

Business Price Indexes: March 2016 quarter

Embargoed until 10:45am – 18 May 2016

Key facts

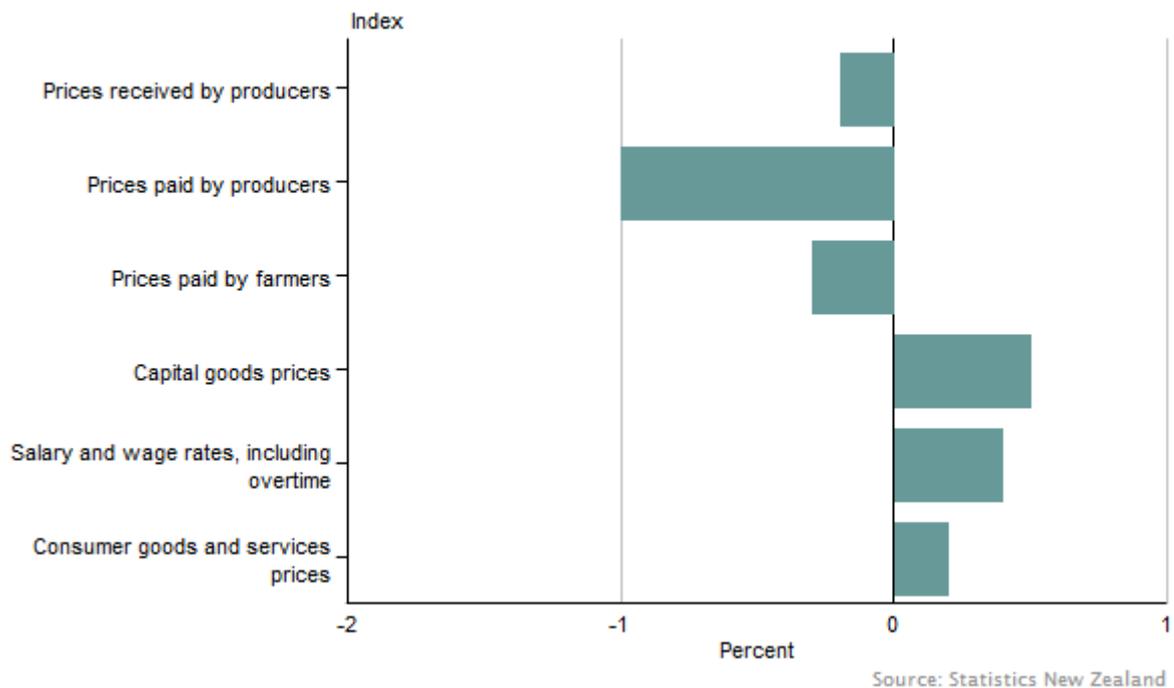
Business prices compared with December 2015 quarter:

- The output producers price index (PPI) fell 0.2 percent.
- The input PPI fell 1.0 percent.
- Both PPIs were influenced by fuel and dairy prices.
- The farm expenses price index (FEPI) fell 0.3 percent.
- The capital goods price index (CGPI) rose 0.5 percent.

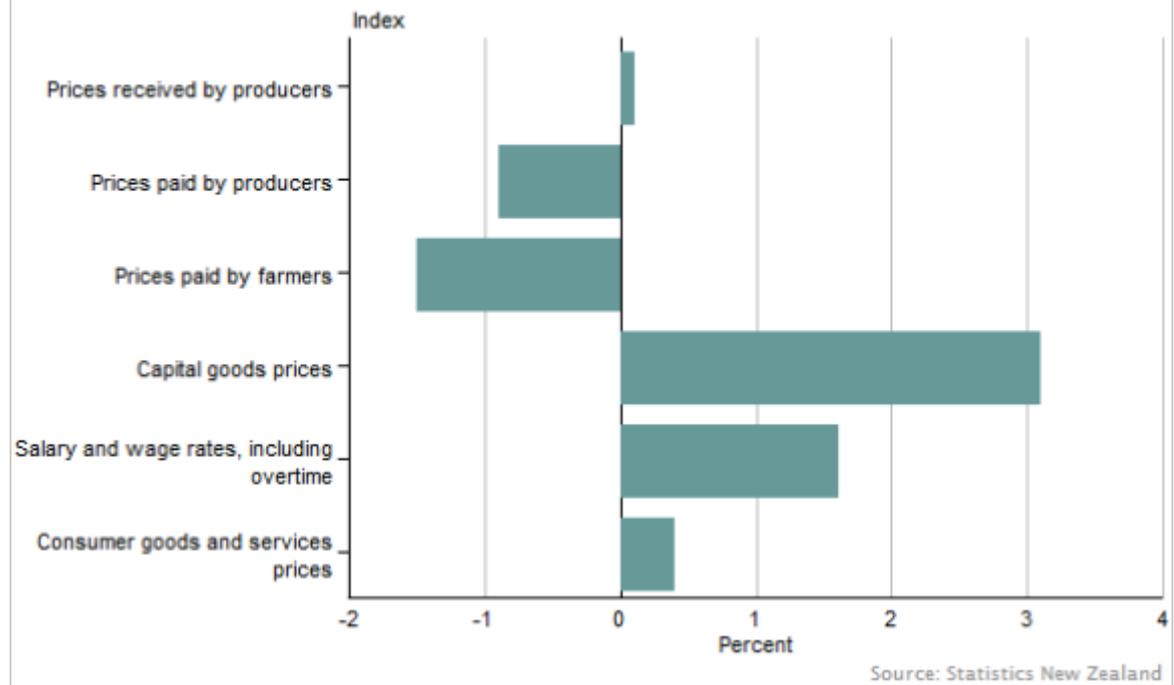
Price indexes: March 2016 quarter	Quarterly change	Annual change
Prices received by producers (output PPI)	-0.2	0.1
Prices paid by producers (input PPI)	-1.0	-0.9
Prices paid by farmers (FEPI)	-0.3	-1.5
Capital goods prices (CGPI)	0.5	3.1
Salary and wage rates, including overtime (LCI)	0.4	1.6
Prices paid by consumers (CPI)	0.2	0.4

Price indexes: December 2015 quarter	Quarterly change	Annual change
Export prices for goods (overseas trade index)	-5.7 P	-4.3 P
Import prices for goods (overseas trade index)	-3.7 P	-1.1 P
Symbol: P provisional		

Price indexes – quarterly change
March 2016 quarter



Price indexes – annual change
March 2016 quarter



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ISSN 2423-0340
18 May 2016

Commentary

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- [Fuel prices keep producer prices down](#)
- [Farming output prices fall](#)
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Overview of price movements

Producer prices fell in the March 2016 quarter, mainly influenced by fuel and dairy prices. Output prices fell 0.2 percent, and input prices fell 1.0 percent. Output prices measure how much producers receive for the goods and services they produce. Input prices measure how much producers pay for the goods and services they use.

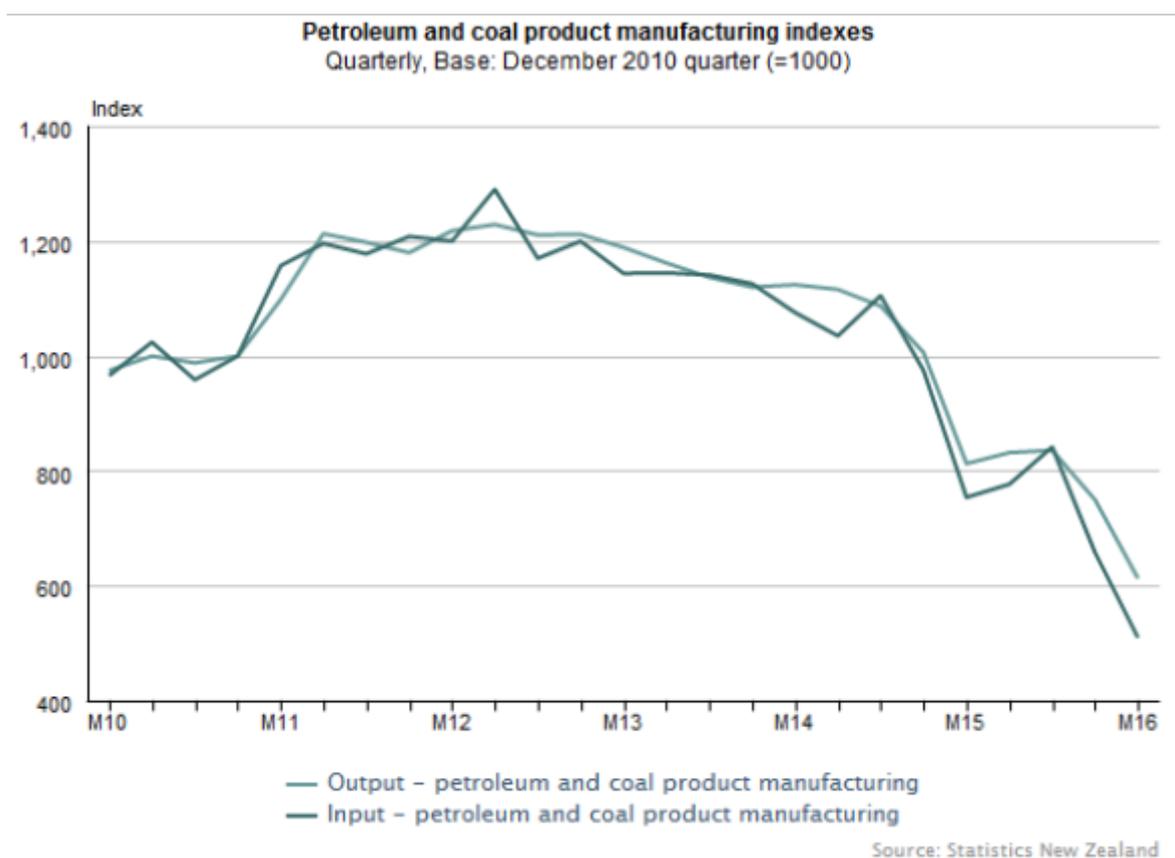
The farm expenses price index fell 0.3 percent, influenced by lower fuel prices. In contrast the capital goods price index rose 0.5 percent in the March 2016 quarter, influenced by higher prices of purchasing and construction of new residential buildings.

Price falls in petrol made the largest downward influence on the consumers price index (CPI) in the March 2016 quarter. The CPI rose 0.2 percent overall, while the CPI excluding petrol rose 0.5 percent in the March 2016 quarter.

Fuel prices keep producer prices down

Petrol and diesel continued to fall in price. Since the June 2012 quarter, the input prices for the petroleum and coal manufacturing industry have fallen by more than half.

In the March 2016 quarter, petroleum and coal manufacturing output prices (down 18 percent), and input prices (down 22 percent) fell. These indexes were influenced by lower crude oil, petrol, and diesel prices.



According to the overseas trade price indexes (OTI) for the December 2015 quarter, import prices for fuels and lubricants (primary) fell by more than 25 percent, due to lower crude oil prices.

[See Business Price Indexes: March 2016 quarter – media release](#) for further information on fuel and its impact.

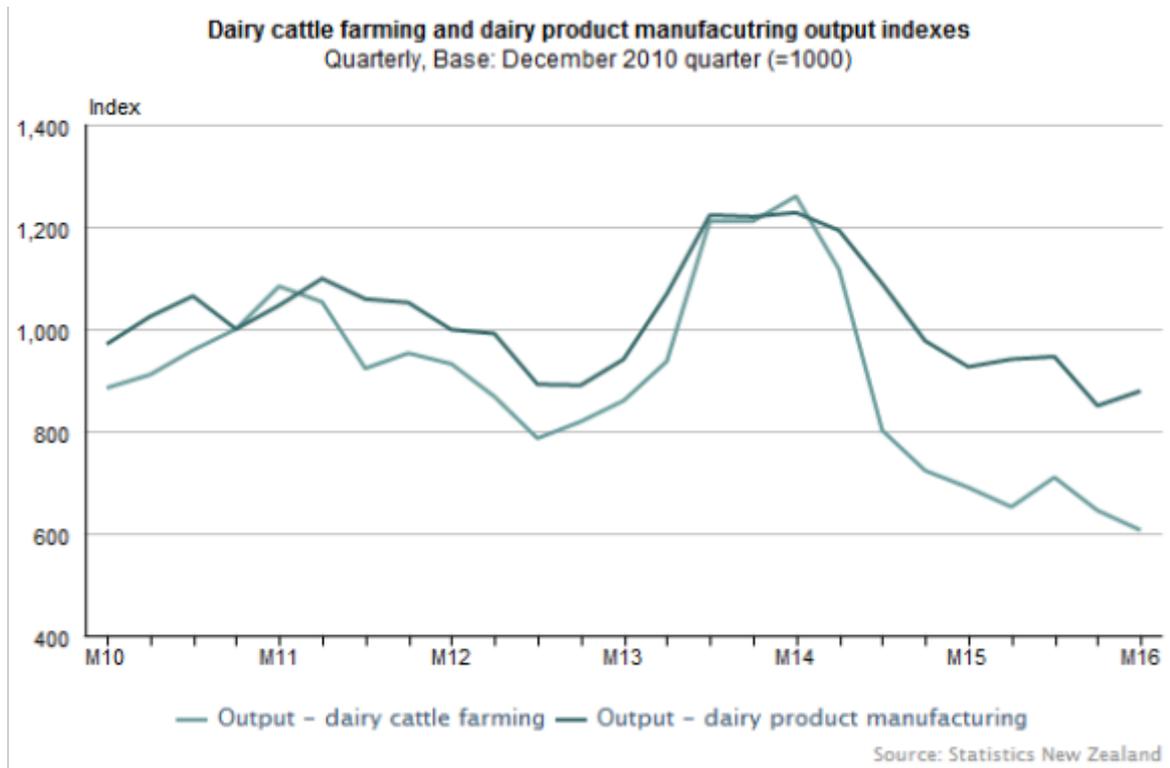
Farming output prices fall

Sheep, beef, and grain farmers' output prices fell 8.7 percent in the March 2016 quarter. The output prices for meat and meat product manufacturing fell 4.6 percent. For the December 2015 quarter, the OTI meat exports fell from an all-time high in the September 2015 quarter.

Dairy cattle farmers' output prices fell 6.0 percent. This was influenced by a further fall in the farm-gate milk price, reflecting difficult conditions in the globally traded dairy market.

The global dairy trade price index (traded in US dollars), fell throughout the January and February months of 2016. The start of the March month was the only rise for the quarter. From April 2016, global dairy prices have had some rises.

Although dairy cattle farmers' output prices fell, output prices for dairy product manufacturing rose 3.4 percent, recovering from last quarter's low.



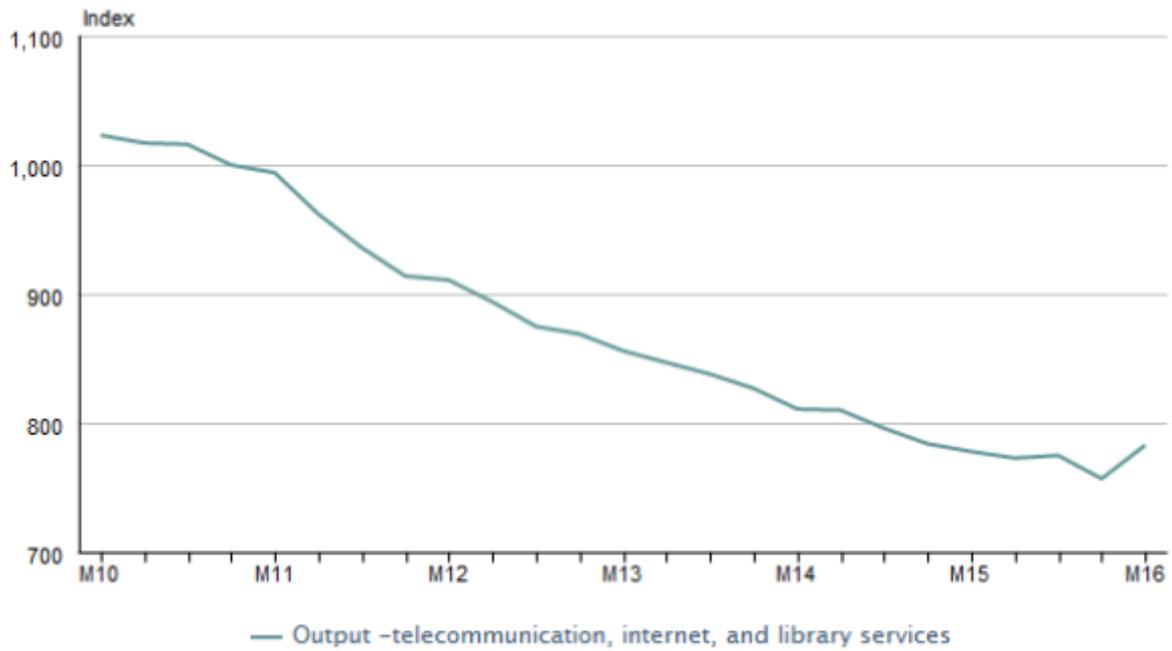
Prices for telecommunication services up

Telecommunication, internet, and library services outputs rose 3.4 percent, and inputs rose 3.2 percent.

In December 2015, the Commerce Commission ruled the new maximum wholesale broadband prices. Following this, both output prices and input prices for telecommunication, internet, and library services were influenced in the March 2016 quarter.

See [Commission releases final decision on wholesale broadband](#) for more information on the decision.

Telecommunication, internet, and library services output index
Quarterly, Base: December 2010 quarter (=1000)



Source: Statistics New Zealand

Exchange rates

See [Business Price Indexes: March 2016 – DataInfo+](#) for information on exchange rates.

For more detailed data see the Excel tables in the 'Downloads' box.

Related links

- [Next release](#)
- [Past releases](#)
- [Data quality](#)
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Next release

Business price indexes: June 2016 quarter will be released on 17 August 2016. It includes the PPI, CGPI, and FEPI.

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Past releases

[Producers price index](#) has links to past PPI and FEPI releases.

[Capital goods price index](#) has links to past releases.

Data quality

Period-specific information

[Business Price Indexes: March 2016 – DataInfo+](#)
Methodology used for this release.

General information

[Business Price Indexes data collection – DataInfo+](#)
General methodology used to produce business price indexes.

[Business Price Indexes concepts – DataInfo+](#)
Definitions of terms used in this release.

[Principles and protocols for producers of Tier 1 statistics](#)

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Tables

See the following Excel tables in the 'Downloads' box on this page. If you have problems viewing the file, see [opening files and PDFs](#).

Business price indexes

1. Summary of business price indexes – index numbers and percentage changes

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, percentage change from same quarter of previous year
6. Producers price index, inputs, percentage change from same quarter of previous year
7. Producers price index, selected commodities – index numbers and percentage changes

Capital goods price index

1. Capital goods price index
2. Capital goods price index, percentage change from previous quarter
3. Capital goods price index, percentage change from same quarter of previous year

Farm expenses price index

- 1.01 Farm expenses price index, all farms – index numbers
- 1.02 Farm expenses price index, all farms, percentage change from previous quarter
- 1.03 Farm expenses price index – all farms, percentage change from same quarter of previous year
2. Farm expenses price index, sheep, grain, and beef farms – index numbers
3. Farm expenses price index, dairy farms – index numbers
4. Farm expenses price index, horticulture and fruit-growing farms – index numbers
5. Farm expenses price index, poultry, deer, and other livestock – index numbers
6. Farm expenses price index, sheep and beef farms – index numbers
7. Farm expenses price index, cropping and other farming – index numbers

Access more data on Infoshare

Infoshare allows you to organise data in the way that best meets your needs. You can view the resulting tables onscreen or download them.

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For this release, select the following categories from the Infoshare homepage:

Subject category: **Economic Indicators**
Group: **Producers Price Index - PPI**
Group: **Capital Goods Price Index - CEP**
Subject category: **Industry sectors**
Group: **Farm Inputs - FPI**

Next release

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