



**stats sa**

Department:  
Statistics South Africa  
**REPUBLIC OF SOUTH AFRICA**

## Reweighting and rebasing of the producer price index

22 February 2024

The producer price indices (PPIs) for January 2024 will reflect updates to the basket and weights, and will be rebased to December 2023 = 100.

Tracking price changes of locally produced goods, the PPIs cover the following industries: manufacturing; water and electricity; mining and quarrying; and agriculture, forestry and fishing. Industry-level weights are updated each year based on the value added of each sector to the overall economy as recorded in the GDP. Product-level weights for industries other than manufacturing are updated each year based on sales data sourced through government departments and industry bodies.

### Weight changes in manufacturing

Weights for products which serve either as an input to manufacturing processes (intermediate manufactured goods), or as a final output (final manufactured goods), are based on Stats SA's large sample survey of the manufacturing industry. The most recent survey (2021) was published in 2023 and covers the financial years of producers ending between July 2020 and June 2021. The current PPI product weights originate from the 2017 large sample survey, released in 2019, and will apply up to the December 2023 reference month. The new weights are based on the 2021 large sample survey and will be introduced with effect from the January 2024 reference month.

Tables 1 and 2 show the current (2023) and new (2024) weights for the main sectors of the manufacturing industry.

*Table 1. Weights: PPI for final manufactured goods (%)*

| <b>Final manufactured goods</b>                               | <b>Weight 2023</b> | <b>Weight 2024</b> |
|---------------------------------------------------------------|--------------------|--------------------|
| Food products, beverages and tobacco products                 | 27,39              | 29,16              |
| Textiles, clothing and footwear                               | 5,95               | 5,11               |
| Paper and printed products                                    | 8,79               | 8,42               |
| Coke, petroleum, chemical, rubber and plastic products        | 22,70              | 24,26              |
| Non-metallic mineral products                                 | 2,92               | 2,69               |
| Metals, machinery, equipment and computing equipment          | 14,90              | 14,44              |
| Electrical machinery and communication and metering equipment | 3,37               | 3,45               |
| Transport equipment                                           | 9,87               | 8,52               |
| Furniture and other manufacturing                             | 4,11               | 3,94               |

*Table 2. Weights: PPI for intermediate manufactured goods (%)*

| <b>Intermediate manufactured goods</b>               | <b>Weight 2023</b> | <b>Weight 2024</b> |
|------------------------------------------------------|--------------------|--------------------|
| Textiles and leather goods                           | 1,71               | 2,37               |
| Sawmilling and wood                                  | 11,99              | 12,42              |
| Chemicals, rubber and plastic products               | 34,81              | 30,91              |
| Glass and glass products                             | 3,39               | 3,08               |
| Basic and fabricated metals                          | 42,52              | 45,53              |
| Recycling and manufacturing not elsewhere classified | 5,58               | 5,69               |

### **Basket changes in manufacturing**

The weights determine what products should comprise the basket of goods that create the elementary indices of the PPI. The number of products in final and intermediate manufacturing combined will decrease from 228 to 223, as broken down in Table 3.

*Table 3. Number of products in the PPI manufacturing baskets*

|                            | <b>Current basket</b> | <b>New basket</b> |
|----------------------------|-----------------------|-------------------|
| Final manufacturing        | 192                   | 190               |
| Intermediate manufacturing | 36                    | 33                |

The following items will be included in the new PPI product basket:

#### Final manufactured goods

- Offals of mammals
- Offals of poultry
- Russians and viennas
- Pig feeds
- Uncooked pasta
- Prepared dishes
- Ammonia nitrate fertilisers
- Other fertilisers
- Analgesics
- Psycholeptics and psycholanaleptics
- Antacid
- Motor vehicle parts and components of plastic
- Automotive HVAC
- Solar panels and parts thereof

Intermediate manufactured goods

- Plastic in primary form (a combination of ethylene polymers and copolymers, PVC and HDPE compound, and polyester resin)

The following items will no longer form part of the PPI product basket:

Final manufactured goods

- Soups and broths, powdered
- Linen
- Loose car seat covers
- Fertilisers
- Anti-inflammatories
- Non-narcotic analgesics
- Stationery goods of plastic
- Cloth, grill, netting and fencing, of iron or steel wire
- Ball or roller bearings
- Filtering or purifying machinery and apparatus (except for air or engines)
- Industrial ventilating fans and blowers
- Parts of machinery for mining, quarrying and construction
- Geysers
- Computers
- Communication equipment
- Bodies for motor vehicles and parts thereof

Intermediate manufactured goods

- Ethylene polymers and copolymers (PET)
- PVC and HDPE compound
- Polyester resin

Please note that these indices are now combined under 'Plastic in primary form'.

- Silver in powder form

**Index re-referencing**

All five PPIs will be rebased so that the index level for December 2023 = 100. Periodic rebasing of indices is good practice to remove the impact of historical index levels on aggregate indices. Rebasing when introducing new weights facilitates the creation of a continuous time series between the current and new sets of weights. Monthly and annual rates of change as reported prior to January 2024 are therefore unaffected by rebasing.

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