

## **REASONS FOR CHANGES IN SEPTEMBER 2015 PPI**

### **1. YEAR-ON-YEAR CHANGE**

- **The decrease in All Industry Inflation Rate from 3.9% in August 2015 to 3.7% in September 2015** was as a result of the decrease in the inflation rate in the mining and quarrying sector.
- In the mining and quarrying sector, the decrease in the inflation rate from 1.4% in August 2015 to -1.7% in September 2015 was as a result of the decreased in gold prices and the exchange rate appreciation in September 2015, as well as the base drift effect in the mining and quarrying sector.
- In the manufacturing sector, the increase in the petroleum prices in August 2015 was offset by some marginal reduction in the prices of petroleum products in early September. Thus, the PPI for the manufacturing sector was not affected by the increases in petroleum prices in August 2015, due to the fact that the increases did not last beyond the reference period of PPI which is the 15<sup>th</sup> of every month.

## **REASONS FOR CHANGES IN JULY 2015 PPI**

### **2. YEAR-ON-YEAR CHANGE**

- **The decrease in All Industry Inflation Rate from 10.2% in July 2015 to 4.4% in August 2015** was as a result of the significant decrease in the inflation rate in the manufacturing sector.
- In the Manufacturing sector, the decrease in the inflation rate from 12.9% in July 2015 to 4.1% in August 2015 was as a result of the decrease in the inflation of the following products:
  1. The Manufacture of coke, refined petroleum products decreased from -6.4% in July 2015 to -28% in August 2015 as a result of the significant reduction in prices of petroleum products on July 16, 2015. Ex- factory prices of petroleum products were reduced by about 24% in July 2015.  
This sector contributes about 23% of the manufacturing sector weight.
  2. The Manufacture of basic metals decreased from 33.7% in July 2015 to 9.0% in August 2015 as a result of base drift effect.

**Note:**

**The increase in petroleum prices on 16<sup>th</sup> August, 2015 will be captured in September 2015 PPI.**