

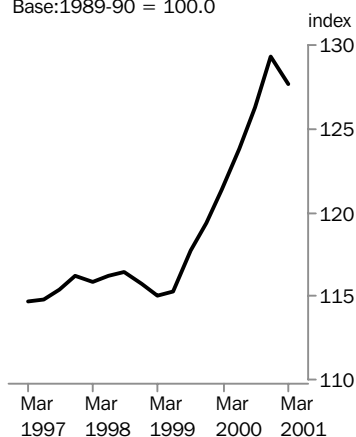
# PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRY

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) THURS 19 APR 2001

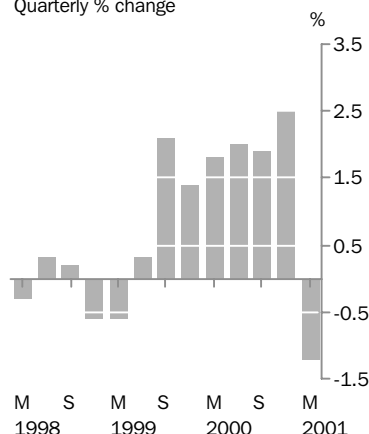
## Manufacturing division

Base:1989-90 = 100.0



## Manufacturing division

Quarterly % change



## MARCH QTR KEY FIGURES

	% change Dec Qtr 2000 to Mar Qtr 2001	% change Mar Qtr 2000 to Mar Qtr 2001
<b>Manufacturing division</b>	-1.2	5.2
Food, beverage and tobacco	2.1	5.4
Textiles and textile products	1.3	5.3
Knitting mills, clothing, footwear and leather	0.5	1.2
Log sawmilling and other wood products	-1.4	1.7
Paper and paper products	0.2	4.1
Printing, publishing and recorded media	0.2	2.4
Petroleum and coal products	-15.7	20.3
Chemicals	0.0	3.5
Rubber and plastics	1.4	3.7
Non-metallic mineral products	-0.3	0.1
Basic metal products	-1.5	7.1
Fabricated metal products	0.3	0.9
Transport equipment and parts	0.6	4.0
Electronic equipment and other machinery	0.5	2.1
Other manufacturing	0.2	4.5

## MARCH QTR KEY POINTS

### MANUFACTURING DIVISION INDEX

- The 1.2% decrease in the index follows seven consecutive quarterly increases, and is the first decrease since March quarter 1999.

**FINAL ISSUE**  
See page 2  
for details.

### MAJOR MOVEMENTS

- Large decreases in prices for petroleum products were recorded, most notably for diesel. Prices for iron and steel manufacturing also fell.
- Prices rose for meat and meat products, tobacco, and photographic and scientific equipment.

- For further information about these and related statistics, contact Jim Armstrong on Canberra 02 6252 5457, or the National Information Service on 1300 135 070.

## NOTES

### FINAL ISSUE

This issue will be the last of this publication. The ABS has reviewed its publication strategy for producer price indexes with a view to integrating its range of publications. From June quarter 2001 the key series will be published in a new publication — *Producer Price Indexes, Australia* (Cat. no. 6427.0). Subscribers of this publication will be sent details of the new publication and information on arrangements for ensuring that they will continue to receive the series that they are interested in. Others who are interested in receiving details of the new publication should contact Lee Taylor on 1800 155 106.

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Dennis Trewin  
Australian Statistician

## MANUFACTURING DIVISION INDEX

<i>Period</i>	<i>Index Number(a)</i>	<i>% change from corresponding quarter of previous year</i>	<i>% Change from previous period</i>
<b>1996-1997</b>	114.3		0.5
<b>1997-1998</b>	115.9		1.4
<b>1998-1999</b>	115.6		-0.3
<b>1999-2000</b>	120.6		4.3
All manufacturing			
<b>1997</b>			
March	114.7	0.5	0.5
June	114.8	1.0	0.1
September	115.4	1.6	0.5
December	116.2	1.8	0.7
<b>1998</b>			
March	115.8	1.0	-0.3
June	116.2	1.2	0.3
September	116.4	0.9	0.2
December	115.7	-0.4	-0.6
<b>1999</b>			
March	115.0	-0.7	-0.6
June	115.3	-0.8	0.3
September	117.7	1.1	2.1
December	119.3	3.1	1.4
<b>2000</b>			
March	121.4	5.6	1.8
June	123.8	7.4	2.0
September	126.2	7.2	1.9
December	129.3	8.4	2.5
<b>2001</b>			
March	127.7	5.2	-1.2

(a) Base of each index: 1988-89 = 100.0

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## MANUFACTURING DIVISION INDEX(a), Contribution of Subdivisions and Groups

Category		December Qtr 2000	March Qtr 2001	Change
Manufacturing division		129.3	127.7	-1.6
ANZSIC SUBDIVISION OR GROUP: Contribution to Manufacturing Division Index (index points)				
21	Food, beverages and tobacco	32.12	32.78	0.66
221-222	Textiles and textile products	2.69	2.73	0.04
223-226	Knitting mills, clothing, footwear and leather	4.29	4.31	0.02
231-232	Log, sawmilling and other wood products	3.29	3.25	-0.04
233	Paper and paper products	1.44	1.44	0.00
24	Printing, publishing and recorded media	6.52	6.56	0.04
251-252	Petroleum and coal products	14.87	12.52	-2.35
253-254	Chemicals	7.76	7.73	-0.03
255-256	Rubber and plastics	2.99	3.02	0.03
26	Non-metallic mineral products	5.22	5.21	-0.01
271-273	Basic metal products	10.64	10.55	-0.09
274-276	Fabricated metal products	6.30	6.32	0.02
281-282	Transport equipment and parts	13.43	13.52	0.09
283-286	Electronic equipment and other machinery	12.61	12.66	0.05
29	Other manufacturing	5.14	5.15	0.01

(a) For an explanation of this table see paragraph 19 of the Explanatory Notes

## MANUFACTURING SUBDIVISION INDEXES(a)

<i>Period</i>	<i>Food, beverages and tobacco (21)</i>	<i>Textiles and textile products (221-222)</i>	<i>Knitting mills, clothing, footwear and leather (223-226)</i>	<i>Log sawmilling and other wood products (231-232)</i>	<i>Paper and paper products (233)</i>
Index Number					
<b>1996-1997</b>	119.0	103.4	114.5	116.8	111.5
<b>1997-1998</b>	122.0	104.7	116.5	118.9	110.2
<b>1998-1999</b>	122.6	102.9	117.9	121.0	110.4
<b>1999-2000</b>	125.1	103.8	119.5	126.0	111.3
Index Number					
<b>1997</b>					
March	119.1	103.3	114.4	117.2	111.6
June	119.9	103.9	115.4	117.7	110.9
September	120.7	105.0	116.4	117.6	110.7
December	122.1	105.2	116.3	118.5	110.0
<b>1998</b>					
March	122.5	104.7	116.6	119.6	109.9
June	122.7	103.9	116.8	119.9	110.2
September	123.4	103.6	117.0	120.9	109.9
December	122.8	102.9	117.4	121.2	110.3
<b>1999</b>					
March	122.7	102.8	118.2	121.3	110.6
June	121.4	102.4	119.0	120.7	110.6
September	122.7	102.3	119.3	122.2	112.0
December	124.9	102.1	119.4	123.5	110.8
<b>2000</b>					
March	125.2	103.9	119.8	127.9	110.9
June	127.4	106.7	119.6	130.5	111.5
September	127.2	106.4	119.1	131.3	113.1
December	129.3	108.0	120.6	131.9	115.3
<b>2001</b>					
March	132.0	109.4	121.2	130.1	115.5

(a) Base of each index: 1988-89 = 100.0.

MANUFACTURING SUBDIVISION INDEXES(a) *continued*

Period	Printing, publishing and recorded media (24)	Petroleum and coal products (251-252)	Chemicals (253-254)	Rubber and plastics (255-256)	Non-metallic mineral products (26)
Index Number					
<b>1996-1997</b>	136.3	109.9	111.3	114.0	115.4
<b>1997-1998</b>	139.2	101.7	110.7	113.8	116.7
<b>1998-1999</b>	143.6	86.8	110.8	114.0	117.1
<b>1999-2000</b>	148.9	137.5	111.8	114.9	117.5
Index Number					
<b>1997</b>					
March	136.4	116.8	111.1	114.0	115.6
June	137.0	106.2	111.3	114.0	116.1
September	138.3	102.4	111.2	113.8	116.4
December	138.2	110.2	110.4	113.5	116.4
<b>1998</b>					
March	140.0	96.5	110.7	114.2	116.8
June	140.2	97.6	110.6	113.8	117.2
September	143.2	90.3	111.0	114.1	117.2
December	144.0	85.1	111.8	113.9	117.2
<b>1999</b>					
March	143.6	79.7	111.0	114.0	117.1
June	143.7	92.2	109.3	114.1	116.8
September	148.3	119.3	109.8	114.0	117.2
December	148.7	125.6	110.5	114.1	117.3
<b>2000</b>					
March	148.8	145.0	112.2	115.7	117.6
June	149.8	160.2	114.5	115.9	117.9
September	151.5	190.5	114.0	116.2	117.8
December	152.1	207.0	116.1	118.4	118.0
<b>2001</b>					
March	152.4	174.5	116.1	120.0	117.7

(a) Base of each index: 1988-89 = 100.0.

MANUFACTURING SUBDIVISION INDEXES(a) *continued*

<i>Period</i>	<i>Base metal products (271-273)</i>	<i>Fabricated metal products (274-276)</i>	<i>Transport equipment and parts (281-282)</i>	<i>Electronic equipment and other machinery (283-286)</i>	<i>Other manufacturing (29)</i>
Index Number					
<b>1996-1997</b>	98.2	111.8	115.5	109.0	118.7
<b>1997-1998</b>	102.2	113.1	116.6	109.7	119.6
<b>1998-1999</b>	98.7	113.6	117.8	109.1	121.4
<b>1999-2000</b>	104.8	115.2	119.6	109.9	123.9
Index Number					
<b>1997</b>					
March	98.0	112.1	115.4	109.1	119.0
June	100.1	112.4	115.2	109.3	118.9
September	102.5	112.5	115.7	109.6	119.3
December	102.4	112.9	116.2	109.9	119.4
<b>1998</b>					
March	101.5	113.1	116.8	109.7	119.5
June	102.2	113.7	117.8	109.7	120.3
September	102.8	113.9	118.7	109.5	121.2
December	99.6	113.2	117.4	109.2	121.1
<b>1999</b>					
March	96.5	113.5	117.7	108.6	121.1
June	95.7	113.8	117.5	109.1	122.1
September	97.8	113.5	118.1	109.3	123.1
December	102.4	114.7	119.3	109.7	123.5
<b>2000</b>					
March	107.9	115.7	119.9	110.1	123.6
June	111.1	116.8	121.2	110.5	125.3
September	112.0	116.6	121.5	110.6	126.8
December	117.4	116.3	123.9	111.8	128.9
<b>2001</b>					
March	115.6	116.7	124.7	112.4	129.2

(a) Base of each index: 1988-89 = 100.0.

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication presents index numbers for articles produced by establishments classified to designated 'sectors' of Australian manufacturing industry—the *Price Indexes of Articles Produced by Manufacturing Industry*. They are calculated on the reference base 1989–90 = 100.0.

### SCOPE

**2** The indexes are on a 'net sector' basis; that is, each relates only to those articles which are produced by the defined sector of Australian manufacturing industry and which are sold or transferred to establishments outside that sector or used as capital equipment. These establishments are either Australian manufacturing establishments classified to other manufacturing sectors or to other divisions of Australian industry (e.g. 'Wholesale and retail trade') or are overseas consumers (including overseas manufacturing establishments).

### CLASSIFICATION

**3** The Manufacturing Division index measures changes in prices of articles which are produced by establishments classified to Australian and New Zealand Standard Industrial Classification (ANZSIC) Division C, Manufacturing, which have been sold or transferred to establishments outside the Manufacturing Division, are for export or are for use as capital equipment. It excludes semi-processed articles which have been produced by establishments within the Manufacturing Division and sold or transferred to other establishments within the Manufacturing Division for further processing. The index reflects sales and transfers of articles at the point of exit from the Manufacturing Division.

**4** The indexes for ANZSIC Subdivisions and Groups measure changes in prices of articles produced by establishments classified to each defined ANZSIC manufacturing sector which are sold or transferred to establishments outside that sector. These exclude semi-processed articles which have been produced by establishments within the specific sector and sold or transferred to establishments in the same sector for further processing. The pricing and weights for these net sector indexes therefore reflect sales and transfers out at the point of exit from the respective ANZSIC Subdivision or ANZSIC Groups.

**5** For ANZSIC Subdivisions and groupings 21, 224–6, 231, 26, 274–6, 281–2 and 283–6, only a minor proportion of sales and transfers is to other manufacturing subdivisions. Therefore the relevant components of the Manufacturing Division index are regarded as providing valid indicators of price movement for these subdivisions. For ANZSIC Subdivisions and groupings 221–2, 223, 271–3, and 29 there is a significant proportion of sales to other subdivisions of manufacturing. To compile net indexes for these subdivisions, it has therefore been necessary to price additional items to represent transactions between these and other subdivisions, and also to establish weights appropriate to each subdivision (i.e. weights based on all articles produced by the subdivision for sale or transfer outside the subdivision).

### ITEMS AND WEIGHTS

**6** The indexes are fixed weights indexes. The items included in the index were selected on the basis of values of articles produced in 1993–94. The selected items were allocated weights in accordance with the estimated value of manufacturing production in 1993–94 valued at the relevant prices applying in the June quarter 2000.

**7** Many of the selected items carry not only the weight of directly priced articles but also the weight of unpriced articles whose prices are considered to move similarly to those of directly priced articles.



## EXPLANATORY NOTES

### ITEMS AND WEIGHTS *continued*

**8** The selected items have been grouped in accordance with the classification rules of ANZSIC. The items have been combined according to the ANZSIC classes and groups in which they are primarily produced.

**9** Percentage contributions, in June quarter 2000, of each article to the Manufacturing Division index and each sub-division index are shown in Appendix A of the September quarter 2000 issue of this publication.

### PRICE MEASUREMENT

**10** Prices are generally obtained from principal manufacturers of the articles concerned, but in some cases prices collected for other indexes are used (adjusted to the correct pricing basis as far as possible). Prices are manufacturers' selling prices, exclusive of excise and GST, and reflect the effects of subsidies and bounties paid to manufacturers.

**11** The prices reflect industry selling practices. For example, if costs such as handling and distribution are included in the manufacturers' selling price this is the price used in the index. Where handling and distribution charges are paid separately by the purchaser the prices used exclude such charges.

**12** As far as possible, actual transactions prices are used in these indexes—that is, the prices actually paid by buyers of manufacturers' products. The actual price paid for anything can be described in various ways. Instead of being described as a single price (as usually happens in retail shops) a price for a manufacturer's product may be described in terms of the components that make up the price—for instance 'list price less (particular types of) discount'. It is these net prices that buyers pay to sellers that the ABS aims to use in compiling these price indexes.

**13** The ABS asks respondent businesses to report details of the discounts they offer so that actual transactions prices can be calculated. However, as manufacturers offer many different types of discounts to buyers (e.g. trade discounts, settlement discounts, quantity discounts, competitive discounts), the identification of the discounts and the way in which they are applied by manufacturers pose considerable problems for the ABS. To the extent that discounts are identified and measured, their effects are taken into account in calculating the indexes. However, because of the difficulties involved in obtaining full details of discounts, the effect of the discounts may sometimes be on a partly estimated basis. Sometimes new discounts, or changes in the way discounts are applied by manufacturers, are identified only after index numbers for a particular period have been published. In such cases, or in any other case where it is discovered that incorrect prices have been used in compiling the indexes, revisions to index numbers will occur in subsequent issues of this publication.

**14** Price series relate to goods of fixed specifications with the aim of incorporating in the index price changes for representative articles of constant quality. Consistent with this approach, prices in general relate to a standard representative set of transactions (in terms of quantity, delivery arrangements, destination, etc.) in order to avoid variations in price that are attributable solely to a changing mix of transactions over time.

## EXPLANATORY NOTES

### INDEX NUMBERS

**15** Index numbers for financial years are simple averages of the relevant quarterly index numbers.

### REVISIONS

**16** In cases where more complete information is obtained after index numbers for a period have been published, or it is discovered that incorrect prices have been used in compiling the indexes, revisions to index numbers may occur in subsequent issues of this publication.

### ANALYSIS OF INDEX CHANGES

**17** Care should be exercised when interpreting quarter-to-quarter movements in the indexes as short-term movements do not necessarily indicate changes in trend.

**18** Movements in indexes from one period to another can be expressed either as changes in 'index points' or as percentage changes. The following example illustrates the method of calculating index points changes and percentage changes between any two periods:

Manufacturing Division index numbers —

March Quarter 2001	127.7	(see Table 1)
less March Quarter 2000	121.4	(see Table 1)
Change in index points	6.3	
Percentage change =	$\frac{6.3}{121.4}$	x 100 = 5.2

**19** Table 2 provides an analysis of the contribution which ANZSIC subdivisions and groups make to the Manufacturing Division index. For example, Petroleum and coal products contributed 12.52 index points to the total Manufacturing Division index number of 127.7 for March Quarter 2001 and -2.35 index points to the net change of -1.6 index points.

### FURTHER INFORMATION

**20** Further information on recent price index developments in the ABS is presented in the following publications:

- *Information Paper: An Analytical Framework for Price Indexes in Australia* (Cat. no. 6421.0)
- *Information Paper: Producer Price Index Developments* (Cat. no. 6422.0) (Comprises detailed discussion of Stage of Production concept and detail of selected Service Industries indexes.)
- *Information Paper: Review of the Import Price Index and Export Price Index, Australia* (Cat. no. 6424.0)
- *Information Paper: Price Indexes and The New Tax System* (Cat. no. 6425.0)

## EXPLANATORY NOTES

### RELATED PUBLICATIONS

**21** Users may also wish to refer to the following Producer Price Index publications, which are available from ABS bookshops:

- *Export Price Index, Australia* (Cat. no. 6405.0)
- *Import Price Index, Australia* (Cat. no. 6414.0)
- *Price Index of Materials Used in Building Other than House Building, Six State Capital Cities* (Cat. no. 6407.0)
- *Price Index of Materials Used in House Building, Six State Capital Cities* (Cat. no. 6408.0)
- *Price Indexes of Copper Materials, Australia* (Cat. no. 6410.0)
- *Price Indexes of Materials Used in Manufacturing Industries, Australia* (Cat. no. 6411.0)
- *Price Indexes of Materials Used in Coal Mining, Australia* (Cat. no. 6415.0)
- *Producer Price Indexes for Selected Service Industries, Australia* (Cat. no. 6423.0)
- *Stage of Production Producer Price Indexes, Australia* (Cat. no. 6426.0)

**22** Other ABS publications which may be of interest include:

- *Balance of Payments and International Investment Position, Australia* (Cat no. 5302.0)
- *Consumer Price Index, Australia* (Cat. no. 6401.0)
- *Wage Cost Index, Australia* (Cat. no. 6345.0)
- *Average Weekly Earnings, States and Australia* (Cat. no. 6302.0)
- *Australian National Accounts: Input-Output Tables* (Cat. no. 5209.0)

**23** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

### UNPUBLISHED STATISTICS

**24** As well as the statistics included in this and related publications, the ABS may have other relevant unpublished data available. Inquiries should be made to Jim Armstrong on 02 6252 5457 or to any ABS office.

### SYMBOLS AND OTHER USAGES

ANZSIC Australian and New Zealand Standard Industrial Classification  
r revised

## FOR MORE INFORMATION...

- INTERNET** [www.abs.gov.au](http://www.abs.gov.au) the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY** A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE** For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC** For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

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