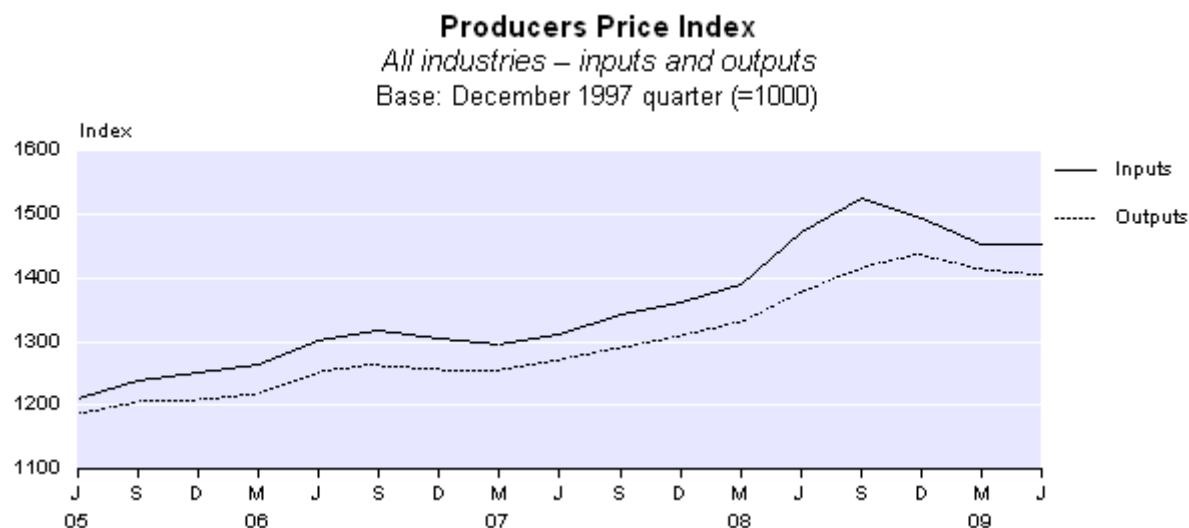


Embargoed until 10:45 am – 19 August 2009

Producers Price Index: June 2009 quarter

Highlights

- The Producers Price Index (PPI) outputs index fell 0.7 percent.
- Output prices for dairy product manufacturing fell 19.9 percent.
- Output prices rose 2.1 percent between the June 2008 and the June 2009 quarters.
- The PPI inputs index recorded no quarterly change.
- Input prices for sheet and fabricated metal product manufacturing fell 6.7 percent, and electricity generation and supply rose 10.4 percent.
- Input prices fell 1.2 percent between the June 2008 and the June 2009 quarters.



Geoff Bascand
Government Statistician

19 August 2009
ISSN 1178-0622

Commentary

Please note that revisions have been made to some historical Producers Price Index (PPI) time series. For more information please refer to the revisions section at the end of this commentary.

Outputs

Output prices for all industries in the PPI fell 0.7 percent in the June 2009 quarter, following a fall of 1.4 percent in the March 2009 quarter, and a rise of 1.4 percent in the December 2008 quarter. The dairy product manufacturing index and the petroleum, coal and basic chemical manufacturing index were the prominent contributors to lower output prices in the latest quarter.

Producers Price Index Outputs <i>All industries</i>		
Quarter	Percentage change from previous quarter	Percentage change from same quarter, previous year
Jun 2007	1.2	1.4
Sep 2007	1.6	2.0
Dec 2007	1.4	4.0
Mar 2008	1.8	6.1
Jun 2008	3.5	8.5
Sep 2008	2.8	9.8
Dec 2008	1.4	9.9
Mar 2009	-1.4	6.5
Jun 2009	-0.7	2.1

The dairy product manufacturing index (down 19.9 percent) had the largest downward impact on output prices in the June 2009 quarter. The fall in the latest quarter followed a 24.3 percent fall in the March 2009 quarter and a 19.2 percent rise in the December 2008 quarter. The main drivers of the index in the latest quarter were lower prices for exported dairy products such as whole milk powder, casein, cheese, and butter. In the year to the June 2009 quarter, the index fell 29.6 percent which is the largest annual fall since the series began in the June 1994 quarter. This compares with a 41.0 percent rise in the year to the June 2008 quarter and a 1.9 percent fall in the year to the June 2007 quarter.

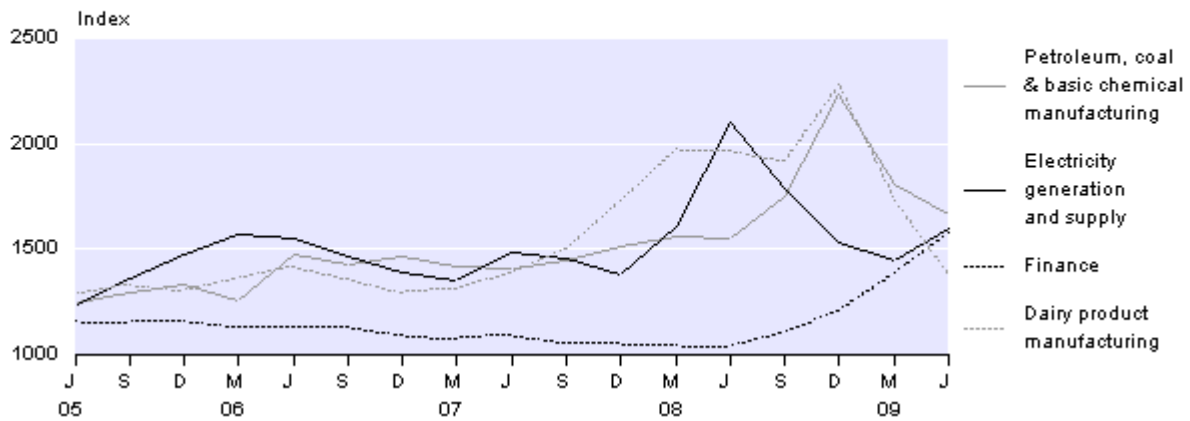
The petroleum, coal and basic chemical manufacturing index (down 8.2 percent) was the second largest contributor to the fall in output prices in the June 2009 quarter. This fall follows a revised 18.9 percent fall in the March 2009 quarter and a revised rise of 27.3 percent in the December 2008 quarter. The latest quarterly fall in the index was mainly driven by lower refinery fees for petroleum products. In the year to the June 2009 quarter, the index rose 7.3 percent, following a revised rise of 10.1 percent in the year to the June 2008 quarter and a revised 4.5 percent fall in the year to the June 2007 quarter.

The major offsetting effect on output prices in the latest quarter came from the finance index (up 13.2 percent), following rises of 14.6 percent and 10.0 percent in the March 2009 and the December 2008 quarters, respectively. The latest quarterly increase was mainly driven by an increase in the financial intermediation charges index. For more details, please see the 'pricing financial services' section at the end of this commentary.

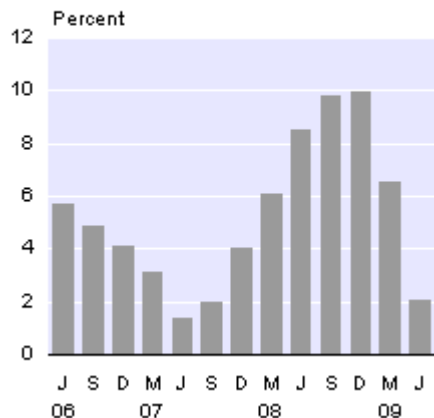
The second largest offsetting impact on producers' output prices came from the electricity generation and supply index (up 11.0 percent) following three consecutive quarterly falls. The latest quarterly rise was driven by higher spot prices for commercial electricity in the winter season. In the year to the June 2009 quarter, the index fell 23.8 percent, compared with a rise of 41.7 percent in the year to the June 2008 quarter, and a 4.6 percent fall in the year to the June 2007 quarter.

In the year to the June 2009 quarter, the PPI outputs index rose 2.1 percent, compared with rises of 8.5 percent in the year to the June 2008 quarter, and 1.4 percent in the year to the June 2007 quarter.

Producers Price Index
Outputs index – selected industries
 Base: December 1997 quarter (=1000)



PPI Outputs
Annual change



Inputs

The PPI all industries inputs index did not change in the June 2009 quarter. This follows falls of 2.5 percent in the March 2009 quarter, and 2.2 percent in the December 2008 quarter.

Producers Price Index Inputs <i>All industries</i>		
Quarter	Percentage change from previous quarter	Percentage change from same quarter, previous year
Jun 2007	1.2	0.8
Sep 2007	2.4	1.9
Dec 2007	1.3	4.3
Mar 2008	2.1	7.3
Jun 2008	6.0	12.3
Sep 2008	3.7	13.6
Dec 2008	-2.2	9.7
Mar 2009	-2.5	4.7
Jun 2009	0.0	-1.2

The sheet and fabricated metal product manufacturing index (down 6.7 percent) made the most significant downward contribution to the PPI inputs index. The fall this quarter is the largest since the series began in the June 1994 quarter. The latest quarterly fall follows a 1.2 percent decrease in the March 2009 quarter, and a 3.7 percent increase in the December 2008 quarter. Respondents cited lower prices for raw materials, the appreciation of the New Zealand dollar, and lower demand due to worsening economic conditions as the main drivers of this fall.

In the year to the June 2009 quarter, the sheet and fabricated metal product manufacturing index rose 2.7 percent. This rise compares with a 15.8 percent rise in the year to the June 2008 quarter and a 4.0 percent rise in the year to the June 2007 quarter.

The second-largest downward contribution came from the machinery and equipment manufacturing index, which fell 4.5 percent in the June 2009 quarter. This latest fall is the largest since the series began in the June 1994 quarter, and follows rises of 0.1 percent in the March 2009 quarter, and 3.1 percent in the December 2008 quarter. The machinery and equipment manufacturing index was mainly driven down by lower prices for raw materials and imported iron and steel products, appreciation of the New Zealand dollar, and lower demand.

The machinery and equipment manufacturing index rose 2.4 percent, in the year to the June 2009 quarter. This compares with rises of 5.2 percent in the year to the June 2008 quarter and 10.3 percent in the year to the June 2007 quarter.

The electricity generation and supply index (up 10.4 percent) made the most significant upward contribution to the PPI inputs index. The rise follows consecutive quarterly falls of 1.5 percent and 32.3 percent in the March 2009 quarter, and the December 2008 quarter, respectively. Respondents cited higher electricity spot market prices due to the hydro supply conditions and the seasonal wholesale market as the main reasons for the increase in electricity generation and

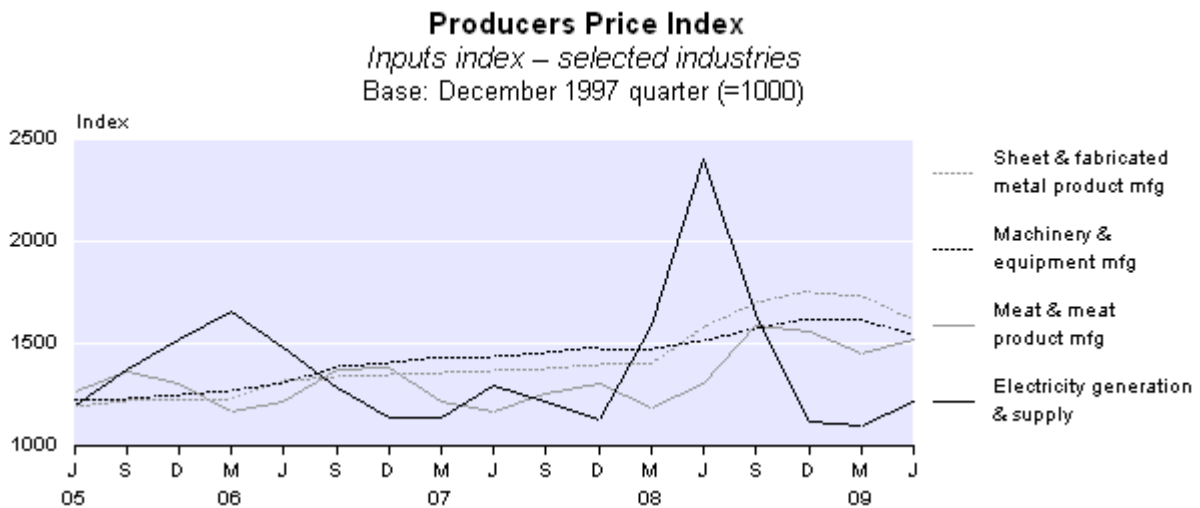
supply prices. Higher prices for natural gas, which is used in the generation of electricity, also contributed to the rise in this index.

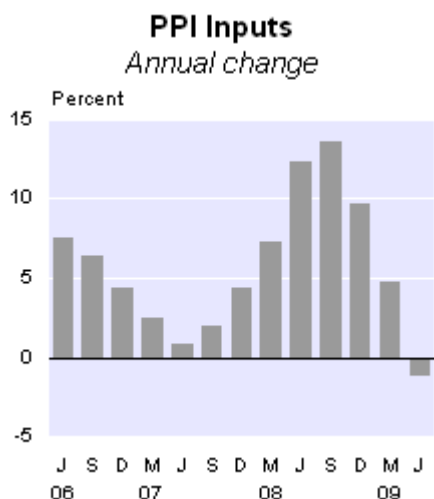
Despite the latest quarterly rise, in the year to the June 2009 quarter the electricity generation and supply index fell 49.5 percent – the largest annual fall since the series began in the June 1994 quarter. This follows an 85.4 percent increase in the year to the June 2008 quarter and a 12.7 percent decrease in the year to the June 2007 quarter.

The meat and meat product manufacturing index (up 4.9 percent) made the second-largest upward contribution to the PPI inputs index this quarter. The rise in the index follows falls of 7.3 percent in the March 2009 quarter, and 1.8 percent in the December 2008 quarter. Higher schedule prices for prime sheep and lamb, and prime beef were the main reasons for the price increases in the latest quarter.

In the year to the June 2009 quarter, the meat and meat product manufacturing index rose 16.9 percent. This compares with an 11.4 percent rise in the year to the June 2008 quarter and a fall of 3.9 percent in the year to the June 2007 quarter.

Input prices for all industries fell 1.2 percent in the year to the June 2009 quarter. This is the first annual fall in the PPI inputs index since the fall of 0.3 percent in the year to the March 2004 quarter. The latest annual fall contrasts with rises of 12.3 percent in the year to the June 2008 quarter and 0.8 percent in the year to the June 2007 quarter.





Commodities

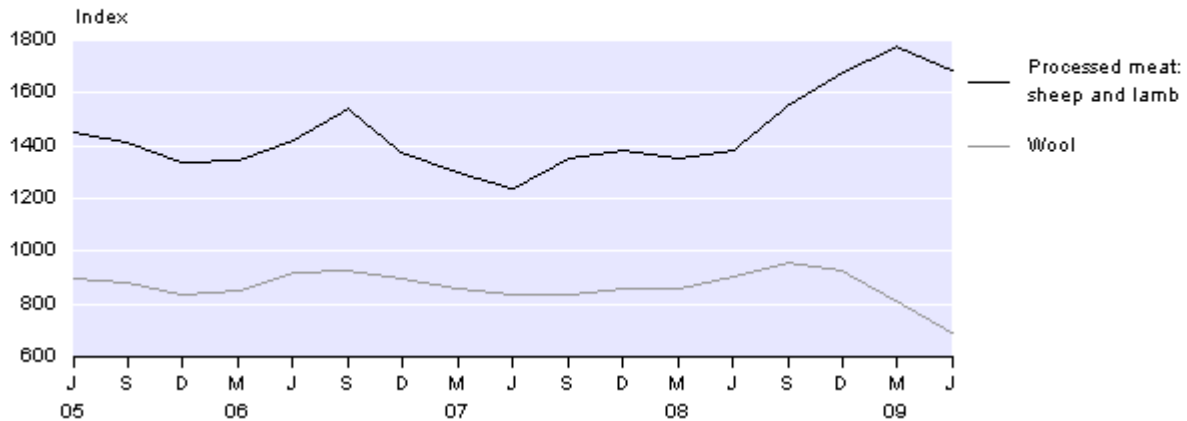
Processed meat: sheep and lamb fell 5.1 percent in the June 2009 quarter, recording the first fall since a fall of 2.4 percent in the March 2008 quarter. In comparison, the index rose 6.0 percent in the March 2009 quarter and 7.7 percent in the December 2008 quarter. The latest quarterly fall was mainly driven by lower export prices for frozen lamb cuts. The index rose 22.2 percent and 11.4 percent in the years to the June 2009 and to the June 2008 quarters, respectively, and fell 12.7 percent in the year to the June 2007 quarter.

The wool index fell 14.6 percent in the June 2009 quarter, following falls of 12.4 percent in the March 2009 quarter and 3.1 percent in the December 2008 quarter. The latest quarterly fall was partly driven by lower auction prices for crossbred wool. In the year to the June 2009 quarter, the wool index fell 23.0 percent compared with a rise of 8.3 percent in the year to the June 2008 quarter and a fall of 9.6 percent in the year to the June 2007 quarter. Both the latest quarterly and annual falls were the largest since the series began in the June 1994 quarter.

The paper index fell 9.1 percent in the June 2009 quarter, following a 0.8 percent fall in the March 2009 quarter, and an 11.3 percent rise in the December 2008 quarter. The latest fall was the largest since the series began in the June 1994 quarter and was driven by lower international prices and the exchange rate. In the years to the June 2009 and the June 2008 quarters, the paper index rose 6.9 percent and 2.6 percent respectively.

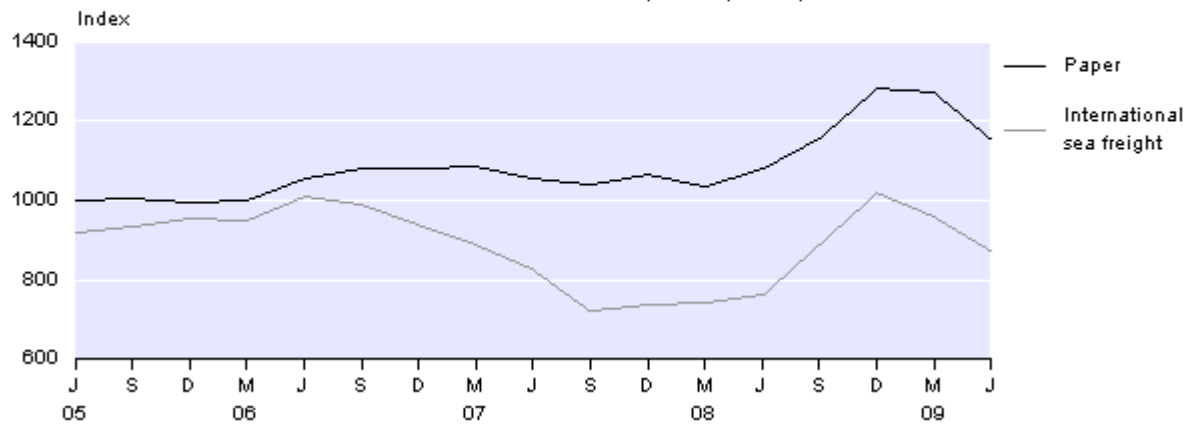
Selected Commodity Indexes

Processed meat: sheep and lamb; wool
Base: December 1997 quarter (=1000)



Selected Commodity Indexes

Paper; international sea freight
Base: December 1997 quarter (=1000)



The international sea freight index fell 9.1 percent in the June 2009 quarter, driven by the exchange rate. This followed a 5.9 percent fall in the March 2009 quarter and a 14.9 percent rise in the December 2008 quarter. In the year to the June 2009 quarter, the index rose 14.1 percent compared with the falls of 7.9 percent and 17.8 percent in the years to the June 2008 and the June 2007 quarters, respectively.

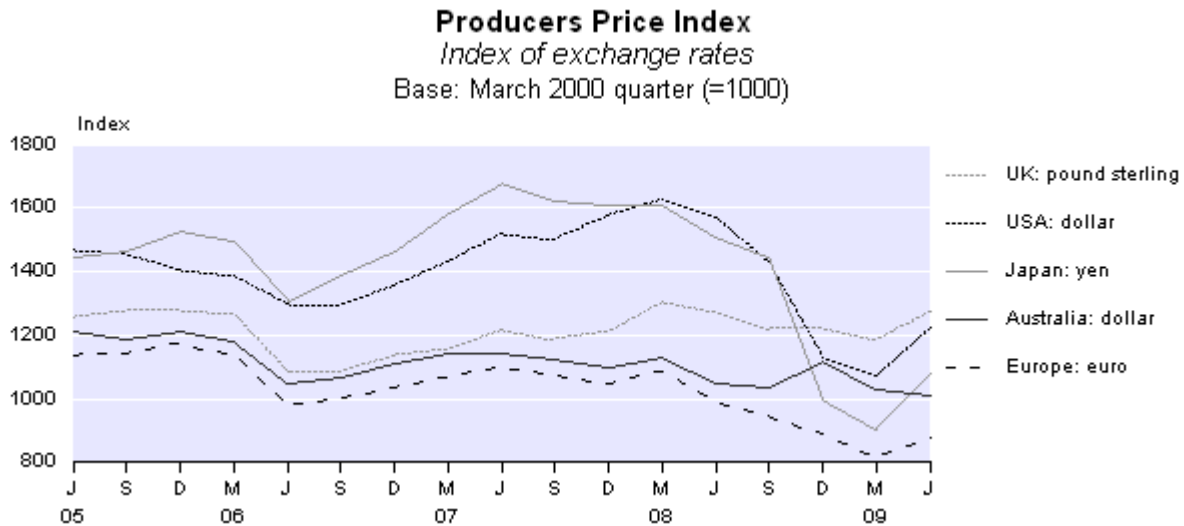
Impact of exchange rates

When calculating the PPI, prices collected on the fifteenth day of the middle month in the quarter are generally used to represent the entire quarter. Prices collected for imported goods are often denominated in foreign currencies. These currencies are converted to New Zealand dollars using the exchange rate at the time of pricing.

The New Zealand dollar appreciated against four key currencies of the country's five major trading partners in the June 2009 quarter, falling only against the Australian dollar. The table below shows changes in the value of the New Zealand dollar in foreign currency denominations from the March 2009 quarter to the June 2009 quarter.

Exchange Rates					
Bank selling rates for NZ\$1.00					
	USA (NZ\$:US\$)	UK (NZ\$:pound)	Australia (NZ\$:AUS\$)	Japan (NZ\$:yen)	Europe (NZ\$:euro)
15 February 2009	0.5155	0.3607	0.7916	47.1833	0.4006
15 May 2009	0.5899	0.3879	0.7776	56.5095	0.4315
Percentage change	14.4	7.5	-1.8	19.8	7.7

Source: Westpac Banking Corporation.



Revisions

Revisions have been made to some historical PPI series, to correct an error in the treatment of a chemical product denominated in a foreign currency. This error was introduced when a wider set of foreign currency-related errors were corrected in the June 2008 quarter.

Revisions have been made to the following series, as far back as the December 1998 quarter.

- Manufacturing outputs (PPIQ.SUC)
- Petroleum, coal and basic chemical manufacturing outputs (PPIQ.SUC10)
- Chemicals, petroleum and plastics outputs (PPIQ.SUX09)
- Manufacturing inputs (PPIQ.SNC)
- Wood product manufacturing inputs (PPIQ.SNC07)
- Petroleum, coal and basic chemical manufacturing inputs (PPIQ.SNC10)
- Chemicals, petroleum and plastics inputs (PPIQ.SNX09).

There was a small impact on the PPI all industries outputs and inputs indexes for some periods, but they have not been revised as the impact was insignificant.

The attached table gives the originally published and revised index numbers, quarterly percentage changes and annual percentage changes from the December 1998 quarter to the March 2009

quarter. The revised index numbers are also available on Infoshare (under Economic indicators, Producers Price Index).

Pricing financial services

The output of the banking sector can be broadly categorised in two ways. Firstly there are those explicit services provided by banks (and other financial intermediaries) that are explicitly charged for, such as bank account fees. Secondly, there is the general intermediation service provided by these businesses which is not explicitly charged for, but which is implicitly charged for through financial institutions lending money out at higher interest rates than they pay to depositors (or organisations from whom they borrow the funds).

Pricing the explicit services provided by financial intermediaries is relatively straightforward, and the PPI outputs index for the finance industry contains prices to represent this component of their output.

Pricing the intermediation services provided by financial institutions that are not explicitly charged for is more problematic. Within the PPI outputs index, the approach that is adopted is to determine the differential interest rate (referred to as a "spread") between banks' lending activities (referred to as "claims") compared with their borrowing activities (referred to as "funding"), and apply this spread to an inflation-adjusted base period value of financial intermediation. The 'price' that is then derived can be thought of as the charge the banks implicitly make to intermediate sufficient funds needed to purchase a base period volume of goods/services. The claims and funding rates used in this calculation are sourced from the Reserve Bank of New Zealand (<http://www.rbnz.govt.nz/statistics/monfin/c10/data.html>), while the inflation adjustment is carried out using the all groups consumers price index.

One limitation of the above approach is that the weighted average interest rates on funding, sourced from the published information available from the Reserve Bank exclude foreign currency funding, which accounted for approximately 30 percent of total registered bank funding at December 2008. The Reserve Bank has reported that it is currently working with registered banks to collect this information. Statistics NZ will incorporate this additional information to increase the coverage of bank funding interest rates in the PPI when it becomes available.

If the level of the foreign currency funding interest rates were higher than the New Zealand dollar currency funding rates, then the existing calculated spread would be too high. While this would influence the level of the calculated "price" of the implicit intermediation service, it is important to note that the PPI measures price movements rather than price levels. Thus the lack of coverage of foreign currency funding rates in the calculation of the spread would only manifest itself in the PPI if the relative movements of the foreign currency funding rates were significantly different from the relative movements of the New Zealand dollar funding rates. Statistics NZ has looked at indicative alternative sources of foreign currency funding rates, and decided to continue to publish the existing index (which does not include foreign currency funding rates) until reliable information on foreign currency funding rates becomes available.

It should also be noted that the New Zealand dollar funding costs exclude the impact of hedging, for example interest rate-swap costs incurred against fixed-rate claims. This is because the PPI is interested in the rates that were contracted to by the parties to financial intermediation transactions. The hedging arrangements, while they will impact on the bottom-line profit of the banks, are considered to be separate transactions.

Price index developments

Statistics NZ began work in 2004 on a progressive redevelopment of PPIs. This involves re-evaluating the items that are priced and the weights that are applied to them. At this stage, the redevelopment applies only to output indexes. New input indexes will be finalised once all the output indexes have been redeveloped.

The following indexes within the agriculture, forestry and fishing index (PPIQ.SUA) has been redeveloped and took effect from the June 2009 quarter:

- Horticulture and fruit growing (PPIQ.SUA01)
- Livestock and cropping farming (PPIQ.SUA02)
- Dairy cattle farming (PPIQ.SUA03)
- Other farming (PPIQ.SUA04).

There have also been redevelopments of the following two indexes:

- Mining (PPIQ.SUB)
- Retail trade (PPIQ.SUG).

For more information, please see the 'Technical notes'.

For technical information contact:
Suchindra Nanayakkara or Lisa-Jane Thomsen
Wellington 04 931 4600
Email: info@stats.govt.nz

Next release ...

Producers Price Index: September 2009 quarter will be released on
16 November 2009.

Technical notes

Note about fuel in the PPI inputs indexes

Fuel is a component of all the PPI industry inputs indexes. For these indexes, there are variations in the types of fuel included, the source and frequency of price collection, and the timing of when price movements are shown. In a number of indexes, the current practice (in place for more than a decade) has been to 'lag' by one quarter the movements for diesel and heavy fuel oil. For example, diesel and heavy fuel oil price movements that actually occurred in the September 2008 quarter were shown in the PPI road transport inputs index for the December 2008 quarter. On the other hand, petrol and light fuel oil price movements used in the PPI road transport inputs index are not lagged. Price movements for petrol and light fuel oil that occur in a particular quarter are shown in the PPI road transport inputs index for that quarter.

Statistics NZ will review the practice of lagging diesel and heavy fuel oil prices by one quarter. If a decision is made to remove the one-quarter lag for diesel and heavy fuel oil price movements included in the PPI industry inputs indexes, the removal of the lag would be implemented at a time when fuel prices are relatively stable, so as not to cause undue disruption to the long-term level of the time series, or to the latest quarterly or annual movements.

The affected indexes are listed below:

- Mining – PPIQ.SNB
- Manufacturing – PPIQ.SNC
- Paper and paper product manufacturing – PPIQ.SNC08
- Printing, publishing and recorded media – PPIQ.SNC09
- Non-metallic mineral product manufacturing – PPIQ.SNC12
- Transport and storage – PPIQ.SNI
- Road transport – PPIQ.SNI01
- Water transport – PPIQ.SNI03
- Air transport – PPIQ.SNI04
- Rail, other transport and storage services – PPIQ.SNI09
- Personal and other services – PPIQ.SNQ
- Paper, printing and publishing – PPIQ.SNX08.

Price index interpretation

Price indexes are used to measure the changes in the level of prices, not the actual level of the prices themselves. The Producers Price Index (PPI) measures prices relating to the production sector of the economy. By comparison, the Consumers Price Index measures prices relating to the household sector, and the Labour Cost Index measures prices in the labour market.

The PPI is made up of two types of indexes: the outputs index, which measures changes in the prices received by producers; and the inputs index, which measures changes in the cost of production (excluding labour and capital costs). The Farm Expenses Price Index (FEPI) measures price changes specific to the inputs into the farming industry.

PPI outputs index

The outputs index measures changes in prices received by producers.

The outputs index covers the prices of:

- primary products
- manufactured goods
- revenue from renting and leasing
- the provision of services
- capital work undertaken by own employees
- margins on goods purchased for resale.

The outputs index excludes:

- interest and dividends
- royalties and patent fees
- receipts from insurance claims
- government cash grants and subsidies
- goods and services tax (GST) and other indirect taxes.

These indexes are designed to measure price changes at a level corresponding to the prices received before the addition of commodity taxes or deduction of subsidies.

PPI inputs index

The inputs index measures price changes in costs of production, excluding labour and depreciation costs.

The inputs index covers the prices of:

- materials
- fuels and electricity
- transport and communication
- commission and contract services
- rent and lease of land, buildings, vehicles and plant
- business services
- insurance premiums less claims.

The inputs index excludes:

- wages and salaries (measured in the Labour Cost Index)
- capital expenditure/depreciation (measured in the Capital Goods Price Index)
- ACC levies, land tax, government licence fees, road user charges
- rates
- royalties, patent fees
- bad debts and donations.

GST is excluded when measuring input prices for 45 of the 47 industry input indexes. The assumption is made that those involved in activities in these industries are 'registered persons, or businesses' that provide 'taxable supply'. GST paid on intermediate consumption is recoverable under the GST credit offset system and therefore is effectively not part of the ultimate input price. Exceptions include the finance, and the ownership of owner-occupied dwellings indexes, which include some 'GST exempt' and non-recoverable GST activities. Interest costs are excluded because they are regarded as a cost of capital and not as a payment for goods or a service.

Government charges are excluded when they are used to raise tax revenue rather than the payment for goods or a service purchased from the government. This is consistent with the System of National Accounts.

Farm Expenses Price Index

The Farm Expenses Price Index (FEPI) measures price changes of fixed inputs of goods and services to the farming industry. It does not fully measure changes in the production costs of farming. This is because production costs are not solely dependent on price movements, but are also dependent on factors that affect productivity, such as technological advances, management efficiency and climate fluctuations.

Capital expenditure and depreciation are not covered. (For price indexes of capital expenditure, refer to the Capital Goods Price Index.)

The Farm Expenses Price Index is now produced for the March quarter of each year only.

Coverage

The indexes are calculated quarterly from price quotes, which are collected mainly by postal survey. Approximately 13,000 individual commodity items are surveyed from about 3,000 respondents. Prices are generally collected each quarter, according to those prevailing on the fifteenth of the middle month of the quarter being measured. Prices may be obtained monthly or annually, depending on the nature of the item.

Calculation

The PPI and FEPI are Laspeyres base-weighted price index series. The weightings are determined by the relative importance of commodities and businesses within the industry or industry group. Information from various surveys and censuses and other sources is used to determine the weightings. Further information about this is available on request.

Data quality

All care has been used in the surveying, processing, analysing and extracting of data for the Producers Price Index. However, all data are subject to possible statistical uncertainty. These variations may result, for example, from uncertainty introduced during non-response imputation, reporting difficulties for respondents, or errors made during processing survey results.

Statistics NZ adopts procedures to detect and minimise avoidable variation and eliminate errors, but they may still occur and they are not quantifiable. At higher levels of aggregations, much of the individual variability often cancels out. The PPI data have been checked for the published

indexes, and also for underlying indexes, to identify any remaining uncertainty and detectable errors. These are corrected or re-estimated, where possible.

Ongoing work to redevelop, reweight and enhance price indexes has the potential to change the underlying indexes. Accordingly, these data may be subject to revisions in the future.

Industry classification

The PPI inputs and outputs indexes cover all the major market industry groups as defined by the Australian and New Zealand Standard Industrial Classification 1993 (ANZSIC). Index numbers for industry indexes based on this classification are available from the June 1994 quarter.

The all industries inputs index is made up of 47 industry indexes. Outputs indexes are not available for public administration and defence, education, health and community services, cultural and recreational services, and personal and other services industries, as reliable estimates of output prices have yet to be developed.

Customised price indexes

Statistics NZ has a large number of unpublished sub-industry and representative commodity price indexes. These indexes are available at a small charge to cover dissemination costs.

Price index development

The following is a detailed analysis of the output indexes affected by redevelopments that took place in the June 2009 quarter.

Horticulture and fruit growing

Information used to redevelop this index is based on the Annual Enterprise Survey, the Agricultural Production Survey, information from numerous industry groups and companies involved in the industry.

There have been a number of changes to the industry since the last redevelopment in 1996. The largest change was an increase in the relative weight of kiwifruit.

Output Commodity Weights for Horticulture and Fruit Growing	
<i>March 2009 quarter</i>	
Commodity	Weight (%)
Kiwifruit	31.43
Vegetables	30.62
Pipfruit	19.62
Nursery products	4.76
Cut flowers	3.17
Other	10.40

The 'other' group includes commodities such as grapes, berryfruit, grain, stonefruit, citrus fruit, and other fruit.

Livestock and cropping farming

Information used to redevelop this index is based on the Annual Enterprise Survey, the Agricultural Production Survey, information from numerous industry groups and companies involved in the industry.

Output Commodity Weights for Livestock and Cropping Farming	
<i>March 2009 quarter</i>	
Commodity	Weight (%)
Beef – prime	33.45
Sheep and lamb – store	17.47
Sheep and lamb – prime	14.86
Wool	10.40
Beef – store	7.55
Other	16.27

The 'other' group includes commodities such as milk, grain, vegetables, deer – prime, deer – store, seed crops, deer – velvet, feed crops, and dairy cattle.

Dairy cattle farming

Information used to redevelop this index is based on the Annual Enterprise Survey, the Agricultural Production Survey, information from numerous industry groups and companies involved in the industry.

The largest change has been an increase in the milk commodity.

Output Commodity Weights for Dairy Cattle Farming	
<i>March 2009 quarter</i>	
Commodity	Weight (%)
Milk	93.73
Other	6.27

The 'other' group includes commodities such as beef – prime, beef – store, and dairy cattle.

Other farming

Information used to redevelop this index is based on the Annual Enterprise Survey, the Agricultural Production Survey, information from numerous industry groups and companies involved in the industry. The largest changes have been an increase of the eggs commodity, and a decrease in the poultry commodity.

Output Commodity Weights for Other Farming

March 2009 quarter

Commodity	Weight (%)
Pigs – prime	14.79
Eggs	14.04
Beef – prime	10.76
Deer – prime	9.42
Deer – store	8.14
Other	42.85

The 'other' group includes commodities such as milk, poultry, other animal products, sheep and lamb – store, grain, sheep and lamb – prime, other animals, beef – store, mushrooms, wool, vegetables, deer – velvet, feed crops, dairy cattle, seed crops, and pigs – store.

Note about milk in the agriculture outputs indexes

Historically, changes in the whole-milk payout have only been shown in every September quarter of the PPI. Part of the redevelopment of the four agriculture outputs indexes involved reviewing this methodology. The planned new methodology will involve taking the most recently published figure for the forecast final payout, and showing movements in this figure on a quarterly basis.

However, in order to reduce the amount of disruption to the time series, the old methodology will continue up until the September 2009 quarter. This would capture the annual movement in the payout between the September 2008 and September 2009 quarters, and show this movement in the PPI. The new methodology will then take effect from the December 2009 quarter onwards.

The dairy product manufacturing inputs index will also be affected when the new methodology is implemented.

Mining

Information used to redevelop this index is based on the Annual Enterprise Survey and companies involved in the industry.

The most significant changes since the industry was last redeveloped in 1997 has been the increase in the output of natural gas extraction, and the introduction of a gold ore component into the other mining industry.

Output Commodity Weights for Mining	
<i>March 2009 quarter</i>	
Commodity	Weight (%)
Natural gases	20.44
Crude and condensates	19.60
Gold ore	18.08
Iron sands	13.23
Other	28.65

The 'other' group includes commodities such as seismic exploration and well-drilling activities.

Retail trade

Information used to redevelop this index is based on the Annual Enterprise Survey and companies involved in the industry.

Output Commodity Weights for Retail Trade	
<i>March 2009 quarter</i>	
Commodity	Weight (%)
Vehicle maintenance and repair services	12.50
Clothing products	7.07
Other private transport services	5.29
New and used cars	4.84
Non-prescribed pharmaceutical products	4.83
Takeaway foods	4.73
Furniture	4.67
Audio-visual equipment	3.13
Motorcycles	2.67
Other	50.27

Please note that goods purchased by producers for retail sale are weighted based on the margins made, as opposed to sales turnover.

For further information on the redevelopment, please contact Patricia Jennings at info@stats.govt.nz.

Back series of indexes

Statistics NZ will provide tables of the complete back series of the current PPI and FEPI indexes on request.

More information

For more information, follow the [*link*](#) from the Technical notes of this release on the Statistics NZ website.

Copyright

Information obtained from Statistics NZ may be freely used, reproduced, or quoted unless otherwise specified. In all cases Statistics NZ must be acknowledged as the source.

Liability

While care has been used in processing, analysing and extracting information, Statistics NZ gives no warranty that the information supplied is free from error. Statistics NZ shall not be liable for any loss suffered through the use, directly or indirectly, of any information, product or service.

Timing

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

Tables

The following tables are printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

Producers Price Index

1. Producers Price Index, outputs – index numbers
2. Producers Price Index, inputs – index numbers
3. Producers Price Index, outputs, percentage change from previous quarter
4. Producers Price Index, inputs, percentage change from previous quarter
5. Producers Price Index, outputs – selected industries
6. Producers Price Index, inputs – selected industries
7. Producers Price Index, selected commodities – index numbers and percentage changes