



The South Africa I know, the home I understand



Statistical release

P0142.1

Producer Price Index (PPI)

October 2013

**Embargoed until:
28 November 2013
11:30**

Enquiries:

Marais Kleu
(012) 310 8170

Forthcoming issue:

November 2013

Expected release date

12 December 2013

Contents

	Page
Key findings for October 2013	2
Final manufactured goods – headline PPI	2
Intermediate manufactured goods.....	2
Electricity and water	2
Mining	2
Agriculture, forestry and fishing.....	2
Key figures and analytical series	3
Main index numbers and annual percentage changes	4
Detailed index numbers and percentage changes, and contributions	5
Explanatory notes	11
Glossary	11
General information	12

Key findings for October 2013

Final manufactured goods – headline PPI

The annual percentage change in the PPI for final manufactured goods was 6,3% in October 2013 (compared with 6,7% in September 2013). From September 2013 to October 2013 the PPI for final manufactured goods increased by 0,5%.

The main contributors to the annual rate of 6,3% were food products, beverages and tobacco products (5,0% year-on-year and contributing 1,7 percentage points) and wood and paper products (12,0% year-on-year and contributing 1,0 percentage point) (see Figure 1.2).

The contributors to the monthly increase of 0,5% were food products, beverages and tobacco products (0,5% month-on-month and contributing 0,2 of a percentage point) and wood and paper products (2,1% month-on-month and contributing 0,2 of a percentage point) (see Figure 1.1).

Intermediate manufactured goods

The annual percentage change in the PPI for intermediate manufactured goods was 7,7% in October 2013 (compared with 7,9% in September 2013). From September 2013 to October 2013 the PPI for intermediate manufactured goods increased by 0,5%.

The main contributors to the annual rate of 7,7% were chemicals, rubber and plastic products (9,8% year-on-year and contributing 3,9 percentage points), basic and fabricated metals (6,3% year-on-year and contributing 1,9 percentage points) and textiles and leather goods (16,7% year-on-year and contributing 1,4 percentage points) (see Figure 2.2).

The main contributors to the monthly increase of 0,5% were recycling and manufacturing n.e.c. (13,8% month-on-month and contributing 0,3 of a percentage point) and sawmilling and wood (1,0% month-on-month and contributing 0,2 of a percentage point) (see Figure 2.1).

Electricity and water

The annual percentage change in the PPI for electricity and water was 14,6% in October 2013 (compared with 12,9% in September 2013). From September 2013 to October 2013 the PPI for electricity and water decreased by 4,9%.

The contributors to the annual rate of 14,6% were electricity (15,5% year-on-year and contributing 12,8 percentage points) and water (10,5% year-on-year and contributing 1,9 percentage points) (see Figure 3.2).

The main contributor to the monthly decrease of 4,9% was electricity (-5,9% month-on-month and contributing -4,9 percentage points) (see Figure 3.1).

Mining

The annual percentage change in the PPI for mining was -0,2% in October 2013 (compared with 4,1% in September 2013). From September 2013 to October 2013 the PPI for mining decreased by 0,9%.

The main contributor to the annual rate of -0,2% was gold and other metal ores (-8,7% year-on-year and contributing -2,1 percentage points) (see Figure 4.2).

The main contributor to the monthly decrease of 0,9% was gold and other metal ores (-2,4% month-on-month and contributing -0,5 of a percentage point) (see Figure 4.1).

Agriculture, forestry and fishing

The annual percentage change in the PPI for agriculture, forestry and fishing was 1,8% in October 2013 (compared with 4,5% in September 2013). From September 2013 to October 2013 the PPI for agriculture, forestry and fishing increased by 2,7%.

The main contributors to the annual rate of 1,8% were agriculture (1,0% year-on-year and contributing 0,8 of a percentage point) and fishing (14,2% year-on-year and contributing 0,6 of a percentage point) (see Figure 5.2).

The main contributor to the monthly increase of 2,7% was agriculture (3,4% month-on-month and contributing 2,6 percentage points) (see Figure 5.1).

Key figures and analytical series

Table A - Key figures

Product	Weight	Index (2012=100)			Percentage change	
		Oct 2012	Sep 2013	Oct 2013	Oct 2013 vs. Sep 2013	Oct 2013 vs. Oct 2012
Final manufactured goods	100,00	101,7	107,6	108,1	0,5	6,3
Intermediate manufactured goods	100,00	102,9	110,2	110,8	0,5	7,7
Electricity and water	100,00	92,2	111,1	105,7	-4,9	14,6
Mining	100,00	104,6	105,3	104,4	-0,9	-0,2
Agriculture, forestry and fishing	100,00	104,0	103,1	105,9	2,7	1,8

Table B - Analytical series

Product	Weight	Index (2012=100)			Percentage change	
		Oct 2012	Sep 2013	Oct 2013	Oct 2013 vs. Sep 2013	Oct 2013 vs. Oct 2012
Final manufactured goods excluding petroleum products	92,72	101,5	107,4	107,9	0,5	6,3
Final manufactured goods excluding food	76,01	101,4	107,7	108,1	0,4	6,6
Intermediate manufactured goods excluding basic metals	88,06	103,9	110,7	111,1	0,4	6,9
Mining excluding precious metals and stones	54,32	100,8	105,0	106,2	1,1	5,4
Precious metals and stones	45,68	108,9	105,5	102,1	-3,2	-6,2

Note:

The PPI and the relevant statistical releases changed significantly in January 2013. These changes can be summarised as follows:

- The PPI for domestic output was replaced with five stages-of-production PPIs, which are published in statistical release P0142.1;
- The weights for the stages-of-production PPIs changed, and the product classification is based on the latest Central Product Classification (CPC version 2);
- The base year changed from 2000 to 2012 (2012=100);
- The PPIs for export and import goods are published in a new statistical release P0142.6 (Export and Import Price Indices);
- The PPIs for selected materials (Tables 11 and 12 in the previous PPI releases) are continued in statistical release P0151 (CPAP Work Groups and Selected Materials Indices, Tables 3 and 4) and are rebased to 2012=100.

PJ Lehohla
Statistician-General

Main index numbers and annual percentage changes

Table C - Main index numbers (2012=100)

Table C1 - Final manufactured goods

Year and type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	
2012	Index	97,1	98,0	98,6	99,2	100,0	99,8	99,8	100,5	100,8	101,7	102,4	102,2	100,0
	Rate	..	..	..	..	..	..	..	..	..	..	..	..	..
2013	Index	102,7	103,3	104,2	104,6	104,9	105,7	106,4	107,2	107,6	108,1	..	..	..
	Rate	5,8	5,4	5,7	5,4	4,9	5,9	6,6	6,7	6,7	6,3	..	..	..

Table C2 - Intermediate manufactured goods

Year and type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	
2012	Index	97,9	98,3	97,9	98,6	98,9	99,6	99,0	99,4	102,1	102,9	103,2	102,2	100,0
	Rate	..	..	..	..	..	..	..	..	..	..	..	..	..
2013	Index	103,6	104,2	105,4	105,7	106,6	107,6	108,3	110,4	110,2	110,8	..	..	..
	Rate	5,8	6,0	7,7	7,2	7,8	8,0	9,4	11,1	7,9	7,7	..	..	..

Table C3 - Electricity and water

Year and type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	
2012	Index	81,8	82,4	82,1	86,7	88,0	127,1	139,5	139,8	98,4	92,2	91,3	90,9	100,0
	Rate	..	..	..	..	..	..	..	..	..	..	..	..	..
2013	Index	91,9	93,1	91,5	97,9	99,9	134,6	147,3	144,9	111,1	105,7	..	..	..
	Rate	12,3	13,0	11,4	12,9	13,5	5,9	5,6	3,6	12,9	14,6	..	..	..

Table C4 - Mining

Year and type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	
2012	Index	98,1	99,8	98,3	98,7	98,9	98,1	97,3	98,0	101,2	104,6	104,5	102,6	100,0
	Rate	..	..	..	..	..	..	..	..	..	..	..	..	..
2013	Index	105,2	106,4	106,8	103,1	104,5	105,0	104,1	108,2	105,3	104,4	..	..	..
	Rate	7,2	6,6	8,6	4,5	5,7	7,0	7,0	10,4	4,1	-0,2	..	..	..

Table C5 - Agriculture, forestry and fishing

Year and type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Average	
2012	Index	101,3	99,6	99,2	98,0	96,7	96,3	98,0	97,0	98,7	104,0	105,5	105,8	100,0
	Rate	..	..	..	..	..	..	..	..	..	..	..	..	..
2013	Index	104,3	100,8	99,6	99,7	99,5	99,4	99,4	100,4	103,1	105,9	..	..	..
	Rate	3,0	1,2	0,4	1,7	2,9	3,2	1,4	3,5	4,5	1,8	..	..	..

Detailed index numbers and percentage changes, and contributions

Table 1 - PPI for final manufactured goods

Product	Weight	Index (2012=100)			Percentage change			
		Oct 2012	Sep 2013	Oct 2013	Oct 2013 vs. Sep 2013	Oct 2013 vs. Oct 2012		
Final manufactured goods	100,00	101,7	107,6	108,1	0,5	6,3		
Food products, beverages and tobacco products	33,47	102,6	107,2	107,7	0,5	5,0		
Food products	All	24,00	103,0	107,8	108,4	0,6	5,2	
	Meat, fish, fruit, vegetables, oils and fats	All	8,16	103,3	107,1	108,7	1,5	5,2
		Meat and meat products	3,69	105,5	105,5	107,4	1,8	1,8
		Fish and fish products	1,49	101,6	116,4	119,2	2,4	17,3
		Fruit and vegetables	2,66	101,0	104,5	105,0	0,5	4,0
		Oils and fats	0,32	107,3	106,8	107,0	0,2	-0,3
	Dairy products		2,81	101,7	108,8	109,8	0,9	8,0
	Grain mill products, starches and starch products and animal feeds	All	3,45	104,4	106,0	106,2	0,2	1,7
		Grain mill products	2,13	104,3	104,7	104,9	0,2	0,6
		Starches, starch products and animal feeds	1,32	104,6	108,3	108,4	0,1	3,6
	Other food products	All	9,58	102,5	108,6	108,5	-0,1	5,9
		Bakery products	6,12	104,6	113,1	112,4	-0,6	7,5
		Sugar	1,79	100,7	99,5	100,9	1,4	0,2
		Other food	1,67	96,7	100,8	101,0	0,2	4,4
Beverages			7,70	101,8	105,9	106,0	0,1	4,1
Tobacco products			1,77	101,1	105,4	105,4	0,0	4,3
Textiles, clothing and footwear	All	4,30	100,1	107,9	107,9	0,0	7,8	
	Textiles	0,34	101,6	105,5	105,5	0,0	3,8	
	Clothing	3,40	100,6	108,5	108,8	0,3	8,2	
	Footwear	0,56	95,7	106,2	105,0	-1,1	9,7	
Wood and paper products	All	8,23	97,6	107,0	109,3	2,1	12,0	
	Paper and printed products	8,04	97,5	107,2	109,4	2,1	12,2	
	Other wood products	0,19	101,4	105,0	106,4	1,3	4,9	
Coke, petroleum, chemical, rubber and plastic products	All	17,22	103,6	109,0	108,6	-0,4	4,8	
	Coke and petroleum products	All	7,47	104,3	111,2	110,4	-0,7	5,8
		Petrol	2,24	105,8	111,8	109,4	-2,1	3,4
		Diesel	2,46	105,7	113,2	112,4	-0,7	6,3
		Other	2,77	101,8	108,6	109,0	0,4	7,1
	Chemical products	8,49	102,1	107,4	107,3	-0,1	5,1	
	Rubber and plastic products	1,26	109,2	106,9	106,1	-0,7	-2,8	
Non-metallic mineral products		4,09	102,4	107,3	107,8	0,5	5,3	
Metals, machinery, equipment and computing equipment	All	15,65	100,2	106,2	106,3	0,1	6,1	
	Structural and fabricated metal products	8,04	99,9	101,0	101,2	0,2	1,3	
	General and special purpose machinery	6,76	100,6	112,2	112,2	0,0	11,5	
	Household appliances and office machinery	0,85	99,8	107,2	107,5	0,3	7,7	
Electrical machinery and apparatus and subcomponents		4,62	101,0	108,3	108,6	0,3	7,5	
Transport equipment	All	10,55	102,3	109,7	110,9	1,1	8,4	
	Motor vehicles	5,76	104,7	106,1	108,1	1,9	3,2	
	Bodies for motor vehicles	0,69	102,1	106,3	106,3	0,0	4,1	
	Parts and accessories for motor vehicles and their engines	4,10	99,7	115,5	115,7	0,2	16,0	
Furniture and other manufacturing		1,87	99,9	104,4	104,4	0,0	4,5	

Figure 1.1 - Contributions to the monthly percentage change in PPI for final manufactured goods

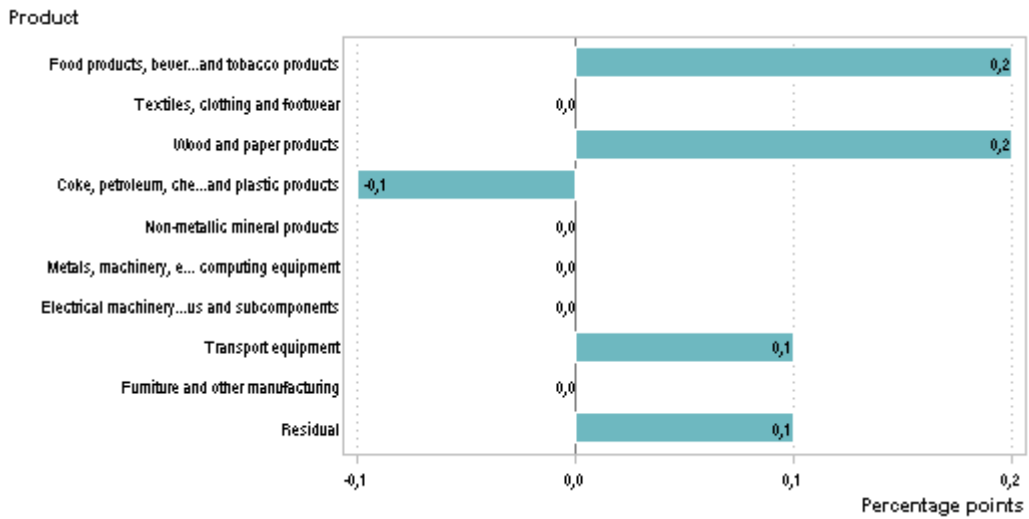


Figure 1.2 - Contributions to the annual percentage change in PPI for final manufactured goods

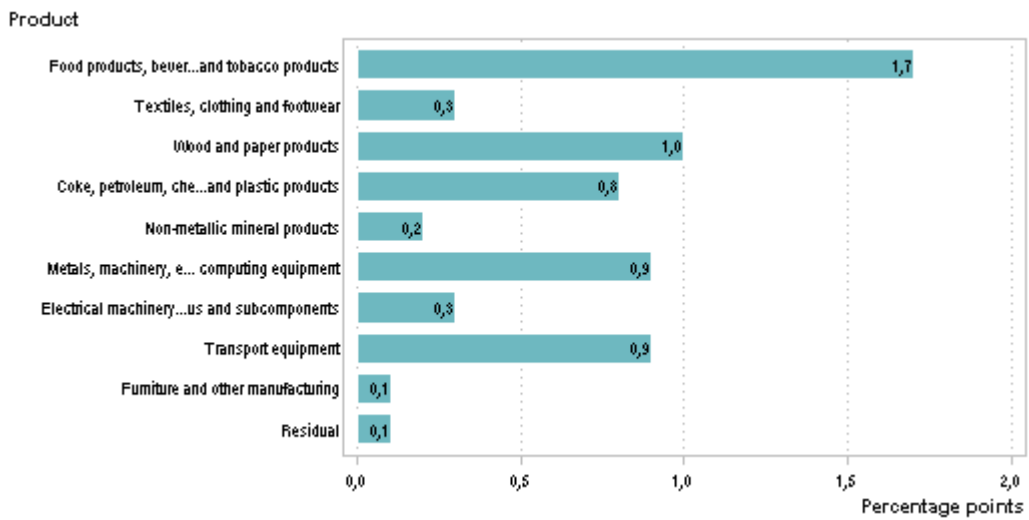


Table 2 - PPI for intermediate manufactured goods

Product		Weight	Index (2012=100)			Percentage change		
			Oct 2012	Sep 2013	Oct 2013	Oct 2013 vs. Sep 2013	Oct 2013 vs. Oct 2012	
Intermediate manufactured goods	All	100,00	102,9	110,2	110,8	0,5	7,7	
	Textiles and leather goods	7,79	107,2	127,0	125,1	-1,5	16,7	
	Sawmilling and wood	15,26	105,8	105,7	106,8	1,0	0,9	
	Chemicals, rubber and plastic products	All	40,69	101,1	110,6	111,0	0,4	9,8
		Basic and other chemicals	10,57	102,3	111,5	112,4	0,8	9,9
		Plastic products	27,97	100,7	108,8	109,0	0,2	8,2
		Rubber products	2,15	99,9	128,2	128,2	0,0	28,3
	Glass and glass products	4,54	107,6	111,9	115,2	2,9	7,1	
	Basic and fabricated metals	All	29,31	102,4	109,1	108,9	-0,2	6,3
		Basic iron and steel	11,94	98,8	109,9	111,8	1,7	13,2
		Basic precious and non-ferrous metals	17,37	106,9	110,6	109,0	-1,4	2,0
	Recycling and manufacturing n.e.c.	2,41	101,1	87,2	99,2	13,8	-1,9	

Figure 2.1 - Contributions to the monthly percentage change in PPI for intermediate manufactured goods

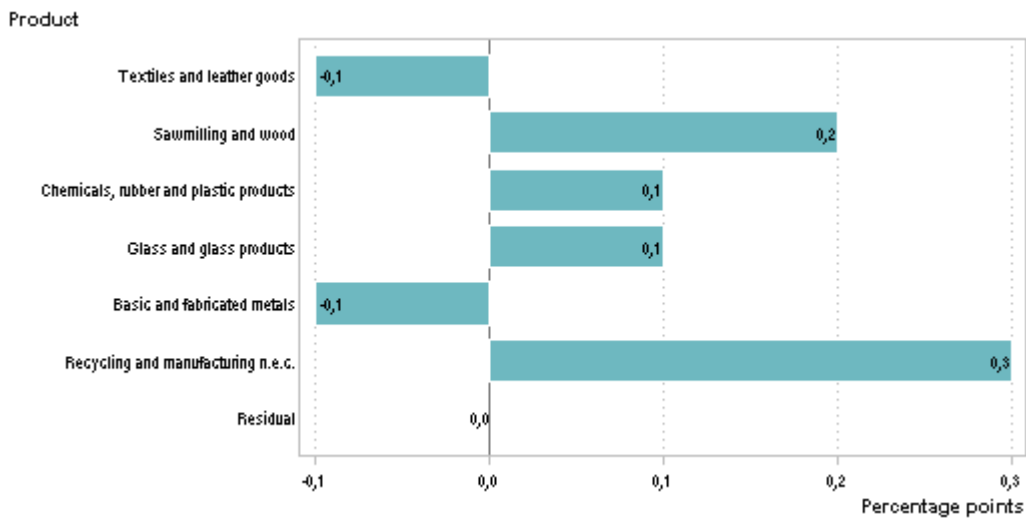


Figure 2.2 - Contributions to the annual percentage change in PPI for intermediate manufactured goods

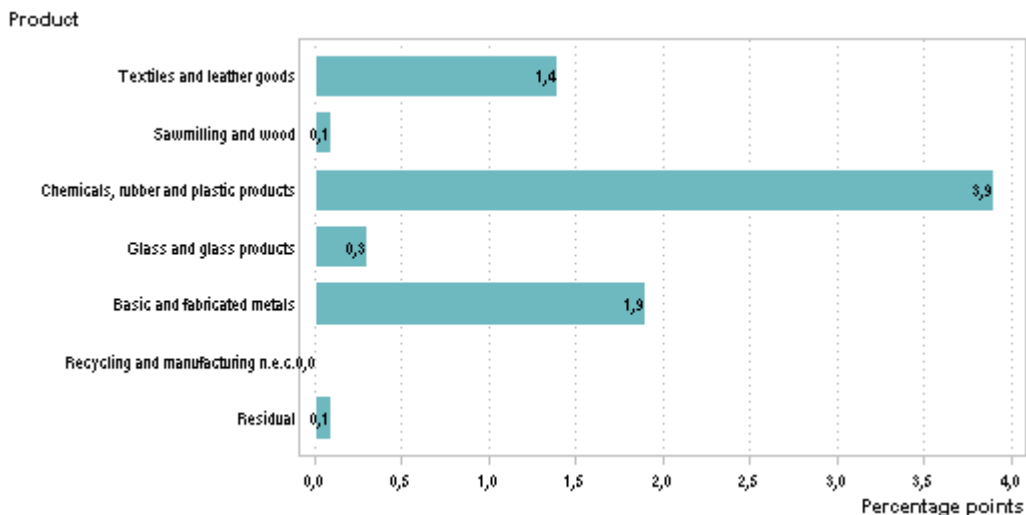


Table 3 - PPI for electricity and water

Product		Weight	Index (2012=100)			Percentage change	
			Oct 2012	Sep 2013	Oct 2013	Oct 2013 vs. Sep 2013	Oct 2013 vs. Oct 2012
Electricity and water	All	100,00	92,2	111,1	105,7	-4,9	14,6
	Electricity	84,06	90,4	110,9	104,4	-5,9	15,5
	Water	15,94	103,5	114,4	114,4	0,0	10,5

Figure 3.1 - Contributions to the monthly percentage change in PPI for electricity and water

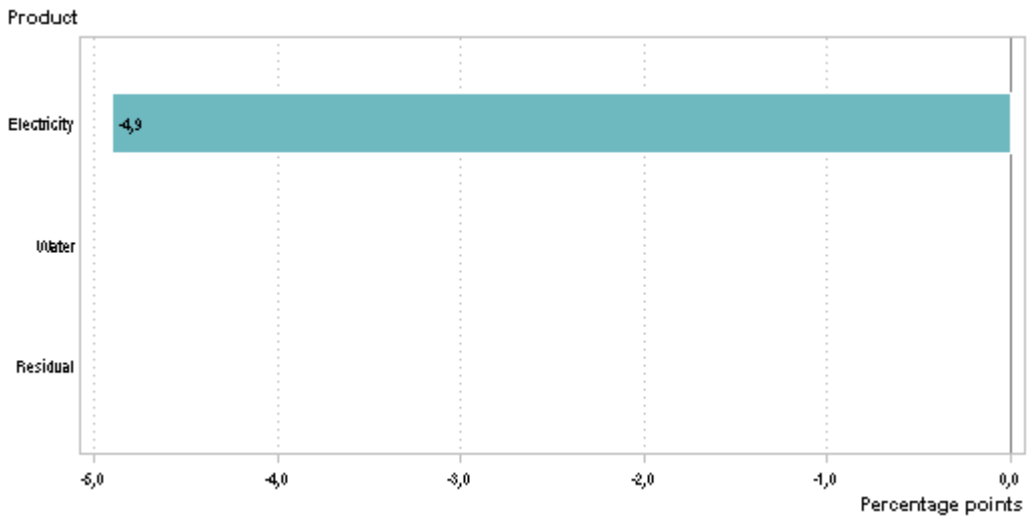


Figure 3.2 - Contributions to the annual percentage change in PPI for electricity and water

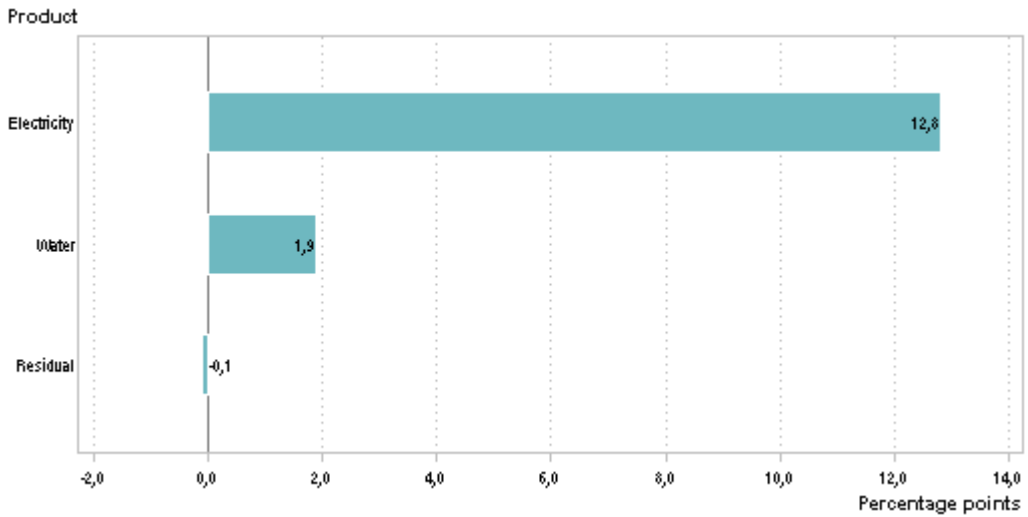


Table 4 - PPI for mining

Product		Weight	Index (2012=100)			Percentage change	
			Oct 2012	Sep 2013	Oct 2013	Oct 2013 vs. Sep 2013	Oct 2013 vs. Oct 2012
Mining	All	100,00	104,6	105,3	104,4	-0,9	-0,2
	Coal and gas	24,54	102,3	107,1	106,8	-0,3	4,4
	Gold and other metal ores	23,40	106,3	99,5	97,1	-2,4	-8,7
	Non-ferrous metal ores	45,78	105,8	107,6	106,9	-0,7	1,0
	Stone quarrying, clay and diamonds	6,28	98,1	102,0	102,8	0,8	4,8

Figure 4.1 - Contributions to the monthly percentage change in PPI for mining

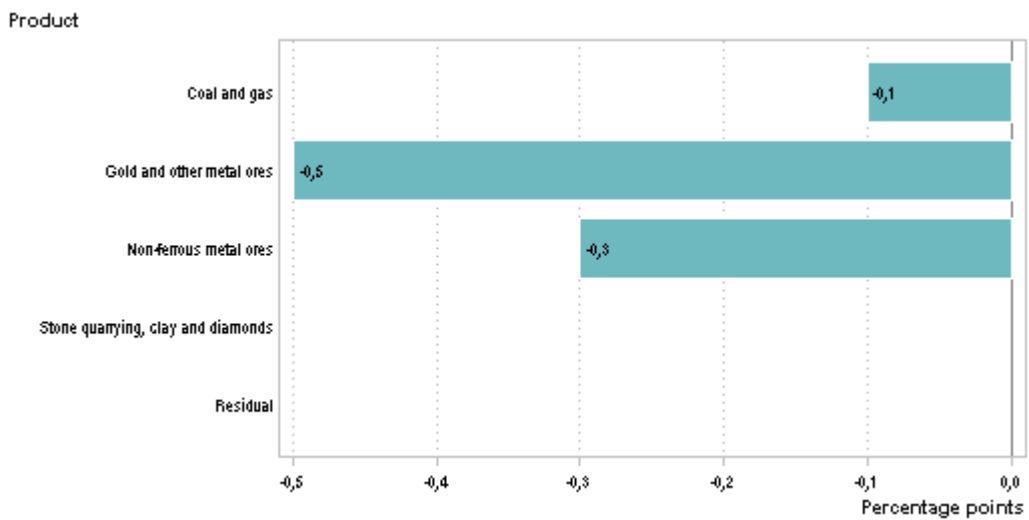


Figure 4.2 - Contributions to the annual percentage change in PPI for mining

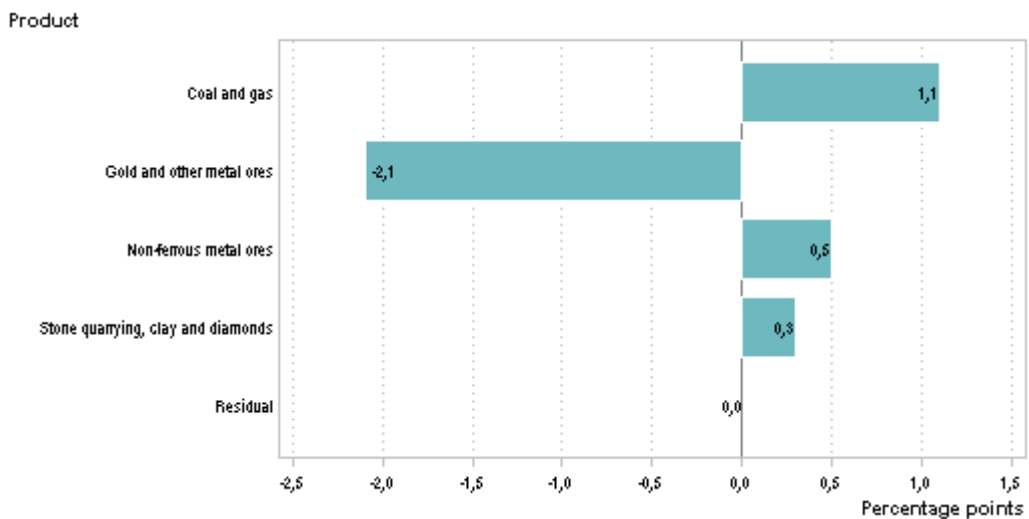


Table 5 - PPI for agriculture, forestry and fishing

Product		Weight	Index (2012=100)			Percentage change		
			Oct 2012	Sep 2013	Oct 2013	Oct 2013 vs. Sep 2013	Oct 2013 vs. Oct 2012	
Agriculture, forestry and fishing		100,00	104,0	103,1	105,9	2,7	1,8	
Agriculture	All	77,07	105,0	102,6	106,1	3,4	1,0	
	Products of crops and horticulture	All	38,97	112,5	107,7	112,6	4,5	0,1
		Cereals and other crops	18,73	106,3	99,1	102,6	3,5	-3,5
		Fruit and vegetables	20,24	117,8	114,9	121,1	5,4	2,8
	Live animals and animal products	All	38,10	97,5	97,5	99,8	2,4	2,4
		Live animals	27,69	97,5	92,5	95,4	3,1	-2,2
		Milk and eggs	9,21	97,4	110,5	110,6	0,1	13,6
Other animal products		1,20	99,6	109,8	114,5	4,3	15,0	
Forestry		18,76	100,4	102,3	102,3	0,0	1,9	
Fishing		4,17	100,2	113,7	114,4	0,6	14,2	

Figure 5.1 - Contributions to the monthly percentage change in PPI for agriculture, forestry and fishing

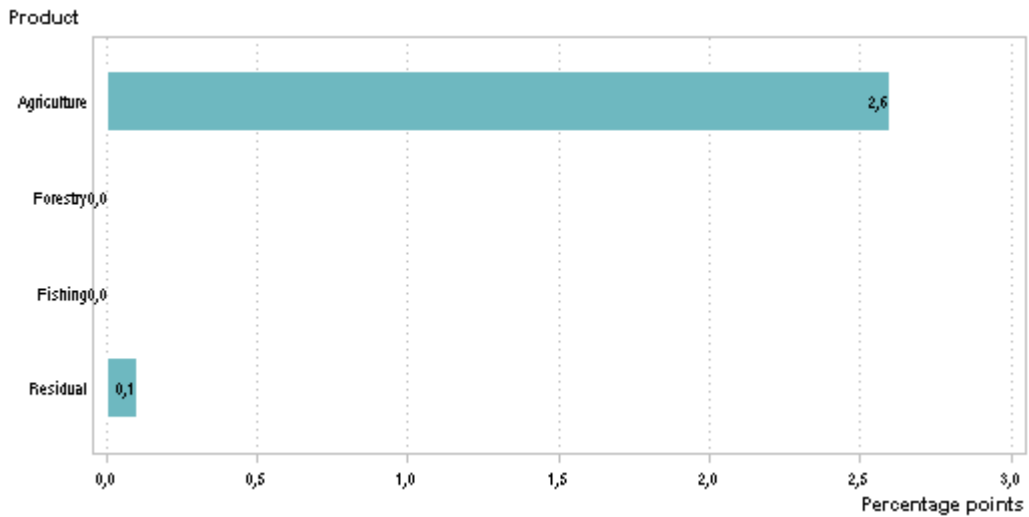
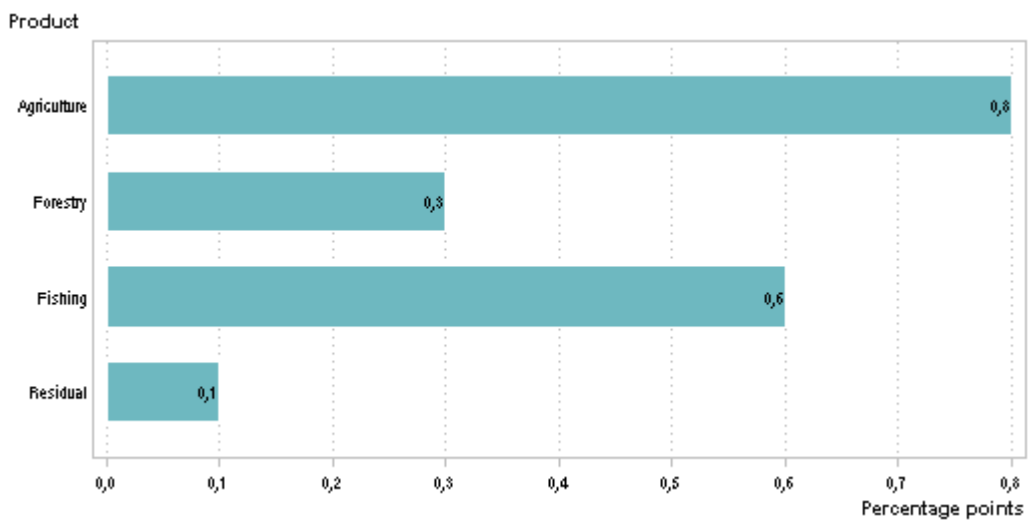


Figure 5.2 - Contributions to the annual percentage change in PPI for agriculture, forestry and fishing



Explanatory notes

<p>Purpose and results of the survey</p>	<p>The Producer Price Index (PPI) measures changes in the prices of locally produced commodities. A sample of producers is surveyed each month and the results of this survey are used to compile the producer price indices for final manufactured goods, intermediate manufactured goods, electricity and water, mining, and agriculture, forestry and fishing. The PPI can be used as an economic indicator of inflation, as an escalator in contracts and as a deflator in the calculation of the national accounts.</p> <p>Further information on the weighting structure, sources of information and methods of compilation of the PPI can be found in the PPI sources and methods document, available on the Stats SA website.</p>
---	---

Glossary

<p>Producer Price Index</p>	<p>The PPI is defined as “<i>A measure of the change in the prices of goods either as they leave their place of production or as they enter the production process (OECD).</i>”</p>
<p>Contributions</p>	<p>The monthly (annual) contribution of a specific product or group of products to the specific PPI is calculated by multiplying the weight of this product or group of products with the difference of the current index and the previous month (year) index for this product or group of products, divided by the index for the specific index, for the previous month (year).</p>
<p>Annual inflation rate</p>	<p>The annual inflation rate per specific PPI is the change in the specific PPI for all items of the relevant month of the current year compared with the specific PPI for all items of the same month in the previous year expressed as a percentage.</p>
<p>Annual percentage change</p>	<p>The annual percentage change is the change in the index of the relevant month of the current year compared with the index of the same month in the previous year expressed as a percentage.</p>
<p>Average annual inflation rate</p>	<p>The average annual inflation rate is the change in the average specific PPI for all items of one year compared with the average specific PPI for all items of the previous year expressed as a percentage.</p>
<p>Average annual percentage change</p>	<p>The average annual percentage change is the change in the average index of one year compared with the average index of the previous year expressed as a percentage.</p>
<p>Monthly percentage change</p>	<p>The monthly percentage change is the change in the specific PPI of the relevant month compared with the specific PPI of the previous month expressed as a percentage.</p>
<p>Chain linking</p>	<p>The construction of a continuous price series by multiplying together price indices that have been using different weights reference periods. The resulting index is referred to as a chained index (Practical Guide to producing Consumer Price Indices; 2009). Linking is intended to ensure that the individual indices on all levels show the correct development through time, but leads to non-additivity (IMF,2005).</p>

General information

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data wherever they process, apply, utilise, publish or distribute the data; and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data.

Advance release calendar

An advance release calendar is disseminated on www.statssa.gov.za

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

- National Library of South Africa, Pretoria Division
- National Library of South Africa, Cape Town Division
- Natal Society Library, Pietermaritzburg
- Library of Parliament, Cape Town
- Bloemfontein Public Library
- Johannesburg Public Library
- Eastern Cape Library Services, King William's Town
- Central Regional Library, Polokwane
- Central Reference Library, Nelspruit
- Central Reference Collection, Kimberley
- Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data are available via on-line services, diskette and computer printouts. For more details about our electronic data services, contact (012) 310 8600/8390/8351/4892/8496/8095.

Forthcoming issue	Issue	Expected release date
	November 2013	12 December 2013
	December 2013	30 January 2014
	January 2014	27 February 2014

You can visit us on the internet at: www.statssa.gov.za

Enquiries

Telephone number: (012) 310 8600/8390/8351/4892/8496/8095 (user information services)
 (012) 310 8170 (technical enquiries –Marais Kleu)
 (012) 310 8161 (orders)
 (012) 310 8490 (library)

Fax number: (012) 310 8332 (technical enquiries)

Email address: Maraisk@statssa.gov.za (technical enquiries)
Info@statssa.gov.za (user information services)
distribution@statssa.gov.za (orders)

Postal address: Private Bag X44, Pretoria, 0001

Produced by Stats SA