



REPUBLIC OF THE PHILIPPINES
PHILIPPINE STATISTICS AUTHORITY BOARD

**PSA Board Resolution No. 12
Series of 2020**

**REBASING TO YEAR 2018 THE PRODUCER PRICE INDEX (PPI) GENERATED FROM
THE PRODUCER PRICE SURVEY (PPS)**

WHEREAS, the Producer Price Survey (PPS) is conducted monthly by the Philippine Statistics Authority (PSA) to collect producer prices of industry products produced by sample establishments in the manufacturing sector;

WHEREAS, the PPS is the source of producer prices which are used in the generation of monthly Producer Price Index (PPI) for the manufacturing sector;

WHEREAS, the PPI measures the average change over time in the prices of products or commodities produced by domestic manufacturers and sold at factory gate prices to wholesalers and/or other consumers in the domestic market relative to a base period;

WHEREAS, the PPI currently uses the year 2000 as the base year and Paasche method in the computation of index;

WHEREAS, the current base period of index computation no longer captures the changes after two decades in the industry structure of the manufacturing sector;

WHEREAS, after a series of reviews and simulation of different scenarios, the proposed base year and methodology in rebasing the PPI have the following details and advantages, to wit:

- 1) The base year is 2018 with the 2018 Census of Philippine Business and Industry as source of weights; and the latest available value of production from the Annual Survey of Philippine Business and Industry for the succeeding years until the next rebasing; and
- 2) The index computation uses the current method, which is the chained Paasche-type method, where the base year is normalized.

WHEREAS, the Interagency Committee on Price Statistics (IACPS) in its meeting on 28 October 2020 agreed to recommend to the PSA Board the methodology in rebasing the PPI for Manufacturing to base year 2018, to wit:

- 1) The base year is 2018 with the 2018 Census of Philippine Business and Industry as source of data for the computation of weights; and the latest available value of production from the Annual Survey of Philippine Business and Industry for the succeeding years until the next rebasing; and
- 2) The index computation uses the current method, which is the chained Paasche-type method, where the base year is normalized.

K

MS

NOW, THEREFORE, BE IT RESOLVED, that the PSA Board approves methodology and the rebasing of the PPI for Manufacturing to base year 2018.

Approved this 21st day of December 2020, in Metro Manila.



KARL KENDRICK T. CHUA

Acting Secretary

National Economic and Development Authority

Chairperson, PSA Board



Attested by:



DENNIS S. MAPA

Undersecretary

National Statistician and Civil Registrar General

Philippine Statistics Authority

Chairperson, PSA Board Secretariat

