



Producer Price Index (PPI)



Third Quarter 2019

Preliminary

Release Date: December 2019



Briefing

In the light of the rapid economic and social development in the Emirate of Abu Dhabi, price indices and indicators are considered key tools that express changes in the prices of industrial and commercial production and services. Indices are also considered important economic indicators that provide accurate data to decision makers, economists, researchers, policy makers and other users of official statistics. The remarkable economic development witnessed by Abu Dhabi Emirate has called for the construction of a statistical index that reflects the growth of the economic production sectors. Therefore, Statistics Centre – Abu Dhabi constructed the industrial producer price index for the Emirate of Abu Dhabi.

The Producer Price Index (PPI), which is calculated on a quarterly basis, cover the manufacturing sector. The PPI design is based on the main list of products of the industrial manufacturing activities in the International Standard Industrial Classification-revision 4 (ISIC4) which covers all manufacturing economic activities.

The calculated figures represent a time series that measures the changes in the production prices during a specific period compared with the base year 2012. SCAD follows the best international practices and methodologies for the calculation of the PPI and the processing of data. Further development of the PPI will cover more activities such as mining and quarrying, and water and electricity.



Key Points

- 1. The PPI in the third quarter of 2019 decreased by 10.3% compared with the same quarter in 2018, from 85.6% in the third quarter of 2018 to 76.6% in the third quarter of 2019.
- 2. In the third quarter of 2019, the PPI increased by 1.1% from 75.8% in the second quarter of 2019, to 76.6%.
- 3. The key activity that recorded a decrease in its price, during the third quarter of 2019 compared with the corresponding quarter in 2018, was the 'Manufacture of chemicals and chemical products' for which prices decreased by 37.0%, while contributing 49.2% to the overall change. The activity of 'Manufacture of coke and refined petroleum products' decreased by 15.0% and contributed 42.5% to the overall change.
- 4. Prices of the 'Manufacture of basic metals' group decreased by 9.6% during the third quarter of 2019 compared to the same quarter of 2018, and contributed 6.1% in reducing the overall decrease.
- 5. Comparing the figures of the third quarter of 2019 with the second quarter 2019, the activity of 'Manufacture of fabricated metal products, except machinery and equipment' for which prices increased by 10.0%, contributed 155.2% to the overall change. In addition, the activity 'Manufacture of coke and refined petroleum products' contributed 71.2% to the overall change, for which prices increased by 2.7%.
- Prices of the 'Manufacture of chemicals and chemical products' group decreased by 12.1% during the third quarter of 2019 compared to the second quarter of 2019, and contributed 128.1% in reducing the overall decrease.



88.0 85.6 86.0 84.0 81.4 82.0 80.8 80.0 78.2 78.0 77.1 75.8 76.0 74.0 72.0 70.0 Q1_2018 Q2_2018 Q3_2018 Q4_2018 Q1_2019 Q2_2019 Q3_2019

Figure 1: Quarterly Producer Price Index for 2018, 2019 (2012=100)

Source: Statistics Centre - Abu Dhabi



Notes

Technical notes

For better understanding of the statistical indicators mentioned in this summary, please refer to the accompanied technical notes on the SCAD website. The figures in this publication are preliminary until the next publication.

Data sources

Data are collected from 65 establishments at the 2-digit level of the International Standard Industrial Classification. The sample distribution covers 52 establishments in the Abu Dhabi region and 13 establishments in the Al Ain region.

More information and detailed release

For more information about the PPI and other official statistics, please visit the statistics link on the SCAD website at www.scad.gov.abudhabi

Revision statement

The Producer Price Index PPI is prepared on a quarterly basis and the publication is issued within three months of the reference quarter. The figures of the PPI are considered preliminary until the next publication. Due to delayed access to prices data from the source (Establishments), if there is any adjustment to the previous quarter's data, the direct adjustment will be made and the results of this adjustment will be presented in the following quarter.

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