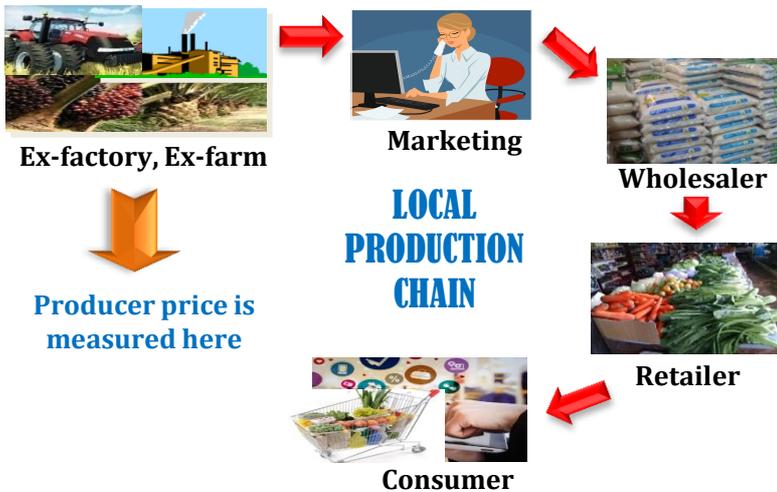




PRODUCER PRICE INDEX (PPI)

CONCEPTS

- The PPI for local production is an output based index, which measures the change in the price of commodities sold to the domestic market. The price is valued at the ex- factory price.
- The PPI for local production measures the average change in the prices charged by producers of goods of an industry in a reference months compared to the base period.
- It refers to the prices received by the producers at the first stage of commercialisation.
- As for goods produced, processed or assembled in Malaysia, producer prices refer to prices which are net of discounts and rebates given by the manufacturers and net of freight by hired transport and other transport costs between producer and purchaser.

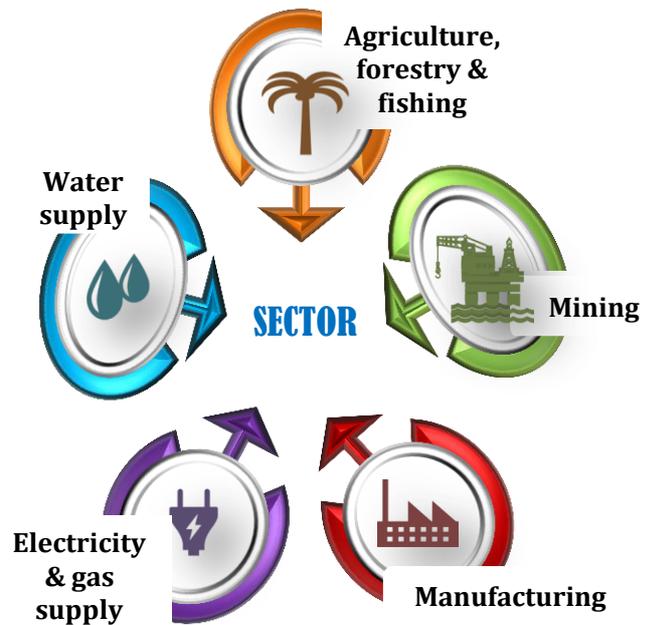


SCOPE AND COVERAGE

PPI covers the following five sectors of the economy namely Agriculture, forestry & fishing, Mining, Manufacturing, Electricity & gas supply and Water supply.

WEIGHTS

Commencing January 2018, the weights used in the calculation of the PPI are obtained from the Economic Census 2016 for the reference year 2015 and other alternative sources of data for the value of production.



STAGE OF PROCESSING

PPI for local production by stage of processing is compiled by reclassifying the commodities according to the following stage of processing.



Source: <http://www.oecd.org/sdd/prices-ppp/48370389.pdf>

#isiwsc2019 || #MyStatsDay || #mycensus2020



NEWSLETTER

As a leading indicator of
Consumer Price Index

1

Indicator of macroeconomic
performance

5

Deflator for item of
Gross Domestic Product

2

USAGE OF PPI

4

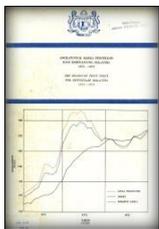
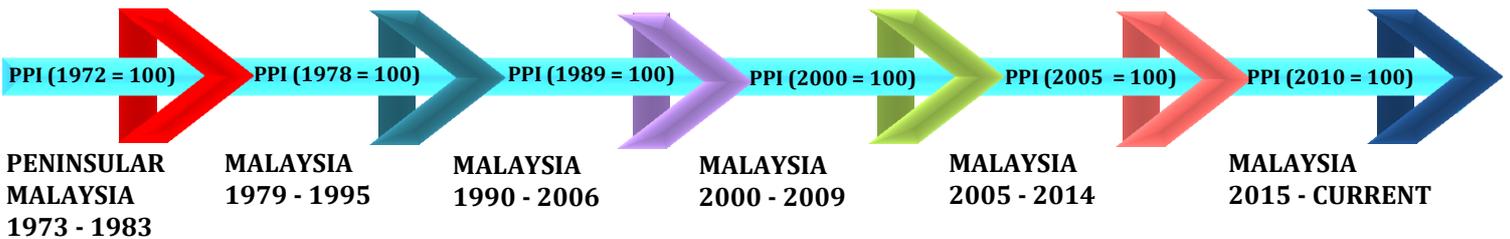
Analysing the trend in prices
of goods in future

Monitoring the price
movements of local output

3



CHRONOLOGY



August 2018 highlights



- The Producer Price Index (PPI) for local production slipped 0.3 per cent on a year-on-year basis in August 2018 as compared to 0.7 per cent increase in July 2018. The sectors which decreased during this period were Agriculture, forestry & fishing (-13.2%), Manufacturing (-1.7%) and Water supply (-0.5%). Meanwhile, the index that registered increases were Mining (+28.6%) and Electricity & gas supply (+0.6%).
- On a monthly basis, the PPI for local production showed a slight decline of 0.1 per cent in August 2018. This was mainly due to the index of Mining (-0.9%), Agriculture, forestry & fishing (-0.7%) and Electricity & gas supply (-0.2%). In contrast, the index for Manufacturing rose 0.1 per cent and Water supply remained unchange.