**Producer Price Index for Manufacturing**

*Scope and Classification*

The PPI market basket consists of sample commodities which are produced by manufacturing establishments in the country. Classification of these commodities is done by using the 4-digit codes of the 2009 Philippine Standard Industrial Classification (PSIC) summarized as follows:

1. Total Manufacturing
2. Food Manufacturing
3. Beverages
4. Tobacco Products
5. Textiles
6. Footwear and Wearing Apparel
7. Leather Products
8. Wood and Wood Products
9. Paper and Paper Products
10. Printing
11. Petroleum Products
12. Chemical Products
13. Rubber and Plastic Products
14. Rubber Products
15. Plastic Products
16. Non-Metallic Mineral Products
17. Glass and Glass Products
18. Cement
19. Miscellaneous Non-Metallic Mineral
20. Basic Metals
21. Iron and Steel
22. Non-Ferrous Metals
23. Fabricated Metal Products
24. Machinery Except Electrical
25. Electrical Machinery
26. Transport Equipment
27. Furniture and Fixtures
28. Miscellaneous Manufactures

Data are collected from 305 sample manufacturing establishments located in different regions; sixty-eight percent (68%) are in the National Capital Region and thirty-two percent (32%) are in areas outside Metro Manila. However, PPI is being generated at *national* level only.

PPI values are based on the commodity values reported monthly by the establishment. Price of the commodity corresponds to the prevailing unit price, as the commodity leaves the establishment of the producer. It includes any indirect tax or subsidy levied/received on the commodity before it leaves the establishment. Some establishments report values based on the foreign currency of their mother units. In this case, values are converted based on the current exchange rate.

*Sources of Data and Methodology*

The PPI is generated by the Philippine Statistics Authority (PSA) from the Producer Price Survey (PPS) which is conducted monthly. A shuttle type questionnaire is used in the survey where a running account of all past responses for the year is provided to the respondent.

The PPI is a Paasche-type index, where the weights are revised upon availability of the latest data from the Annual Survey of Philippine Business and industry (ASPBI) or Census of Philippine Business and Industry (CPBI). The weights used for computing the PPI are based on the value of products sold plus change in inventories.

The present series uses 2000 as the base year. It used the results of the 2000 CBPI to compute the weights of the industry groups.

Preliminary indices are generated based on the submitted reports of establishments as of a pre-determined cut-off date. Data for non-responding establishments are estimated based on historical imputation without trend adjustment, that is, the latest price data of the commodity is used for non-responding establishments. The imputed figures are revised in the succeeding months upon receipt of late reports of establishments.