animal Oils	15	61.2	61.0	62.5	97.7	97.7	97.1	59.5	60.1	55.3
1520	Dairy Products	7	73.9	73.8	75.9	100.0	100.0	103.0	35.4	35.5	35.7
1531	Grain Mill Products	106	90.8	89.4	87.8	102.9	98.5	98.5	13.3	10.1	12.1
1541	Bakery Products	62	81.5	81.5	81.5	102.1	103.5	105.8	25.3	27.1	29.8
1542	Sugar	39	92.7	89.8	91.8	98.5	98.6	101.4	6.2	9.8	10.5
1544	Macaroni and Pasta	13	72.0	71.6	72.1	98.1	99.4	99.7	36.2	38.8	38.4
1549	Other Food Products	11	68.0	68.0	68.0	114.3	114.3	114.3	68.0	68.0	68.0
1551	Liquors	12	85.2	85.2	85.2	100.1	113.7	113.7	17.5	33.4	33.4
1553	Beer And Malt	22	90.6	90.6	90.6	100.0	100.0	99.9	10.4	10.4	10.3
1554	Soft drinks and Mineral Water	36	94.9	95.0	96.5	98.8	103.6	112.7	4.1	9.0	16.8
1600	Tobacco	4	78.5	80.2	80.2	100.3	100.3	100.3	27.7	24.9	24.9
17-36	Other than Food, Beverage and Tobacco	664	88.8	89.1	90.2	99.8	100.2	100.4	12.3	12.4	11.4
17	Spinning ,Weaving and Finishing of Textiles	38	84.8	85.5	87.4	97.7	99.6	100.8	15.2	16.5	15.3
18	Wearing Apparel Except Fur Apparel	23	62.4	62.4	62.4	96.8	96.8	96.8	55.1	55.1	55.1
19	Leather and Footwear	48	84.1	84.1	84.1	102.4	102.4	104.9	21.8	21.8	24.7
21-22	Paper , Paper Products and Printing	64	91.9	90.9	90.8	101.3	101.3	101.8	10.2	11.4	12.1
24	Chemical and Chemical Products	64	86.0	86.5	87.3	100.7	101.0	101.0	17.0	16.8	15.6
25	Rubber and Plastic Products	74	83.6	83.6	83.6	103.3	103.3	104.5	23.6	23.5	24.9
26	Other Non-Metallic Mineral products	150	95.6	95.7	95.8	93.7	94.5	93.9	-2.0	-1.3	-1.9
27	Basic Iron and Steel	26	96.7	98.2	104.1	97.1	97.3	97.4	0.4	-0.9	-6.4
28	Fabricated Metal Products Except Machinery and Equipment	76	81.5	81.9	82.2	104.9	106.2	105.8	28.8	29.7	28.7
34	Bodies for Motor Vehicles ,Trailers and Semi-Trailers	11	87.9	87.9	87.9	122.5	122.8	123.0	39.4	39.8	40.1
36	Wood and Furniture	90	85.4	85.4	85.8	99.2	98.7	98.7	16.1	15.6	15.0

* There is no ISIC 1511 in the old series but in the rebased series it is included.

Table 4: Quarterly Producer Price Indices for Manufacturing ,January 2011 to March 2012

Base: Forth Quarter 2011 =100

ISIC code	Description	Weight	2011				2012	Percentage Change(%)from	
			1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	1st Qtr/12 to 4th Qtr/11	1st Qtr/12 to 1st Qtr/11
15-36	Total Manufacturing-PPI	1000	88.2	92.5	100.4	100.0	100.1	0.1	13.5
15	Food , Beverage and Tobacco	336	86.8	90.3	95.4	100.1	100.1	-0.1	15.3
1511	Production,processing and preserving of meat and meat product	9	*	*	*	100.0	106.1	6.1	**
1514	Vegetable and Animal Oils	15	61.6	82.8	92.2	100.0	97.5	-2.5	58.3
1520	Dairy Products	7	74.5	85.9	93.8	100.0	101.0	1.0	35.5
1531	Grain Mill Products	106	89.4	96.2	103.1	106.1	99.9	-5.8	11.8
1541	Bakery Products	62	81.5	89.9	92.8	100.0	103.8	3.8	27.4
1542	Sugar	39	91.4	90.4	95.2	100.0	99.5	-0.5	8.8
1544	Macaroni and Pasta	13	71.9	89.0	90.9	100.0	99.1	-0.9	37.8
1549	Other Food Products	11	68.0	73.6	84.3	100.0	114.3	14.3	68.0
1551	Liquors	12	85.2	87.2	96.4	100.0	109.2	9.2	28.1
1553	Beer And Malt	22	90.6	91.8	93.6	100.0	100.0	0.0	10.3
1554	Soft drinks and Mineral Water	36	95.5	96.5	99.7	100.0	105.0	5.0	10.0
1600	Tobacco	4	79.7	86.9	100.0	100.0	100.3	0.3	25.8
17-36	Other than Food, Beverage and Tobacco	664	89.4	94.3	104.3	100.0	100.1	0.2	12.0
17	Spinning ,Weaving and Finishing of Textiles	38	85.9	97.9	108.4	100.0	99.3	-0.7	15.6
18	Wearing Apparel Except Fur Apparel	23	62.4	78.7	91.5	100.0	96.8	-3.2	55.1
19	Leather and Footwear	48	84.1	86.1	96.4	100.0	103.2	3.3	22.8
21-22	Paper , Paper Products and Printing	64	91.2	92.5	99.2	100.0	101.5	1.5	11.2
24	Chemical and Chemical Products	64	86.6	91.3	97.3	100.0	100.9	0.9	16.5
25	Rubber and Plastic Products	74	83.6	91.3	93.7	100.0	103.7	3.7	24.0
26	Other Non-Metallic Mineral products	150	95.7	102.0	120.4	100.0	94.0	-6.0	-1.7
27	Basic Iron and Steel	26	99.7	100.0	105.2	100.0	97.3	-2.7	-2.4
28	Fabricated Metal Products Except Machinery and Equipn	76	81.8	72.6	87.6	100.0	105.6	5.7	29.1
34	Bodies for Motor Vehicles ,Trailers and Semi-Trailers	11	87.9	91.3	93.7	100.0	122.8	22.8	39.7
36	Wood and Furniture	90	85.6	86.7	91.3	99.8	98.9	-1.0	15.5

* There is no ISIC 1511 in the old series but in the rebased series it is included.

** Because of not included in the old series of first quarter of 2011.