

فــركــز الإحــصــاء STATISTICS CENTRE

# **Producer Price Index (PPI)**

# Manufacturing (2012=100)

First Quarter 2020

Preliminary

Release Date: June 2020



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## 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.

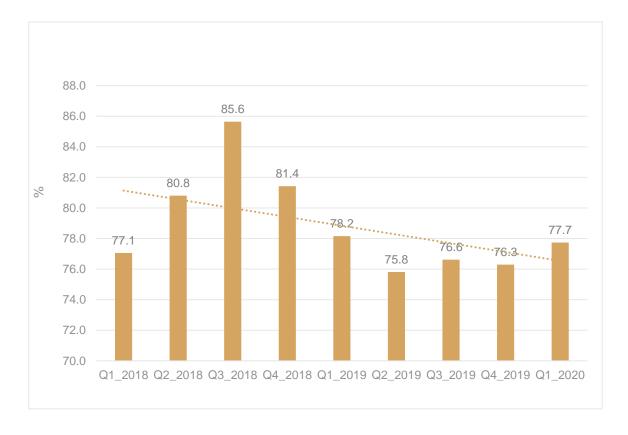


## **Key Points**

- 1. The PPI in the first quarter of 2020 decreased by 0.5% compared with the same quarter in 2019, from 78.2% in the first quarter of 2019 to 77.7% in the first quarter of 2020.
- 2. In the first quarter of 2020, the PPI increased by 1.9% from 76.3% in the fourth quarter of 2019, to 77.7%.
- 3. The key activity that recorded a decrease in its price, during the first quarter of 2020 compared with the corresponding quarter in 2019, was the 'Manufacture of chemicals and chemical products' for which prices decreased by 26.8%, while contributing 707.6% to the overall change. The activity of 'Manufacture of basic metals' decreased by 7.4% and contributed 91.1% to the overall change.
- Prices of the 'Manufacture of coke and refined petroleum products' group increased by 10.9% during the first quarter of 2020 compared to the same quarter of 2019, and contributed 526.2% in reducing the overall decrease.
- 5. Comparing the figures of the first quarter of 2020 with the fourth quarter 2019, the activity of 'Manufacture of coke and refined petroleum products' for which prices increased by 5.4%, contributed 80.8% to the overall change. In addition, the activity 'Manufacture of chemicals and chemical products' contributed 15.1% to the overall change, for which prices increased by 2.7%.
- Prices of the 'Manufacture of electrical equipment' group decreased by 6.5% during the first quarter of 2020 compared to the fourth quarter of 2019, and contributed 15.1% in reducing the overall increase.



## **Figures**





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 <u>www.scad.gov.abudhabi</u>

#### **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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#### Glossary

The publication contains technical terms related to index numbers and the income and prices section. To understand the publication, the reader should be familiar with these terms, and the publication includes the following terms:

**Index Number**: It is a number to compare the relative change, which affects any phenomenon (or a number of phenomena) due to the different time or place.

Price: is defined as the value of one unit of a good or service.

**producer Price Index:** It is the price produced by the factory before its price changes when exiting the factory for suppliers.

**Comparison Period**: It is the time period that we want to compare its' prices or quantities or values with other period.

**Base Period**: It is Refers to the period to which current period is being compared.

Relative importance: